

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



November 25, 2008

Burlington Resources Oil & Gas Company, LP
Attn: Ms. Patsy Clugston
3401 E. 30th Street
Farmington, NM 87401

Administrative Order NSL-3893-A

 **Re: Ute Com Well No. 23**
API No. 30-045-29265
1820 feet FNL and 1580 feet FEL
Unit G, Section 19-32N-14W
San Juan County, New Mexico

RCVD DEC 10 '08
OIL CONS. DIV.

DIST. 3

Dear Ms. Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-30439123**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on October 29, 2008,

(b) your supplemental email sent November 25, 2008, and

(c) the Division's records pertinent to this request.

Burlington Resources Oil & Gas Company, LP (Burlington) has requested to re-complete the above-referenced well at unorthodox bottom hole gas well locations in the Barker Dome-Ismay and Barker Dome-Hermosa formations. The proposed bottom hole location in the Ismay is approximately 2279 feet from the North liner and 1297 from the East line (Unit H) of Section 19. The proposed bottom hole location in the Hermosa is approximately 2075 feet from the North line and 1372 feet from the East line (Unit G) of Section 19. The NE/4 of Section 19 will be dedicated to this well in order to form a standard 160-acre gas spacing unit in the Barker Dome-Ismay Gas Pool (96354), and in the Wildcat Barker Dome Hermosa Gas Pool (97582).

The Barker Dome-Ismay Gas Pool is governed by the Special Rules and Regulations for the Barker Dome-Ismay Pool, as adopted by Order No. R-46-A, effective February 13, 1995, which provide for 160-acre units, with wells to be located at least 790 feet from any unit outer boundary



November 25, 2008

Page 2

and at least 130 feet from any quarter-quarter section line. The proposed bottom hole location in the Ismay is less than 790 feet from the southern unit boundary and less than 130 feet from the boundary between the SE/4 NE/4 and the SW/4 NE/4 of Section 19.

Spacing in the Hermosa is governed by statewide Rule 104.C(3), which provides for 160-acre units, with wells located at least 660 feet from a unit outer boundary. The proposed bottom hole location in the Hermosa is less than 660 feet from the southern unit boundary.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location in order to utilize an existing wellbore that was previously completed in a different formation.

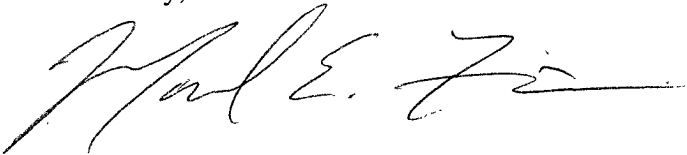
It is also understood that notice of this application to offsetting operators or owners is unnecessary because Burlington's parent, ConocoPhillips, owns 100% of the working interest in the offsetting units towards which this location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", written in a cursive style.

Mark E. Fesmire, P.E.

Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management - Farmington