



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

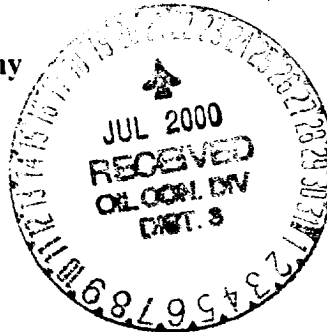
GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 19, 2000

Lori Wrotenbery
Director
Oil Conservation Division

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

Telefax No. (505) 326-9833



Administrative Order NSL-4491

Dear Ms. Cole:

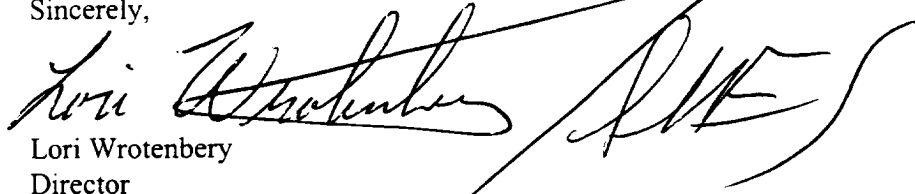
Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on June 29, 2000; and (ii) the Division's records in Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an off-pattern non-standard Basin-Fruitland coal gas well location for the existing Hudson "J" Well No. 3 (API No. 30-045-11770), located 1750 feet from the North line and 990 feet from the West line (Unit E) of Section 35, Township 30 North, Range 12 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico.

According to the Division's well records the Hudson "J" Well No. 3 was initially drilled in 1966 by Aztec Oil and Gas Company and completed at a standard gas well location as an initial well in the Basin-Dakota Pool within a standard 320-acre stand-up gas spacing and proration unit comprising the W/2 of Section 35.

It is our understanding that Burlington intends to abandon the Dakota interval in this well at this time and to recompleat up-hole into the Basin-Fruitland Coal (Gas) Pool. Pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, the location of this well is considered to be unorthodox. Further, the W/2 of Section 35 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of these special pool rules the above-described unorthodox coal gas well location for the Hudson "J" Well No. 3 is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

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