

11089.

M.S. 5-5-98
(5:00 PM)

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:

(REOPENED)
CASE NO. 11089
ORDER NO. R-46-D

APPLICATION OF BURLINGTON
RESOURCES OIL AND GAS COMPANY TO
AMEND DIVISION ORDER NO. R-46-C TO
PROVIDE FOR AN INFILL WELL IN THE
BARKER DOME-DESERT CREEK POOL, SAN
JUAN COUNTY, NEW MEXICO.

LW
5/7/98

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 19, 1998 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this _____ day of May, 1998, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Order No. R-13, issued in Case 213 and dated March 15, 1950, the Division, in part, created and defined the Barker Creek-Paradox (Pennsylvanian) Gas Pool for gas production from the Paradox formation in portions of Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico.

(3) By Order No. R-46, issued in Case 237 and dated December 29, 1950, the Division promulgated special rules and regulations for the Barker Creek-Paradox (Pennsylvanian) Gas Pool, including provisions for 640-acre spacing with wells to be located no closer than 1650 feet from the outer boundary of the 640-acre tract nor closer than 330 feet from its center.

(4) By Order No. R-46-A, dated February 13, 1995, as amended by Order No. R-46-B, dated November 6, 1996, the Division: (i) redesignated the Barker Creek-Paradox (Pennsylvanian) Gas Pool as the Barker Dome-Paradox Pool and contracted its vertical limits to the Lower Barker Creek and Alkali Gulch members of the Paradox formation; (ii) created three new pools for the production of gas from the Ismay, Desert Creek, and Akah/Upper Barker Creek members of the Paradox formation; and, (iii) promulgated Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools, summarized as follows:

<u>POOL NAME</u>	<u>SPACING</u>	<u>WELL LOCATION REQUIREMENTS</u>
Barker Dome-Akah/Upper Barker Creek Pool	320-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.
Barker Dome-Desert Creek Pool	320-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.
Barker Dome-Ismay Pool	160-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.

(5) By Division Order No. R-46-C, dated April 3, 1997, the Temporary Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool were extended an additional two years and the Temporary Rules and Regulations for the Barker Dome-Ismay and Barker Dome-Desert Creek Pools were permanently adopted.

(6) The applicant in this matter, Burlington Resources Oil and Gas Company, seeks an amendment to the "Special Rules and Regulations for the Barker Dome-Desert Creek Pool," as promulgated by Division Order No. R-46-A, as amended by Division Order Nos. R-46-B and R-46-C, to increase the density of wells in the Barker Dome-Desert Creek Pool from one well per 320-acre gas spacing and proration unit to two wells, provided that the infill well is located in a quarter section not containing an existing Desert Creek producing gas well.

(7) Prior to the hearing, the applicant requested this matter be dismissed.

(8) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

(1) The application of Burlington Resources Oil and Gas Company for an amendment to the "Special Rules and Regulations for the Barker Dome-Desert Creek Pool," as promulgated by Division Order No. R-46-A, as amended by Division Order Nos. R-46-B and R-46-C, to increase the density of wells in the Barker Dome-Desert Creek Pool from one well per 320-acre gas spacing and proration unit to two wells, provided that the infill well is located in a quarter section not containing an existing Desert Creek producing gas well, is hereby dismissed.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

LORI WROTENBERY
Director

S E A L



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

May 4, 1998

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

Administrative Order NSL-4028

Dear Ms. Bradfield:

Reference is made to the following: (i) your initial application to the Division dated February 10, 1998; (ii) the Division's response to said application by E-mail from Mr. Michael E. Stogner dated February 17, 1998; (iii) your response by letter dated March 11, 1998 with supplemental attachments; and, (iv) to the records of the Division in Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington") application for an unorthodox Barker Dome-Paradox "infill" gas well location on an existing 844-acre, more or less, non-standard gas spacing and proration unit for the Barker Dome-Paradox Pool, comprising all of irregular Section 10 and all of Section 15, both in Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico (approved by Division Order No. R-46-B, dated November 6, 1996, as amended by Division Order No. R-46-C, dated April 3, 1997). Said non-standard 844-acre unit is currently dedicated to Burlington's Ute Well No. 4 (API No. 30-045-11479), located 540 feet from the South line and 1980 feet from the West line (Unit N) of said irregular Section 10.

This application has been duly filed under the provisions of Rule 104.F of the Division's General Rules and Regulations.

