OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

April 26, 1999

Burlington Resources Oil & Gas Company P. O. Box 4289 Farmington, New Mexico 87499-4289 Attention: Peggy Bradfield Telefax No. (505) 326-9833

Administrative Order NSL-927-A

Dear Ms. Bradfield:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on April 6, 1999 for an exception to the well location requirements provided within the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 dated February 1, 1999, for a non-standard Blanco-Mesaverde infill gas well location in an existing standard 320-acre stand-up gas spacing and proration unit ("GPU") for the Blanco-Mesaverde Pool comprising the W/2 of Section 20, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

This GPU is currently dedicated to Burlington Resources Oil & Gas Company's:

- (i) El Paso Well No. 1 (API No. 30-045-11795), located at a standard gas well location 1600 feet from the South line and 1500 feet from the West line (Unit K) of Section 20; and
- (ii) El Paso Well No. 1-A (API No. 30-045-22778), located at an unorthodox infill gas well location (approved by Division Administrative Order NSL-927, dated February 24, 1978) 500 feet from the North line and 1800 feet from the West line (Unit C) of Section 20.

This 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 as the second infill well on this GPU at an unorthodox gas well location in Section 20 is hereby approved:

El Paso Well No. 1-B 2165' FNL & 440' FWL (Unit E). (30-045-19845) Further, all three of the aforementioned El Paso Well Nos. 1, 1-A, and 1-B and existing GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington

File: NSL-927