

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



June 10, 2008
Administrative Order NSL-5843

Burlington Resources Oil and Gas Company, LP
Attn: Patsy Clugston
3401 E. 30th Street
Farmington, NM 87402

Dear Ms. Clugston:

Burlington's NSL Application: Allison Unit Well No. 41M

API No. 30-045-34609
1170' FSL, 130' FWL, Unit M
Section 29-T32N-R6W, NMPM, San Juan County
Basin-Dakota Prorated Gas Pool (71599)

Reference is made to the following:

- (a) your application (**administrative application reference No. *pKVR0811548970***) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 22, 2008, and
- (b) the Division's records pertinent to this request.

Burlington Resources Oil and Gas Company (Burlington) has requested to complete its non-standard Allison Unit Well No. 41M an unorthodox gas well location in the Dakota formation, Basin-Dakota Prorated Gas Pool (71599) and in the Mesaverde formation, Blanco-Mesaverde Prorated Gas Pool (72319) for its proposed Allison Unit Well No. 41M (**API No. 30-045-34609**), to be located 1170 feet from the South line and 130 feet from the West line (Unit M) of Section 29, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico.

The W/2 of Section 29, being a standard 320-acre stand-up gas spacing unit for the Basin-Dakota Prorated Gas Pool and for the Blanco-Mesaverde Prorated Gas Pool, is to be dedicated to this well. Division records indicate that the proposed well would be the second Mesaverde well on this spacing unit and the second Dakota well on this



spacing unit. It is our understanding that this DKTA location does not lie within the DKTA Participating area..

Your well is 130 feet off the western boundary of this W/2 stand-up spacing unit and does not meet the 660 feet setback requirement for a Dakota well as specified in the special pool rules within Division Order No. R-10987, as amended.

The Division's records indicate that Burlington originally permitted the subject well, the Allison Unit Well No. 41M (**API No. 30-045-34609**), as a deep Dakota gas test (proposed depth to be 7,988 feet). The Division's district office in Aztec received and approved the "*Application for Permit to Drill (APD)*" for this well on March 4, 2008.


It is our understanding that geology, utilities, archaeology, and topography were all factors that resulted in this non-standard location 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, Basin-Dakota Prorated Gas Pool within this 320-acre standard unit comprising the W/2 of Section 26 is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/tw

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