



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

July 23, 1998

Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Peggy Bradfield

Re: *Application for administrative approval to drill the Allison Unit Well No. 39 at an unorthodox gas well location 2640 feet from the North line and 15 feet from the East line (Unit H) of Section 18, Township 32 North, Range 6 West, NMPM, Basin-Dakota and Blanco-Mesaverde Pools, San Juan County, New Mexico.*

Dear Ms. Bradfield:

My review of your application indicates this location to be 987 feet from a producing Basin-Dakota gas well in Unit "E" of Section 17, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico and 1411 feet from a capped Blanco-Mesaverde gas well in Unit "L" of said Section 17. There are no existing Basin-Dakota or Blanco-Mesaverde wells in the E/2 of said Section 18 to drain these reserves. It therefore does not appear that adequate drainage would occur with this well being only 15 feet from the section line between Sections 17 and 18. Development of these resources would be compromised with this location.

Further, there appears to be an existing drill-site at a less "unorthodox" location available for this well in Unit "G" of said Section 18, where your Allison Unit Well No. 111 (a Basin-Fruitland Coal gas producer) is located. You failed to mention this possibility in your application.

I am greatly concerned that approval of this application would serve to establish a precedent that allows a non-government surface owner to dictate mineral development in such a manner that serves to promote waste and hinders a reasonable planned pattern of development. In New Mexico, as in most of the western States, it is understood that mineral development takes precedence over surface use, provided however the mineral developer makes a reasonable attempt to minimize surface use and damage.

This application is hereby denied.

Should Burlington not elect to: (i) move this well to a standard location; (ii) apply for directional drilling to a standard subsurface gas well location from this surface location, which is an easy process now (see Rule 111) and was not covered in your application; or, (iii) twin this well on the existing drill pad with the Allison Unit Well No. 111 in Unit "G": the application as requested will only be considered at an Examiner's Hearing. The surface owner can then appear and present arguments as to why this well cannot be drilled at a standard gas well location within either the NE/4 or SE/4 of Section 18.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
W. Thomas Kellahin, Legal Counsel for Burlington Resources - Santa Fe
Lori Wrotenbery, Director - NMOCD, Santa Fe
Kathy Valdes - NMOCD, Santa Fe

BURLINGTON RESOURCES

SAN JUAN DIVISION

Sent Federal Express

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

Re: Allison Unit #39
2640'FNL, 15'FEL Section 18, T-32-N, R-6-W, San Juan County, NM
30-045-29615

Dear Ms. Wrotenbery:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for the Blanco Mesa Verde and Basin Dakota pools. This application for the referenced location is for topographic and archaeological reasons, and especially at the request of the landowner.

Production from the Blanco Mesa Verde pool and Basin Dakota pool is to be included in a 320 acre gas spacing and proration unit comprising of the east half (E/2) of Section 18. There is no other Mesa Verde or Dakota well located in this proration unit.

The following attachments are for your review:

1. Application for Permit to Drill.
2. Completed C-102 at referenced location.
3. Offset operators/owners plat – Burlington is the offset operator.
4. 7.5 minute topographic map, and enlargement of the map to define topographic features.

We appreciate your earliest consideration of this application.

Sincerely,



Peggy Bradford
Regulatory/Compliance Administrator

xc: NMOCD - Aztec District Office
Bureau of Land Management - Farmington District Office

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-101
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address. Burlington Resources PO Box 4289, Farmington, NM 87499		¹ OGRID Number 14538
		² API Number 30 - 045-
⁴ Property Code 6784	⁵ Property Name Allison Unit	⁶ Well No. 39

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	18	32N	6W		2640	N	15	E	SJ

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
⁹ Proposed Pool 1 Basin Dakota					¹⁰ Proposed Pool 2 Blanco Mesa Verde				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code Fee	¹⁵ Ground Level Elevation 6520'GR
¹⁶ Multiple Yes	¹⁷ Proposed Depth 8076	¹⁸ Formation MV/Dk	¹⁹ Contractor N/a	²⁰ Spud Date N/a

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	32.3#	200'	188 cu.ft.	Surface
8 3/4"	7"	20.0#	3596'	540 cu.ft.	Surface
6 1/4"	4 1/2"	10.5#	3496-8076'	658 cu.ft.	TOC 3496'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