By the authority granted me under the provisions of the "*Special Rules and Regulations for the Barker Dome-Paradox Pool*," as promulgated by Division Order No. R-46, dated December 29, 1950, as amended by Division Order Nos. R-46-A, R-46-B, and R-46-C, and by Division General Rule 104.F(2), the following described well to be drilled at an unorthodox "infill" gas well location in said Section 15 is hereby approved:

**Ute Mountain Ute Well No. 52
1620' FSL - 1765' FEL (Unit J)
(API No. 30-045-29570)**

Pursuant to Decretory Paragraph No. (3) on page 11 of said Order No. R-46-B, both the Ute Well No. 4 and Ute Mountain Ute Well No. 52 shall be simultaneously dedicated to the subject 844-acre unit.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: Case 11089 /



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

May 5, 1998

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

Administrative Order NSL-4029

Dear Ms. Bradfield:

Reference is made to the following: (i) your initial application to the Division dated February 10, 1998; (ii) the Division's response to said application by E-mail from Mr. Michael E. Stogner dated February 17, 1998; (iii) your response by letter dated March 11, 1998 with supplemental attachments; and, (iv) the records of the Division in Santa Fe: all of which concern Burlington Resources Oil & Gas Company's ("Burlington") request to drill the proposed Ute Mountain Ute Well No. 54 970 feet from the South line and 1330 feet from the East line (Unit O) of Section 21, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico, in order to test the entire Pennsylvanian System, which includes the Hermosa formation and the Barker Dome-Ismay, Barker Dome-Desert Creek, Barker Dome-Akah/Upper Barker Creek, and Barker Dome-Paradox Pools for gas production.

THE DIVISION DIRECTOR FINDS THAT:

- (1) This application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division");
- (2) Burlington's requested unorthodox gas well location for the Ute Mountain Ute Well No. 54 is due to topographic conditions, the presence of archaeology, and the request of the Ute Mountain Ute Indian Tribe for minimum surface disturbance in the immediate area;
- (3) For the **Hermosa** interval the proposed Ute Mountain Ute Well No. 54 is not currently located within a designated Hermosa producing pool nor is it within two miles of such a designated pool; therefore, said well can be properly classified as a "wildcat" Hermosa gas well that is located outside of the surface outcropping of the Pictured Cliffs formation and is subject to Rule 104.B(2)(b)(ii) of the Division's General Rules and Regulations for "deep wildcat gas wells" in San Juan County, New Mexico, which provides for 160-acre gas spacing and proration units and

requires that wells be located no closer than 790 feet from the outer boundary of the spacing and proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary;

- (4) For the Ismay interval the proposed Ute Mountain Ute Well No. 54 is within the boundary of the Barker Dome-Ismay Pool and is therefore subject to the "*Special Rules and Regulations for the Barker Dome-Ismay Pool*," as promulgated by Division Order No. R-46-A, dated February 13, 1995, as amended by Division Order Nos. R-46-B, dated November 6, 1996, and R-46-C, dated April 3, 1997, which includes provisions for 160-acre gas spacing and proration units with wells to be located no closer than 790 feet from the outer boundary of the proration and spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary;
- (5) For the Desert Creek interval the proposed Ute Mountain Ute Well No. 54 is within the boundary of the Barker Dome-Desert Creek Pool and is therefore subject to the "*Special Rules and Regulations for the Barker Dome-Desert Creek Pool*," as promulgated by Division Order No. R-46-A, as amended by said Division Order Nos. R-46-B and R-46-C, which includes provisions for 320-acre gas spacing and proration units with wells to be located no closer than 790 feet from the outer boundary of the proration and spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary;
- (6) For the Akah/Upper Barker Creek interval the proposed Ute Mountain Ute Well No. 54 is within the boundary of the Barker Dome-Akah/Upper Barker Creek Pool and is therefore subject to the "*Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool*," as promulgated by said Division Order No. R-46-A, as amended by said Division Order Nos. R-46-B and R-46-C, which, as for the Desert Creek interval, includes provisions for 320-acre gas spacing and proration units with wells to be located no closer than 790 feet from the outer boundary of the proration and spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary;
- (7) For the Lower Barker Creek and Alkali Gulch intervals the proposed Ute Mountain Ute Well No. 54 is within the boundary of the Barker Dome-Paradox Pool and is therefore subject to the "*Special Rules and Regulations for the Barker Dome-Paradox Pool*," as promulgated by said Division Order No. R-46, dated December 29, 1950, as amended by said Division Order Nos. R-46-A, R-46-B and R-46-C, which includes provisions for 640-acre gas spacing and proration units with wells no closer than 330 feet to the center of the respective sections and 1650 feet from

boundaries within the boundaries of said Barker Dome-Paradox Pool;

- (8) Gas production from the proposed Ute Mountain Ute Well No. 54:
- (a) attributed to the Hermosa and Ismay intervals is to be dedicated to the SE/4 of said Section 21 in order to form a standard 160-acre gas spacing and proration unit;
 - (b) attributed to the Desert Creek and Akah/Upper Barker Creek intervals is to be dedicated to the S/2 of said Section 21 in order to form a standard 320-acre gas spacing and proration unit; and,
 - (c) attributed to the Barker Dome-Paradox Pool is to be dedicated to the standard 640-acre gas spacing and proration unit comprising all of said Section 21; and,
- (9) Pursuant to Division General Rules 104.F(2) and Rule 5 of the "*Special Rules and Regulations for the Barker Dome-Ismay Pool*," Rule 5 of the "*Special Rules and Regulations for the Barker Dome-Desert Creek Pool*," Rule 5 of the "*Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool*," and the "*Special Rules and Regulations for the Barker Dome-Paradox Pool*," the unorthodox gas well location of Burlington's Ute Mountain Ute Well No.54, as described above, should be approved at this time.

IT IS THEREFORE ORDERED THAT:

- (1) Burlington Resources Oil & Gas Company ("Burlington") is hereby authorized to drill its Ute Mountain Ute Well No. 54 at an unorthodox gas well location 970 feet from the South line and 1330 feet from the East line (Unit O) of Section 21, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico, within the Hermosa formation and the Barker Dome-Ismay, Barker Dome-Desert Creek, Barker Dome-Akah/Upper Barker Creek, and Barker Dome-Paradox Pools.
- (2) For the Hermosa formation and the Barker Dome-Ismay Pool, the 160-acre standard gas spacing and proration unit comprising the SE/4 of said Section 21 is to be dedicated to said well.
- (3) For the Barker Dome-Desert Creek and Barker Dome-Akah/Upper Barker Creek Pools, the 320-acre standard gas spacing and proration unit comprising the S/2 of said Section 21 is to be dedicated to said well.

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Burlington Resources Oil & Gas Company
May 5, 1998
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(4) For the Barker Dome-Paradox Pool, the 640-acre standard gas spacing and proration unit comprising all of said Section 21 is to be dedicated to said well.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Durango, Colorado
File: Case 11089



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

May 4, 1998

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

Administrative Order NSL-4027

Dear Ms. Bradfield:

Reference is made to the following: (i) your initial application to the Division dated February 9, 1998; (ii) the Division's response to said application by E-mail from Mr. Michael E. Stogner dated February 17, 1998; (iii) your response by letter dated March 11, 1998 with supplemental attachments; and, (iv) the records of the Division in Santa Fe: all of which concern Burlington Resources Oil & Gas Company's ("Burlington") request to drill the proposed Ute Mountain Ute Well No. 51 1500 feet from the South line and 2270 feet from the West line (Unit K) of Section 14, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico, in order to test the entire Pennsylvanian System, which includes the Hermosa formation and the Barker Dome-Ismay, Barker Dome-Desert Creek, Barker Dome-Akah/Upper Barker Creek, and Barker Dome-Paradox Pools for gas production.

THE DIVISION DIRECTOR FINDS THAT:

- (1) Burlington's requested location for the Ute Mountain Ute Well No. 51 is due to topographic conditions, the presence of archaeology, and the request of the Ute Mountain Ute Indian Tribe for minimum surface disturbance in the immediate area;
 - (2) For the **Hermosa** interval the proposed Ute Mountain Ute Well No. 51 is not currently located within a designated Hermosa producing pool nor is it within two miles of such a designated pool; therefore, said well can be properly classified as a "wildcat" Hermosa gas well that is located outside of the surface outcropping of the Pictured Cliffs formation and is subject to Rule 104.B(2)(b)(ii) of the Division's General Rules and Regulations for "deep wildcat gas wells" in San Juan County, New Mexico, which provides for 160-acre gas spacing and proration units and requires that wells be located no closer than 790 feet from the outer boundary of the spacing and proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary;
 - (3) For the **Ismay** interval the proposed Ute Mountain Ute Well No. 51 is within the
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boundary of the Barker Dome-Ismaï Pool and is therefore subject to the "*Special Rules and Regulations for the Barker Dome-Ismaï Pool*," as promulgated by Division Order No. R-46-A, dated February 13, 1995, as amended by Division Order Nos. R-46-B, dated November 6, 1996, and R-46-C, dated April 3, 1997, which includes provisions for 160-acre gas spacing and proration units with wells to be located no closer than 790 feet from the outer boundary of the proration and spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary;

