

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Jennifer A. Salisbury
Cabinet Secretary

July 3, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Burlington Resources Oil & Gas Company P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Peggy Cole

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Administrative Order NSL-4478

Dear Ms. Cole:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on June 28, 2000 for an exception to the well location requirements provided within the 'Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987, for a non-standard Basin-Dakota infill gas well location within an existing standard 318.72-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool comprising Lots 1 through 4 and the N/2 S/2 (S/2 equivalent) of Section 32, Township 28 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Burlington's San Juan "28-5" Unit Well No. 56 (API No. 30-039-07228), located a standard gas well location 800 feet from the South line and 1650 feet from the West line (Lot 3/Unit N) of Section 32.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill gas well location in Section 32 is hereby approved:

San Juan "28-5" Unit Well No. 56-M 1650' FSL & 661' FEL (Unit I) 32 - 28N - 5 (API No. 30-039-26255).

Further, both of the aforementioned San Juan "28-5" Unit Well Nos. 56 and 56-M and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington