



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

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Director

Oil Conservation Division

December 14, 2006

Burlington Resources Oil & Gas Company, L.P.

P.O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Ms. Patsy Clugston

Re: **Decker Well No. 3M**
API No. 30-045-33986
205' FNL & 375' FWL, Unit D,
Section 23, T-32 North, R-12 West, NMPM,
San Juan County, New Mexico

Administrative Order NSL-5528

Dear Ms. Clugston:

Reference is made to the following:

- (a) Burlington Resources Oil & Gas Company, L.P.'s ("Burlington") application for a non-standard well location (*administrative application reference No. pTDS0634747036*) for the Decker Well No. 3M that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on December 13, 2006; and
- (b) the Division's records pertinent to Burlington's request.

Burlington requests authority to drill its Decker Well No. 3M to test the **Basin-Dakota (Prorated Gas - 71599) and Blanco-Mesaverde (Prorated Gas -72319) Pools** at a non-standard gas well location for both pools 205 feet from the North line and 375 feet from the West line (Unit D) of Section 23, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico. The W/2 of Section 23 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit. The Basin-Dakota and Blanco-Mesaverde Gas Pools are currently governed by special pool rules established by Division Order No. R-10987, as amended, which provide that:

- (a) a standard unit shall consist of 320 acres, more or less, comprising the N/2, S/2, E/2 or W/2 of a governmental section; and

- (b) well's shall be located no closer than 660 feet from the outer boundary of the proration unit, nor closer than 10 feet from any quarter-quarter section line or subdivision inner boundary.

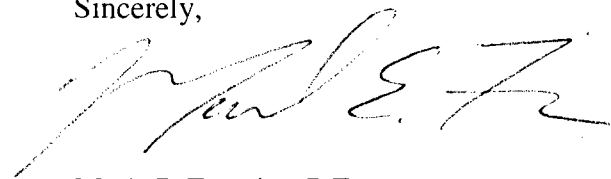
Burlington's application demonstrates that the proposed non-standard location is necessitated by topographic considerations within the NW/4 of Section 23.

Division records show that the Decker Well No. 3M will be the second well producing from the Basin-Dakota Gas Pool within the W/2 of Section 23, and the fourth well producing from the Blanco-Mesaverde Gas Pool within the W/2 of Section 23. The existing Basin-Dakota Gas Pool producing well is the Burlington Decker Well No. 3B (API No. 30-045-32110) located in Unit N. The existing Blanco-Mesaverde Gas Pool producing wells are the aforesaid Burlington Decker Well No. 3B, the Decker Well No. 3 (API No. 30-045-60068) located in Unit M, and the Decker Well No. 3A (API No. 30-045-22320) located in Unit F.

The affected offset acreage includes the S/2 of Section 14, the S/2 of Section 15 and the E/2 of Section 22. Burlington stated in its application that it operates all of the affected offset acreage and that 100% of the working interest is owned by Burlington within this area. Accordingly, the applicant was not required, and did not provide notice of its application to any offset operator and/or interest owner.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Blanco-Mesaverde and Basin-Dakota Gas Pools is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MES/drc

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