- (4) For the **Desert Creek** interval the proposed Ute Mountain Ute Well No. 51 is within the boundary of the Barker Dome-Desert Creek Pool and is therefore subject to the "*Special Rules and Regulations for the Barker Dome-Desert Creek Pool*," as promulgated by Division Order No. R-46-A, as amended by Division Order Nos. R-46-B and R-46-C, which includes provisions for 320-acre gas spacing and proration units with wells to be located no closer than 790 feet from the outer boundary of the proration and spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary;
- (5) For the **Akah/Upper Barker Creek** interval the proposed Ute Mountain Ute Well No. 51 is within the boundary of the Barker Dome-Akah/Upper Barker Creek Pool and is therefore subject to the "*Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool*," as promulgated by Division Order No. R-46-A, as amended by Division Order Nos. R-46-B and R-46-C, which, as for the Desert Creek interval, includes provisions for 320-acre gas spacing and proration units with wells to be located no closer than 790 feet from the outer boundary of the proration and spacing unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary; and,
- (6) For the **Lower Barker Creek and Alkali Gulch** intervals:
 - (a) the proposed Ute Mountain Ute Well No. 51 is within the boundary of the Barker Dome-Paradox Pool and is therefore subject to the "*Special Rules and Regulations for the Barker Dome-Paradox Pool*," as promulgated by Division Order No. R-46, dated December 29, 1950, as amended by Division Order Nos. R-46-A, R-46-B and R-46-C, which includes provisions for 640-acre gas spacing and proration units with wells no closer than 330 feet to the center of the respective sections and 1650 feet from boundaries within the boundaries of said Barker Dome-Paradox Pool; and,
 - (b) Division Order No. R-46-B also provided for an 842-acre non-

standard gas spacing and proration unit comprising all of irregular Section 11, and all of Section 14, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico to be established for Barker Dome-Paradox Pool gas production [see Decretory Paragraph No. (2) of Order No. R-46-B];

- (7) Gas production from the proposed Ute Mountain Ute Well No. 51:
 - (a) attributed to the Hermosa and Ismay intervals is to be dedicated to the SW/4 of said Section 14 in order to form a standard 160-acre gas spacing and proration unit;
 - (b) attributed to the Desert Creek and Akah/Upper Barker Creek intervals is to be dedicated to the S/2 of said Section 14 in order to form a standard 320-acre gas spacing and proration unit; and,
 - (c) attributed to the Barker Dome-Paradox Pool is to be dedicated to the previously approved 842-acre non-standard gas spacing and proration unit;
- (8) Pursuant to the special rules governing the Barker Dome-Desert Creek and Barker Dome Akah/Upper Barker Creek Pools the location of the proposed Ute Mountain Ute Well No. 51 is considered to be orthodox for said 320-acre standard gas spacing and proration unit;
- (9) The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"); and,
- (10) Pursuant to Division General Rules 104.F(2) and Rule 5 of the "*Special Rules and Regulations for the Barker Dome-Ismay Pool*," and the "*Special Rules and Regulations for the Barker Dome-Paradox Pool*" the unorthodox gas well location of Burlington's Ute Mountain Ute Well No.51, as described above, in the Hermosa formation and the Barker Dome-Ismay and Barker Dome-Paradox Pools should be approved.

IT IS THEREFORE ORDERED THAT:

- (1) Burlington Resources Oil & Gas Company ("Burlington") is hereby authorized to drill its Ute Mountain Ute Well No. 51 at an unorthodox gas well location 1500 feet from the South line and 2270 feet from the West line (Unit K) of Section 14, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico, within the Hermosa formation and the Barker Dome-Ismay

NMPM, San Juan County, New Mexico, within the Hermosa formation and the Barker Dome-Ismay and Barker Dome-Paradox Pools.

(2) For the Hermosa formation and the Barker Dome-Ismay Pool, the 160-acre standard gas spacing and proration unit comprising the SW/4 of said Section 14 is to be dedicated to said well.

(3) For the Barker Dome-Paradox Pool, the previously approved 842-acre non-standard gas spacing and proration unit comprising all of irregular Section 11 and all of Section 14, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico is to be dedicated to said well.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Durango, Colorado
File: Case 11089