

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 2, 1998

HAND DELIVERED

11989

Ms. Lori Wrotenbery, Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

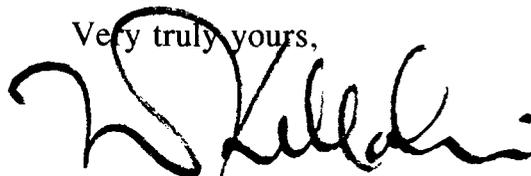
Re: Allison Unit
Application of Burlington Resources
Oil & Gas Company for approval of
four non-standard gas proration and
spacing units in the Blanco Mesaverde Gas Pool,
San Juan County, New Mexico

Dear Ms. Wrotenbery:

On behalf of Burlington Resources Oil & Gas Company, please find enclosed our referenced application which we request be set for hearing on the next available Examiner's docket now scheduled for June 25, 1998.

Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: Burlington Resources Oil & Gas Company
Attn: Mr. Alan Alexander

PROPOSED ADVERTISEMENT

Case 11989: Application of Burlington Resources Oil & Gas Company for approval of four non-standard gas spacing and proration units, San Juan County, New Mexico. Applicant seeks the approval of four non-standard gas spacing and proration units within the Allison Unit to be dedicated to any production from the Blanco Mesaverde Gas Pool, said units to be configured from Section 12, T32N, R7W and Sections 7 and 8, T32N, R6W, NMPM, San Juan County, New Mexico. These units are made necessary as a result of variations in the legal subdivision of the United States Public Land Survey and are identical to the non-standard gas spacing and proration units which have been approved for the Basin Dakota Gas Pool. Said units are located approximately 3 miles east of the intersection of New Mexico State Highway 511 and the borders of the States of New Mexico and Colorado. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT**

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE 11989

APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY FOR APPROVAL OF FOUR
NON-STANDARD GAS PRORATION AND SPACING
UNITS FOR THE BLANCO MESAVERDE GAS POOL,
SAN JUAN COUNTY, NEW MEXICO.

APPLICATION

Comes now BURLINGTON RESOURCES OIL & GAS COMPANY, by and through its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division of four non-standard gas spacing and proration units within the Allison Unit to be dedicated to any production from the Blanco Mesaverde Gas Pool, said units to be configured from Section 12, T32N, R7W and Sections 7 and 8, T32N, R6W, NMPM, San Juan County, New Mexico.

In support of its application, Burlington Resources Oil & Gas Company ("Burlington"). states:

(1) Burlington is the operator of the Allison Unit which contains certain irregular sections. **See Exhibit 1 attached.**

(2) As a result of variations in the legal subdivision of the United States Public Land Survey, there are certain sections contained within the unit which are irregular in shape and size. **See Exhibit 1 attached.**

(3) Burlington proposes the following non-standard gas proration and spacing units be formed from these irregular sections:

(a) a 399.00-acre unit consisting of the following originally surveyed description:

Township 32 North, Range 7 West

Section 12: All (being Lots 1 thru 4 and S/2)

- (b) a 308.78-acre unit consisting of the following originally surveyed description:
Township 32 North, Range 6 West
Section 7: Lots 1 thru 5; SE/4NW/4; S/2NE/4 (N/2 equivalent)
Section 8: Lots 3 and 4; SW/4NW/4; (N/2NW/4 and SW/4NW/4 equivalent)
- (c) a 318.27-acre unit consisting of the following originally surveyed description:
Township 32 North, Range 6 West
Section 7: Lots 6 and 7; E/2SW/4; and SE/4 (S/2 equivalent)
- (d) a 320.00-acre unit consisting of the following originally surveyed description:
Township 32 North, Range 6 West
Section 8: SW/4NE/4; SE/4NW/4; SW/4; and W/2SE/4

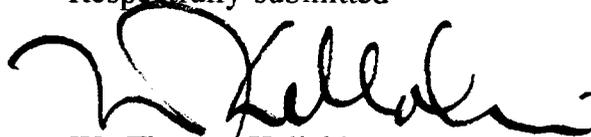
(4) These four non-standard gas proration and spacing units (using the original surveys), have been previously approved by the Division for Basin Dakota Gas Pool production. See Orders R-2046 and R-2046-A. In addition, the non-standard gas proration and spacing units for the Blanco Mesaverde Gas Pool in Irregular Sections 9, 10 and 11 of T32N, R7W were approved by Division Order R-2717.

