



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

September 2, 1998

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

Administrative Order NSL-4127

Dear Ms. Bradfield:

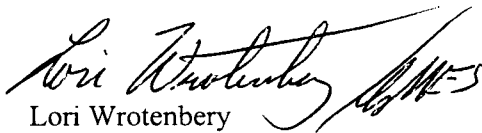
Reference is made to your application dated August 20, 1998 for an unorthodox Chacra gas well location for Burlington Resources Oil & Gas Company's existing Canyon Largo Unit Well No. 388 (API No. 30-039-25277), which was drilled in 1983 and completed in the Blanco-Mesaverde Pool with a 3000-foot horizontal drainhole under the provisions of Division Order No. R-9911, issued in Case No. 10729 dated June 10, 1993. The surface location of this well is 2040 feet from the South line and 1625 feet from the West line (Unit K) of Section 3, Township 25 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. The SW/4 of Section 3 is to be dedicated to the well in order to form a standard 160-acre gas spacing and proration unit for the Otero-Chacra Pool.

It is our understanding that this wells horizontal completion within the Blanco-Mesaverde is to be abandoned and this well is to be recompleted uphole into the Chacra formation. The proposed perforations within the Chacra interval are above the directionally drilled section of this well. Pursuant to Rule 104.C(3)(a) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), this location is also unorthodox. The application has been duly filed under the provisions of Division General Rule 104.F.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Further, Division Order No. R-9911 shall be placed in abeyance until further notice.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: Case No. 10729