## KELLAHIN & KELLAHIN Attorney at Law

W. Thomas Kellahin 706 Gonzales Road Santa Fe, New Mexico 87501

TELEPHONE 505-982-4285
FACSIMILE 505-982-2047
TKELLAHIN@COMCAST NET

April 21, 2009

#### HAND DELIVERED

Mr. Mark Fesmire, P.E., Director Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, New Mexico 87505 Case 14324

) EIVED

Re:

cc:

Application of Burlington Resources Oil & Gas Company LP For Compulsory Pooling, San Juan County, New Mexico Parts of Sections 19 & 30, T30N, R9W to be dedicated to the Mansfield Well 2B (Directional Wellbore) for Mesaverde and Dakota Commingled Production

Dear Mr. Fesmire:

On behalf of Burlington Resources Oil & Gas Company LP, please find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for Tuesday, June 2, , 2009. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Thomas Kellahin

Burlington Resources Oil & Gas Company LP

Attn: Alan Alexander

CASE /43? Application of Burlington Resources Oil & Gas Company LP for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Dakota formation underlying the following described acreage: Lots 1-4, E/2W/2 of Section 19 and Lots 1-2, E/2NW/4 of Section 30, T30N, R9W, NMPM, San Juan County, New Mexico, dedicated to a existing non-standard 310.56-acre gas spacing and proration unit (NSP Order R-35 and NSP Order R-2046) for the Mesaverde and Dakota formations respectively spaced on 320-acre spacing. This unit is to be dedicated to its Mansfield No. 2B well to be drilled and completed as a directional wellbore with a surface location in Unit B and a bottomhole location in Unit F of Section 19 for downhole commingled wellbore for production from the Dakota and Mesaverde formations. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and, pursuant to Commission Order R-11992, a 200% charge for the risk involved in this well. This unit is located approximately 11 miles south-east of the Aztec, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT

# STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY LP FOR COMPULSORY POOLING SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 14324

#### APPLICATION

Burlington Resources Oil & Gas Company LP. ("Burlington") by its attorneys, Kellahin & Kellahin, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the following described acreage: Lots 1-4, E/2W/2 of Section 19 and Lots 1-2, E/2NW/4 of Section 30, T30N, R9W, NMPM, San Juan County, New Mexico, dedicated to a existing non-standard 310.56-acre gas spacing and proration unit (NSP Order R-35 and NSP Order R-2046) for the Mesaverde and Dakota formation spaced on 320-acre spacing. This unit is to be dedicated to its Mansfield No. 2B well to be drilled and completed as a directional wellbore with a surface location in Unit B and a bottomhole location in Unit F of Section 19 for downhole commingled wellbore for production from the Dakota and Mesaverde formations. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and, pursuant to Commission Order R-11992, a charge 200% charge for the risk involved in this well.

In support of its application Burlington states:

(1) Burlington, an affiliate of ConocoPhillips Company, is a working interest owner and the proposed operator for the Mansfield Well No. 2B well to be dedicated Lots 1-4, E/2W/2 of Section 19 and Lots 1-2, E/2NW/4 of Section 30, T30N, R9W, NMPM, San Juan County, New Mexico, dedicated to a existing non-standard 310.56-acre gas spacing and proration unit

- (2) Burlington has proposed to drill, complete and operate the Mansfield Well No. 2B well and if productive to downhole commingle Dakota and Mesaverde production. See Division form C-102 attached as Exhibit "A"
- (3) By letter dated April 17, 2009, Burlington proposed the drilling of this well to the working interest owners.
- (4) The subject 320-acre spacing unit is located within the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool.
- (5) Burlington despite reasonable effort has been unable to obtain the voluntary agreement from certain interest owners in this spacing unit. Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Burlington needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.
- (6) In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest is to be pooled as listed on Exhibit "B" notifying each of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for June 2, 2009.

WHEREFORE, Burlington, as applicant, requests that this application be set for hearing on June 2, 2009 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in the appropriate spacing unit for this well at a standard well location upon terms and conditions which include:

- (a) Burlington Resources Oil & Gas Company LP be named operator.
- (b) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (c) In the event a mineral interest or working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%;
- (d) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;

(e) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:

W. THOMAS KELLAHIN KELLAHIN & KELLAHIN

706 Gonzales Road

Santa Fe, New Mexico 87501

(505) 982-4285

DISTRICT I 1825 N. French Dr., Hobbs, N.M. 88240

## State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised October 12, 2005

DISTRICT II 1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, N.M. 87410 OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Submit to Appropriate District Office State Lease — 4 Copies Fee Lease — 3 Copies

☐ AMENDED REPORT

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	Pool Code		
		N DAKOTA	
Property Code	Proper	• Well Number	
	MANS	2 B	
OGRID No.	*Operat	Elevation	
	BURLINGTON RESOURCES	OIL & GAS COMPANY LP	6162'

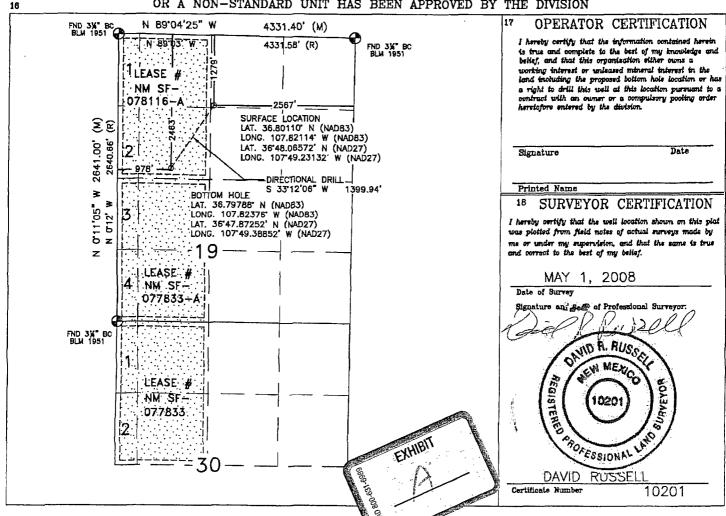
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	19	30N	9W		1279'	NORTH	2567'	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section 19	Township 30N	Range 9W	Lot Idn	Feet from the	North/South line	Feet from the	East/West line WEST	County SAN JUAN
Dedicated Acre		3014	" Joint or	Infill	W Consolidation C		WOrder No.	MESI	SAN JOAN
310.56	Acres -	(W/2)		_					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



### Exhibit "B"

Four Star Oil & Gas Company Attn: Barbara Nelms 11111 South Wilcrest Houston, TX 77099

Koch Exploration Company, LLC Attn: Morgan Connor, Land Manager 9777 Pyramid Court Suite 210 Englewood, CO 80112