(5) Approval of this application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blanco-Mesaverde Gas Pool, will promote the orderly development if this area, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect corrective rights.

(6) Notice of this application has been sent to all interest owners entitled to receive production from these units and the offset operators.

WHEREFORE Applicant requests that this matter be set for hearing on June 25, 1998 before a duly appointed Examiner of the Oil Conservation Division and that after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted



W. Thomas Kellahin
KELLAHIN and KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87501
(505) 982-4285
Attorneys for Applicant

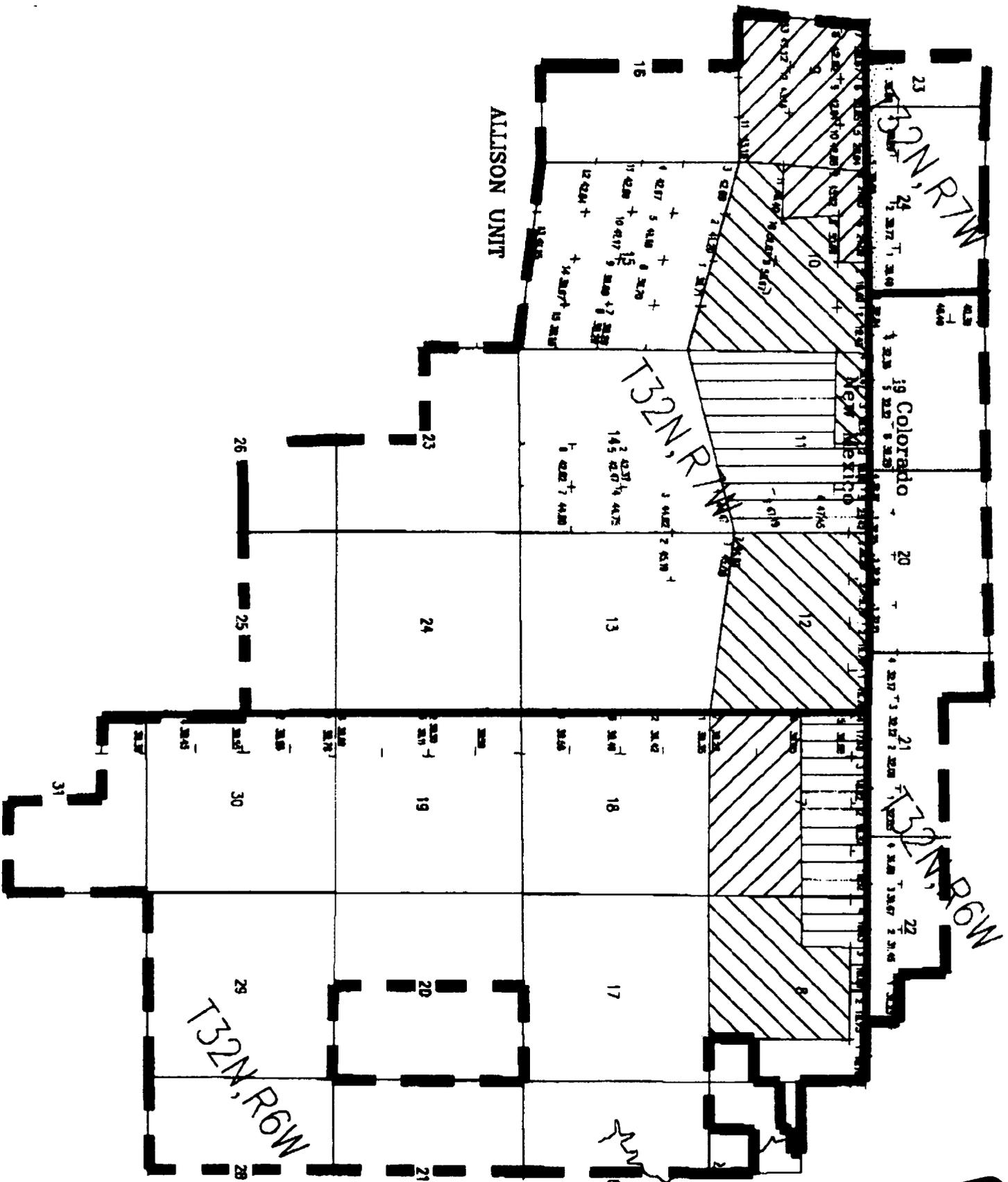


EXHIBIT
2