



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

November 30, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

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

Administrative Order NSL-5139

Dear Ms. Clark:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on November 9, 2004 (*administrative application reference No. pMES0-432338684*); and (ii) the records of the Division in Aztec and Santa Fe: all concerning Burlington Resources Oil & Gas Company LP's ("Burlington") request for exceptions to the well location requirements provided within both the:

(A) "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002; and

(B) "*Special Rules for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002:

Burlington proposes to drill its Kelly "B" Well No. 1-B (API No. 30-045-32452) at an unorthodox gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools 2405 feet from the North line and 2395 feet from the West line (Unit F) of Section 8, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico.

Gas production from the Blanco-Mesaverde Pool is to be included within an existing standard 320-acre lay-down gas spacing and proration unit ("GPU") comprising the N/2 of Section 8, which is currently dedicated to Burlington's: (i) Kelly "B" Well No. 1-A (API No. 30-045-23156), located at a standard gas well location 1125 feet from the North line and 1500 feet from the West line (Unit C) of Section 8; and (ii) Kelly "B" Well No. 1-R (API No. 30-045-27768), located at a standard gas well location 1760 feet from the North line and 1165 feet from the East line (Unit H) of Section 8.

The proposed Kelly "B" Well No. 1-B is to be an initial Dakota gas well within this same 320-acre lay-down GPU.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing both pools.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde gas well location for the above-described Kelly "B" Well No. 1-B is hereby approved. All of the aforementioned wells and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark E. Fesmire" followed by a stylized flourish or initials.

Mark E. Fesmire, P. E.
Division Director

MEF/ms

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