April 12, 1999

Burlington Resources Oil & Gas Company P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Peggy Bradfield

Telefax No. (505) 326-9833

Administrative Order NSL-4254

Dear Ms. Bradfield:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on March 23, 1999 for an exception to the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987, for a non-standard Basin-Dakota infill gas well location in an existing 268.34-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool comprising Lots 10 and 11, the SW/4, and the W/2 SE/4 (S/2 equivalent) of Section 1, Township 30 North, Range 5 West, NMPM, Rio Arriba County, New Mexico (approved by Division on May 17, 1979 by Order designation NWU-810). This unit is currently dedicated to Burlington's Carson "SRC" Well No. 1 (API No. 30-039-20267), located a standard gas well location 1540 feet from the South line and 990 feet from the West line (Unit M) of Section 1.

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

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox infill gas well location in Section 1 is hereby approved:

> Carson "SRC" Well No. 2-A 1850' FSL & 1270' FEL (Unit J).

Further, both of the aforementioned Carson "SRC" Well Nos. 2 and 2-A and existing 268.34-acre gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

New Mexico Oil Conservation Division - Aztec cc:

U. S. Bureau of Land Management - Farmington

U. S. Forest Service -Bloomfield