11" 2000 psi minimum double gate BOP

Note: to facilitate higher hydraulic stimulation completion work, no liner hanger will be used. In its place, a long string of 4 1/2" casing will be run and cemented with a minimum of 100' of cement overlap between the 4 1/2" and 7" casing strings. After completion of the well, a 4 1/2" retrievable bridge plug will be set below the top of cement in the 4 1/2" x 7" overlap. The 4 1/2" casing will then be backed off above the top of cement in the 4 1/2" x 7" overlap and laid down. The liner top can then be pressure tested to ensure a seal between the liner top and the 7" casing has been achieved. The test pressure shall be the maximum anticipated pressure to which the seal will be exposed (700 psi for the Mesa Verde and 2500 psi for the Dakota). The 4 1/2" bridge plug will then be retrieved and the production tubing will be run to produce the well.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Peggy Bradfield*
 Printed name: Peggy Bradfield
 Title: Regulatory/Compliance Administrator
 Date: 06-11-98
 Phone: 505-326-9700

OIL CONSERVATION DIVISION

Approved by: _____
 Title: _____
 Approval Date: _____ Expiration Date: _____
 Conditions of Approval :
 Attached

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form 1
Revised February 21,
Instructions on
Submit to Appropriate District 0
State Lease - 4 C
Fee Lease - 3 C

District II
PO Drawer 00, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REP

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-		² Pool Code 72319/71599		³ Pool Name Blanco Mesaverde/Basin Dakota	
⁴ Property Code 6784		⁵ Property Name ALLISON UNIT			⁶ Well Number 39
⁷ GRID No. 14538		⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			⁹ Elevation 6539'

¹⁰ Surface Location

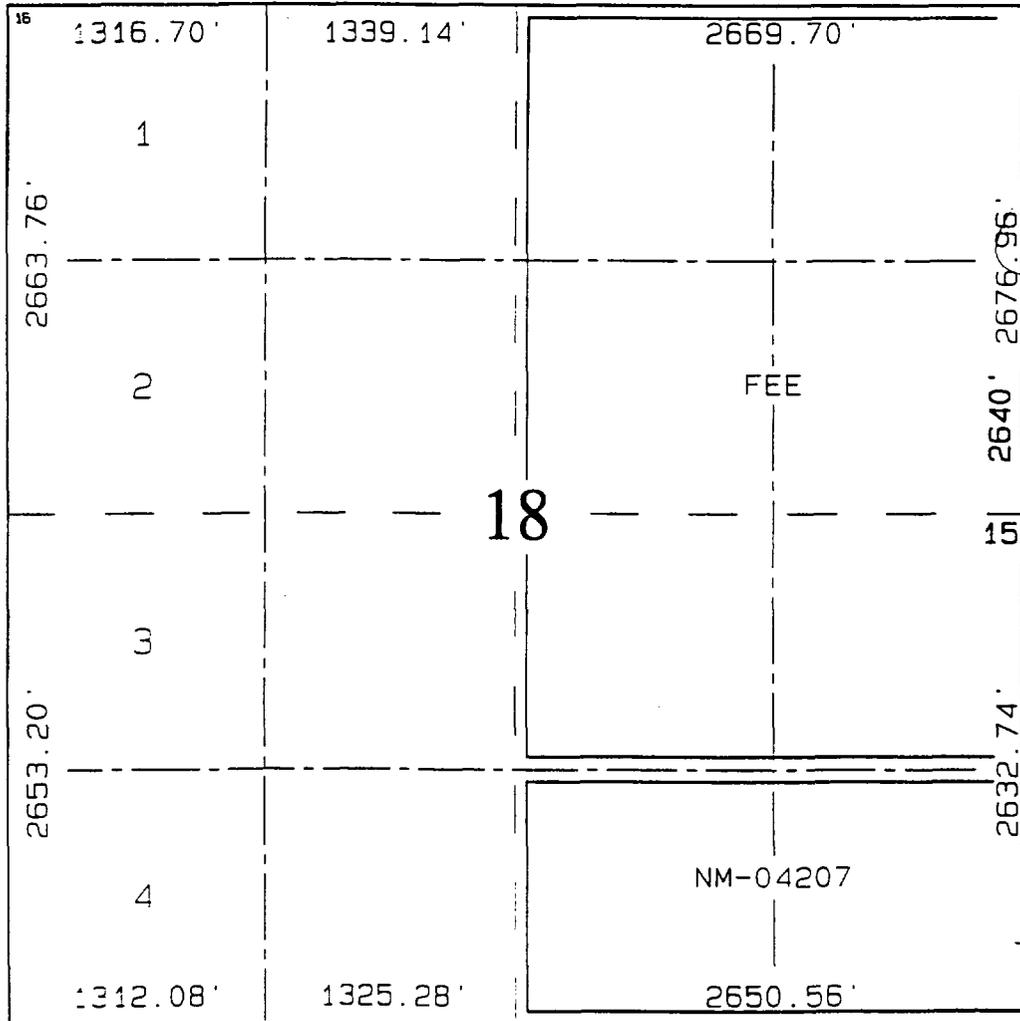
UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
H	18	32N	6W		2640	NORTH	15	EAST	SAN J

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres MV- E/320 DK- E/320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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



¹⁷ OPERATOR CERTIFICATE:
I hereby certify that the information contained here true and complete to the best of my knowledge and

Peggy Bradfield
Signature
Peggy Bradfield
Printed Name
Regulatory Administra
Title
6-11-98
Date

¹⁸ SURVEYOR CERTIFICATE:
I hereby certify that the well location shown on this was plotted from field notes of actual surveys made or under my supervision, and that the same is true correct to the best of my belief.

MAY 13, 1998
Date of Survey

Neal R. Edwards
Signature of Registered Professional Surveyor

NEAL R. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

6857
Certificate Number

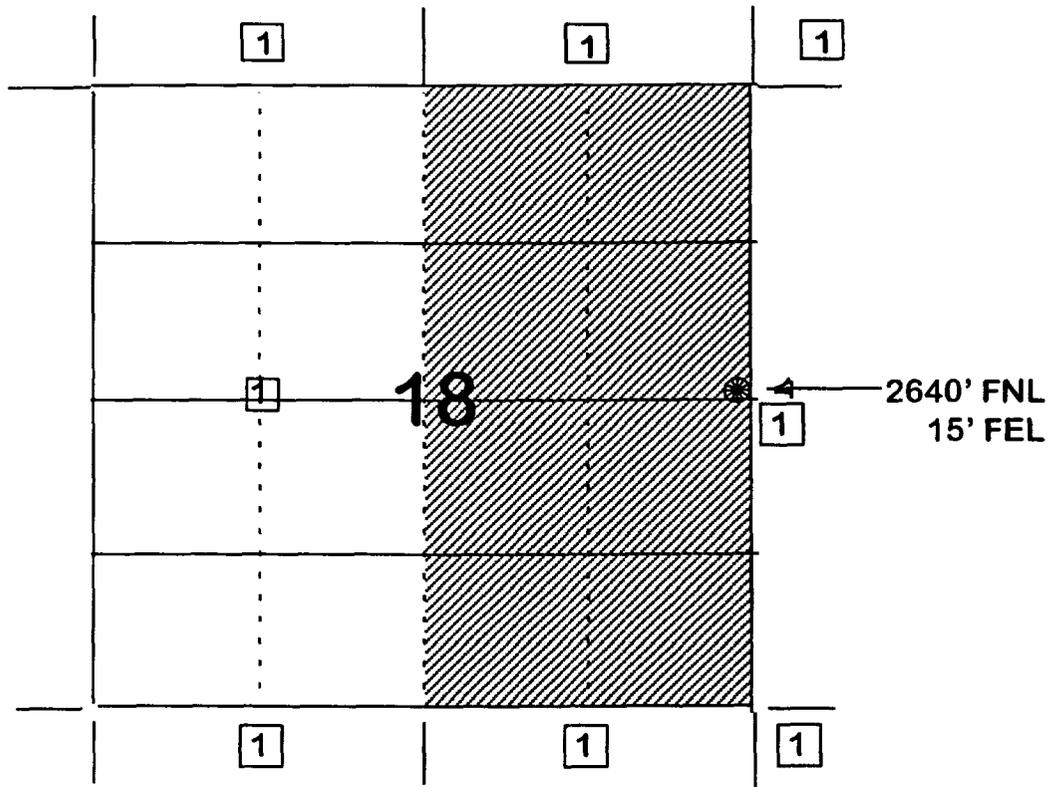
BURLINGTON RESOURCES OIL AND GAS COMPANY

**Allison Unit #39
OFFSET OPERATOR \ OWNER PLAT**

Mesaverde/Dakota Formations

Nonstandard Location

Township 32 North, Range 6 West



1) Burlington Resources

10730

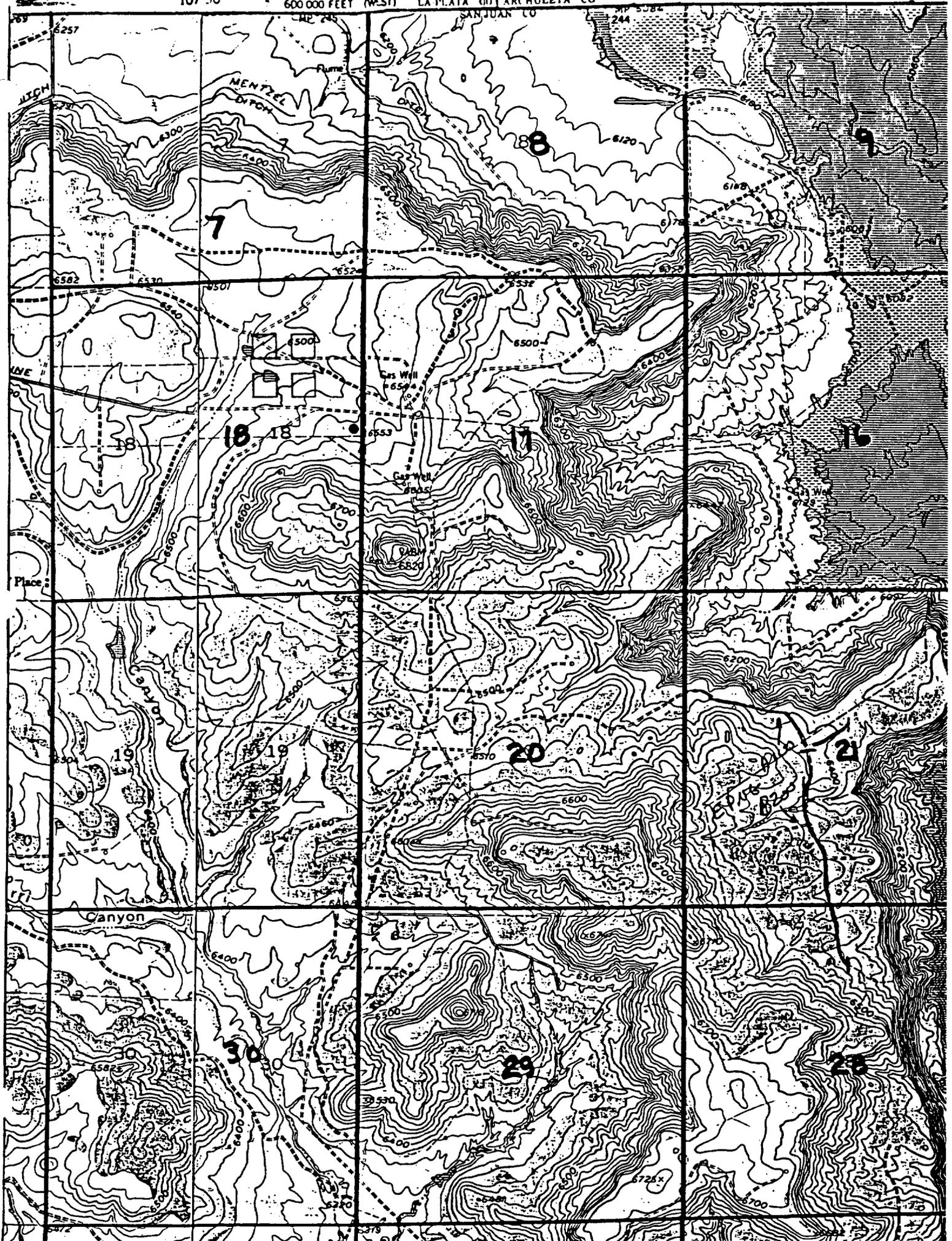
ALLISON COLO 3.2 MI
600 000 FEET (WEST)

LA PLATA CO ARCHULETA CO
SAN JUAN CO

1280000m.E.

2811

2730



107°30'

ALLISON COLO 22 MI
600 000 FEET (MST)

LA PLATA CO ARCHULETA CO

280000m

