



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

April 21, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

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

Attention: Joni Clark
Regulatory Specialist
Jclark@br-inc.com

Administrative Order NSL-5043

Dear Ms. Clark:

Reference is made to the following: (i) your initial application submitted to the New Mexico Oil Conservation Division ("Division") on April 1, 2004 (*administrative application reference No. pMES0-409236821*); (ii) my letter dated April 2, 2004 requesting information to support your filing; (iii) your initial response by e-mail Tuesday morning, April 6, 2004; (iv) my e-mail reply Tuesday afternoon, April 6, 2004; (v) your succeeding application submitted to the Division on April 15, 2004; and (vi) the Division's records in Aztec and Santa Fe, including the file on Division Administrative Order NSL-4555: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for exceptions to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for the existing and proposed infill coal gas wells within the existing 267.14-acre lay-down gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629) comprising Lots 5 through 9, the SW/4 NE/4, and S/2 NW/4 (N/2 equivalent) of Section 1, Township 30 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

Both applications have been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*"; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), Burlington's; (i) existing Carson "SRC" Well No. 101 (API No. 30-039-26384), which was drilled in August/September, 2000 and completed in the Basin-Fruitland Coal (Gas) Pool within the above-described 267.14-acre lay-down gas spacing unit at an unorthodox coal gas well location 2075 feet from the North line and 840 feet from the East line (Unit G) of Section 1; and (ii) proposed Carson "SRC" Well No. 101-S (API No. 30-039-27577) to be drilled and completed as the infill coal gas well within this unit at an unorthodox location 2420 feet from the North line and 340 feet from the West line (Unit E) of Section 1, are hereby approved.

Further, Burlington is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from its existing Carson "SRC" Well No. 101 with the proposed Carson "SRC" Well No. 101-S.

Jurisdiction of this cause 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 "Michael E. Stogner", is written over a horizontal line.

Michael E. Stogner
Engineer/Hearing Officer

MS/mes

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