

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

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)

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

May 7, 2002

**HAND DELIVERED**

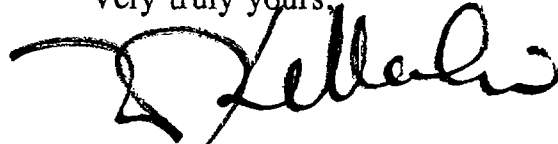
Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: James Scott Well No. 1  
N/2 Section 18, T30N. R11W  
Application of Burlington Resources Oil & Gas Company LP  
for Compulsory Pooling, San Juan County, New Mexico

Dear Ms. Wrotenbery:

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 May 30, 2002. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

cc: Burlington Resources Oil & Gas Company LP  
Attn: Alan Alexander

**CASE\_\_\_:** 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 Mesaverde Formation underlying the N/2 in Section 18, T30N, R11W, NMPM, San Juan County, New Mexico. This unit is to be dedicated to its James Scott Well No. 1 to be drilled and completed at an standard well location in Unit A of this section. Also to be considered will be the costs of drilling and completing this 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 a charge for risk involved in this well. This well will be located 1 mile west of the center of Aztec, New Mexico.

**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 FOR COMPULSORY POOLING,  
SAN JUAN COUNTY, NEW MEXICO.**

**CASE NO.** \_\_\_\_\_

**A P P L I C A T I O N**

BURLINGTON RESOURCES OIL & GAS COMPANY LP ("Burlington") by its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests in the Mesaverde Formation underlying the N/2 in Section 18, T30N, R11W, NMPM, San Juan County, New Mexico. This unit is to be dedicated to its James Scott Well No. 1 to be drilled and completed at a standard well location in Unit A of this section. Also to be considered will be the costs of drilling and completing this 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 a charge for risk involved in this well.

In support of its application, Burlington states:

1. Burlington has a working interest ownership in the oil and gas minerals in the Mesaverde Formation underlying the N/2 of Section 18, T30N, R11W, NMPM, San Juan County, New Mexico.
2. This well will be located such that it is subject to the rules for the Blanco Mesaverde Gas Pool.
3. Burlington has the voluntary agreement of certain of the working interest ownership of the oil & gas minerals in the Mesaverde Formation underlying the N/2 of Section 18.
4. Burlington, despite its good faith effort, has been unable to obtain the voluntary agreement the remaining mineral interest owner as identified on Exhibit "A".
5. 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. Burlington requests that this application be processed in accordance with Division Rule 1207.A(1)(b) and at the time of hearing will submit the data required by this rule.

7. In accordance with the Division's notice requirements, a copy of this application has been sent to the party whose interest is to be pooled as listed on Exhibit "A" notifying it 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 May 30, 2002.

WHEREFORE, Burlington Resources Oil & Gas Company LP, as applicant, requests that this application be set for hearing on May 30, 2002 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 units for the drilling of the this well at a standard well location upon terms and conditions which include:

- (1) Burlington Resources Oil & Gas Company LP be named operator;
- (2) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) 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 %
- (4) 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;
- (5) For such other and further relief as may be proper.

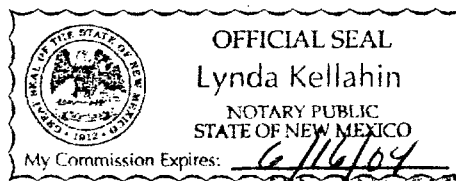
RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN  
KELLAHIN & KELLAHIN  
P. O. Box 2265  
Santa Fe, New Mexico 87501  
(505) 982-4285

**EXHIBIT "A"**

Maralex Resources, Inc.  
518 17 Street, Suite 1600  
Denver, Colorado 80202  
Attn: Patrick Keller



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)

May 6, 2002

TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW  
MEXICO OIL CONSERVATION DIVISION CASE:

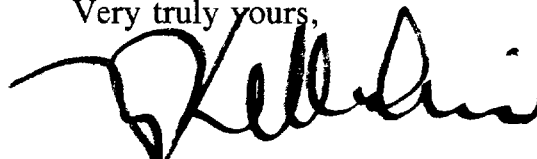
*Re: Application of Burlington Resources Oil & Gas Company  
LP for Compulsory Pooling, San Juan County,  
New Mexico*

On behalf of Burlington Resources Oil & Gas Company LP, please find enclosed our application for an compulsory pooling for its James Scott Well No. 1 which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for 8:15 AM May 30, 2002. The hearing will be held at the Division hearing room located at 1220 South San Francis, Santa Fe, New Mexico.

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, May 24, 2002, with a copy delivered to the undersigned.

Very truly yours,



W. Thomas Kellahin

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4.  
■ Print name of addressee.  
■ Address of addressee.  
■ Attention.  
1. Article

Maralex Resources Inc.  
518 17 Street Suite 1600  
Denver, CO 80202  
Attn: Patrick Keller

COMPLETE THIS SECTION ON DELIVERY

Received by (Please Print Clearly)

B. Date of Delivery

5-10-02

Signature

Is delivery address different from item 1?  
YES, enter delivery address below:

- ☐ Agent  
☐ Addressee  
☐ Yes  
☐ No

Burlington  
Meso Verde  
May 30, 2002  
5/8/02

Merchandise

☐ Yes

2. Article Number (Copy from service label)

7001 1140 0002 9563 5453

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

U.S. Postal Service

CERTIFIED  
(Domestic)

Burlington  
Meso Verde  
May 30, 2002  
5/8/02

7001 1140 0002 9563 5453

Postage

or

Return F  
(Endorser)

Restricted L  
(Endorser)

Total Postage

Maralex Resources Inc.  
518 17 Street Suite 1600  
Denver, CO 80202  
Attn: Patrick Keller

Sent To

Street, Apt. No.,  
or PO Box No.

City, State, ZIP+ 4

PS Form 3800, January 2001

See Reverse for Instructions