



NSL-4988

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

August 22, 2005

Mark Fesmire
Director
Oil Conservation Division

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

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

AMENDED Administrative Order NSL-4988

Dear Ms. Clark:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on July 25, 2005 (*administrative application reference No. pMES0-523434481*); and (ii) the records of the Division in Aztec and Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request to amend Division Administrative Order NSL-4988, dated January 29, 2004, which order authorized Burlington to drill its Randleman Well No. 1-B (API No. 30-045-31932) at an unorthodox gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools 725 feet from the North line and 2390 feet from the West line (Unit C) of Section 13, Township 31 North, Range 11 West, NMPM, San Juan County, New Mexico. Further, this well was to be an infill gas well within an existing standard 320-acre stand-up gas spacing and proration unit ("GPU") comprising the W/2 of Section 13, and an initial Dakota gas well within this same 320-acre stand-up GPU.

It is the Division's understanding that down-hole problems encountered in the Randleman Well No. 1-B with casing while drilling through the upper-Dakota prevented Burlington from reaching its intended TD. Burlington has therefore decided to abandon its attempt to complete this well within the Mesaverde/Dakota intervals, but plans to utilize the Randleman Well No. 1-B in the near future in an attempt to complete in the shallower gas bearing Fruitland coal and Sand intervals.

To replace the planned Mesaverde and Dakota completions within the Randleman Well No. 1-B, Burlington now intends to drill its Randleman Well No. 1-R (API No. 30-045-33151) on the surface at an unorthodox gas well location for both the Mesaverde and Dakota intervals 735 feet from the North line and 2365 feet from the West line (Unit C) of Section 13. In an attempt to land this wellbore in close proximity to the same intended penetration points in the Mesaverde and Dakota formations and the intended bottom hole location as the initial Randleman Well No. 1-B, and to avoid contact the old wellbore, Burlington will utilize directional drilling tools. The targeted penetration point in both zones and bottomhole location for the proposed Randleman Well No. 1-R is 745 feet from the North line and 2364 feet from the West line (C) of Section 13.

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Your application to amend Division Administrative Order NSL-4988 has been duly filed under the provisions of Division Rules 104.F and 605.B and the: (i) "*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 (ii) "*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.

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 within the W/2 of Section 13 for the Randleman Well No. 1-R is hereby approved. This well, along with Burlington's two existing: (i) Randelman Well No. 1 (API No. 30-045-10698), located at a standard Mesaverde gas well location 1750 feet from the South line and 1650 feet from the West line (Unit K) of Section 13; and (ii) Randelman Well No. 1-A (API No. 30-045-22104), also located at a standard Mesaverde gas well location 1635 feet from the North line and 1150 feet from the West line (Unit E) of Section 13 will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

The original Division Administrative Order NSL-4988, dated January 29, 2004, is hereby placed in abeyance until further notice.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/mes

cc: New Mexico Oil Conservation Division - Aztec
File: NSL-4988 (pMES0-401467814)