



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

December 7, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

Telefax No. (505) 599-4062

Attention: Sharon Zubrod
Project Supervisor

Administrative Order NSL-5311

Dear Ms. Zubrod:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on November 17, 2005 (***administrative application reference No. pSEM0-532141008***); (ii) the Division's initial response by telefax on December 5, 2005 from Mr. Michael E. Stogner, Engineer with the Division in Santa Fe, requesting verification of information omitted from your application; (iii) your telefaxed response on December 7, 2005 with the necessary information to complete this application; and (iv) the Division's records in Aztec and Santa Fe: all concerning Burlington Resources Oil & Gas Company, L. P.'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 Sunray "A" Well No. 2-B (**API No. 30-045-33126**) at an unorthodox gas well location in both the Blanco-Mesaverde (**72319**) and Basin-Dakota (**71599**) Pools 1915 feet from the South line and 470 feet from the East line (Lot 9 Unit I) of Section 10, 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 313.52-acre stand-up gas spacing and proration unit ("GPU") comprising Lots 1, 2, 7, 8, 9, 10, 15, and 16 (E/2 equivalent) of Section 10, which is currently dedicated to Burlington's: (i) Sunray "A" Well No. 2 (**API No. 30-045-09750**), located at a standard gas well location 990 feet from the North line and 890 feet from the East line (Lot 1/Unit A) of Section 10; (ii) Sunray "A" Well No. 2-A (**API No. 30-045-22524**),

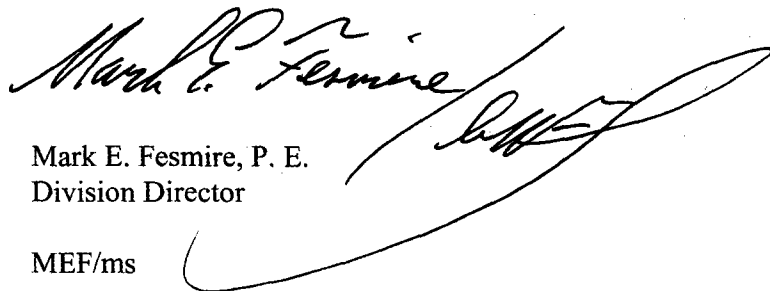
located at a standard infill gas well location 1228 feet from the South line and 1335 feet from the East line (Lot 15/Unit O) of Section 10; and (iii) Sunray "A" Well No. 2-R (API No. 30-045-27528), also located at a standard infill gas well location 1825 feet from the North line and 1475 feet from the East line (Lot 7/Unit G) of Section 10.

The proposed Sunray "A" Well No. 2-B will be the initial Dakota gas well within this same 313.52-acre stand-up 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 Burlington's proposed Sunray "A" Well No. 2-B is hereby approved. Further 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,



Mark E. Fesmire, P. E.
Division Director

MEF/ms

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