



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

February 9, 2006

Joni Clark  
Burlington Resources San Juan Division  
PO Box 4289  
Farmington, NM 87499-4289

Administrative Order NSL-5331

Dear Ms. Clark:

Reference is made to the following: (i) your application received on January 9, 2006 (*application reference No. pmes0-601356660*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Burlington Resources request for an unorthodox gas well location in the Dakota formation, Basin-Dakota Prorated Gas Pool (71599) for its proposed San Juan 29-7 Unit Well No. 38B (**API No. 30-039-29639**), to be located 1700 feet from the South line and 2215 feet from the East line (Unit J) of Section 12, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

The E/2 of Section 12, being a standard 320-acre stand-up gas spacing unit for the Basin-Dakota Prorated Gas Pool, is to be dedicated to this well. Division records indicate that the proposed well would be the first Dakota well on this spacing unit. It is our understanding that this location lies outside of the Dakota participating area but within this federal exploratory unit.

Your enclosed C-102 shows that this spacing unit is 2,636.53 feet wide on the south side. The proposed well location is therefore within 422 feet of the western boundary of this stand-up spacing unit and does not meet the 660 feet setback requirement for a Dakota well located within a non-participating area within a federal exploratory unit as per the special pool rules for the Basin-Dakota Pool listed in Division Order No. 10987-B(2).

It is our understanding that this location is necessary due to steep cliffs and rugged terrain within this spacing unit and that ConocoPhillips Company has been notified as the affected offset operator to this proposed non-standard location.

This application has been duly filed under the provisions of Division Rule 19.15.3.104(F) and 19.15.14.1210(A)(2).

By the authority granted me under the provisions of Division Rule 19.15.3.104.F(2) and by special pool rules contained in Division Order No. R-10987, as amended, the above-described unorthodox gas well location in the Dakota formation within this 320-acre standard unit comprising the E/2 of Section 12 is hereby approved.

Jurisdiction of this case 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 'Mark E. Fesmire', is written over the typed name.

Mark E. Fesmire, P.E.  
Director

MEF/wvj

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