



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

April 14, 2003

Lori Wrotenbery
Director
Oil Conservation Division

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

Telefax No. (505) 326-9833

Attention: Peggy Cole

Re: Administrative application for an exception to Division Rule 104.C (3) for Burlington Resources Oil & Gas Company's existing El Paso Well No. 1-B (API No. 30-045-29845) to be recompleted up-hole into the Chacra formation at an unorthodox gas well location within the NW/4 of Section 20, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico, being a standard 160-acre gas spacing unit for the Undesignated Otero-Chacra Pool (82329), 2165 feet from the North line and 440 feet from the West line (Unit E) of Section 20.

Dear Ms. Cole:

This letter acknowledges the above-described administrative application received by the Division on April 11, 2003 and assigned **application reference No. pKRV0-310426262**. Please refer to this number in future correspondence with the Division.

My preliminary review indicates that the information provided in your application is not sufficient to process an administrative order at this time. It appears that your application is incomplete with respect to notice. Please refer to Division Rule 1207.A (2), see copy attached, in particular subpart (2) (b) whereby "notice shall be given to the affected persons in the adjoining spacing units towards which the unorthodox location encroaches." It's clear from your application and assumed correct that Burlington is the offset operator with 100% working interest in the NE/4 of Section 19 and in the NW/4 of Section 20, both in Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico. However, this location also encroaches the SE/4 of Section 19 to the southwest.

Please identify all affected persons and provide adequate notice to them or explain why notice is not required in this case.

Since the submitted information is insufficient to review, the application was ruled as incomplete on April 14, 2003. Please submit the above stated information by Tuesday, April 22, 2003.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465 or e-mail me at "mstogner@state.nm.us." Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
W. Thomas Kellahin, Legal Counsel for Burlington Resources Oil & Gas Company - Santa Fe