



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Burlington Resources Oil & Gas Company

P. O. Box 4289

Farmington, New Mexico 87499-4289

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

January 19, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Administrative Order NSL-5159

Dear Ms. Clark:

Reference is made to the following: (i) your application dated December 22, 2004 that was submitted the New Mexico Oil Conservation Division ("Division") in Santa Fe on December 27, 2004 (*administrative application reference No. pMES0-436254075*); and (ii) the Division's records in Aztec and Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request 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-B, 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. Lots 5 and 6, the S/2 NE/4, and the SE/4 (E/2 equivalent) of Section 4, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico is to be dedicated to the proposed well in order to form a standard 317.38-acre stand-up gas spacing and proration unit within the Basin-Dakota Pool (71629).

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 Dakota gas well location in Section 9 is hereby approved:

San Juan "29-7" Unit Well No. 82-B
835' FNL & 140' FEL (Lot 5/Unit A)
(API No. 30-039-27319).

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Mark E. Fesmire, P. E.

Director

MEF/ms

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