



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

April 29, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

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

Attention: Joni Clark
Regulatory Specialist
Jclark@br-inc.com

Administrative Order NSL-5046

Dear Ms. Clark:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on April 9, 2004 (***administrative application reference No. pMES0-411232073***); and (iii) the Division's records in Aztec and Santa Fe, including the files in Case No. 9975 and on Administrative Order NSL-4080: all concerning Burlington Resources Oil & Gas Company ("Burlington") request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for a non-standard infill gas well location within an existing non-standard 196.56-acre stand-up gas spacing unit (approved by Division Order No. R-9222, issued in Case No. 9975 on July 13, 1990) for the Basin-Fruitland Coal (Gas) Pool (71629) comprising Lots 7 through 10 and 15 through 18 (W/2 equivalent) of Irregular Section 30, Township 32 North, Range 9 West, NMPM, San Juan County, New Mexico.

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*"; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

This non-standard unit is currently dedicated to Burlington's San Juan "32-9" Unit Well No. 277 (**API No. 30-045-28014**), located at a standard coal gas well location 1160 feet from the South line and 790 feet from the West line (Lot 18/Unit N) of Irregular Section 30.

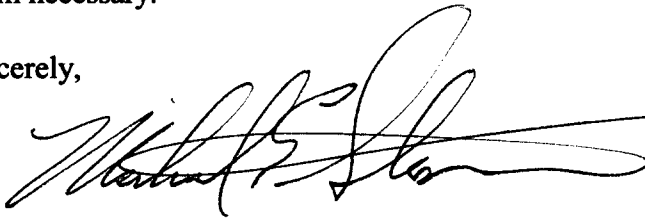
By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the following described unorthodox infill gas well location to be drilled within the above-described non-standard 196.56-acre stand-up coal gas spacing unit is hereby approved:

San Juan "32-9" Unit Well No. 277-S
1630' FN & WL (Lot 10/Unit F)
(API No. 30-045-32137).

Further, Burlington is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from its existing San Juan "32-9" Unit Well No. 277 with the proposed San Juan "32-9" Unit Well No. 277-S.

Jurisdiction of this cause 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 "Michael E. Stogner", with a long horizontal line extending to the right.

Michael E. Stogner
Engineer/Hearing Officer

MS/mes

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington
Case No. 9975