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April 9, 2001

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HAND DELIVERED

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

JASON KELLAHIN (RETIRED 1991)

W. THOMAS KELLAHIN*

Ms. Lori Wrotenbery, Director Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87504 Case 12650

UL UU OS BEDA 2: 10

Re: Allison Unit Com Well No 64
Application of Burlington Resources
Oil & Gas Company for approval of
a 317.51 acre non-standard gas proration and
spacing unit in the Blanco Mesaverde Gas Pool,
San Juan County, New Mexico

Dear Ms. Wrotenbery:

cc:

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 May 3, 2001.

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

W. Thomas Kellahin

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

PROPOSED ADVERTISEMENT

Case 26: Application of Burlington Resources Oil & Gas Company for approval of a 317.51 acre non-standard gas spacing and proration units, San Juan County, New Mexico. Applicant seeks the approval of a non-standard gas spacing and proration units within the Allison Unit to be dedicated to any production from the Blanco Mesaverde Gas Pool, to be configured from Lots 1 and 2, the SE/4NE/4 and the E/2SE/4 of Section 8 and the SW/4 of Section 9, T32N, R6W, NMPM, San Juan County, New Mexico. This unit is made necessary as a result of variations in the legal subdivision of the United States Public Land Survey and is identical to the non-standard gas spacing and proration unit which has been approved for the Basin Dakota Gas Pool. The unit 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 12650

APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY FOR APPROVAL OF A NON-STANDARD GAS PRORATION AND SPACING UNIT 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 a non-standard gas spacing and proration units within the Allison Unit to be dedicated to any production from the Blanco Mesaverde Gas Pool, to be configured from Lots 1 and 2, the SE/4NE/4 and the E/2SE/4 of Section 8 and the SW/4 of Section 9, T32N, R6W, NMPM, San Juan County, New Mexico. This unit is made necessary as a result of variations in the legal subdivision of the United States Public Land Survey and is identical to the non-standard gas spacing and proration unit which has been approved for the Basin Dakota Gas Pool.

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 to drill its Allison Unit Com Well No. 64 as a downhole commingled Dakota and Mesaverde formation well at a location 2065 feet from the South and 145 feet from the east line (Unit I) of Section, Township 32 North Range 6 West and to be dedicated to a 317.51 acre non-standard gas proration and spacing unit consisting of the following description surveyed February 21, 2001:

Township 32 North, Range 6 West

Section 8: Lots 1 and 2 SE/4NE/4 and E/2SE/4

Section 9: SW/4

- (4) The Allison Unit Com Well No. 64 is the first Dakota/Mesaverde well within the proposed non-standard spacing and proration unit. See C-102 attached
- (5) This non-standard gas proration and spacing unit has been previously approved by the Division for Basin Dakota Gas Pool production. See Tract G on page 10 of Order R-2046 dated August 14, 1961.
- (6) 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.
- (7) 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 May 3, 2001 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

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District I PO Box 1980, Hopps, NM 88241-1980 State of New Mexico Form C-102 Revised February 21, 1994 Energy, Minerals & Natural Rosources Department Instructions on back District II PO Orawer DD. Artesia, NM 88211-0719 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies OIL CONSERVATION DIVISION PO Box 2088 District III 1000 Rio Brazos Rd. Aztec. NM 87410 Santa Fe, NM 87504-2088 AMENDED REPORT District IV PO Box 2088, Santa Fe, NM 87504-2088 WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code API Number Property Name Well Number 'Property Code ALLISON UNIT COM 64 'OGRID No. 'Operator Name F)evation BURLINGTON RESOURCES OIL & GAS COMPANY 6140 ¹⁰ Surface Location L or lot re. Let lon Frat from the North/South line feet from the Esst/West line 8 32N 2065 SOUTH 145 Ι 5W EAST SAN JUAN 11 Bottom Hole Location If Different From Surface North/South line u ar lot no. Section Foot from the County East/West line Joint or Infill Consolidation Code Decicated Acres 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 " OPERATOR CERTIFICATION 2659.14 CO/NM STATE-LINE 2573.00 I hereby centify that the informacion contained farein is true and complete to the best of my knowledge and belief LOT 3 LOT 2 LOT 4 LOT 1 545. 159.62 Signature FEE Printed Name Title **SURVEYOR CERTIFICATION LAT: 36 59.6 N C I mansby contily that the well location shown on this plat was plotted from field notes of ecual serveys each by me or under my superision, and that the same is true and correct to the best of my belief. 145 FFE REVISED: FEBRUARY 21, 2001 DECEMBER 2, 1999 2724 Date of Sup 2670.36 2698.74 Cartificate 6857