September 1, 1999

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

Administrative Order NSL-4353

Dear Ms. Bradfield:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on July 9, 1999; and (ii) the records of the Division in Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an exception to the well location requirements provided within the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987-A, 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 31 North, Range 8 West, NMPM, San Juan County, New Mexico. This GPU is currently dedicated to Burlington's: (i) Quinn Well No. 1 (API No. 30-045-10484), located at a standard gas well location 1650 feet from the South line and 990 feet from the West line (Unit L) of Section 20; and (ii) Quinn Well No. 1-A (API No. 30-045-26762), located at a standard gas well location 1850 feet from the North and West lines (Unit F) of Section 20.

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

The geologic interpretation submitted with this application indicates that the proposed unorthodox infill gas well location will be at a more favorable geologic position within the Blanco-Mesaverde Pool underlying the SW/4 of Section 20. Topographic conditions further restrict placement of the subject well. Further, all of Section 20 is included within a single Federal Lease (United States Government Lease No. SF-078511) in which Burlington is the leasehold operator; therefore, there are no effected offsets to the subject 320-acre GPU other then Burlington.

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:

Quinn Well No. 1-C 2245' FSL & 2280' FWL (Unit K) Administrative Order NSL-4353 Burlington Resources Oil & Gas Company September 1, 1999 Page 2

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Further, all three of the aforementioned Quinn Well Nos. 1, 1-A, and 1-C 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

W. Thomas Kellahin, Legal Counsel for Burlington - Santa Fe