



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 9, 2006

Joni Clark
Burlington Resources San Juan Division
PO Box 4289
Farmington, NM 87499-4289

Administrative Order NSL-5332

Dear Ms. Clark:

Reference is made to the following: (i) your application received on January 11, 2006 (*application reference No. pmes0-601357107*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Burlington Resources request for an unorthodox gas well location in the Dakota formation, Basin-Dakota Prorated Gas Pool (71599) and in the Mesaverde formation, Blanco-Mesaverde Prorated Gas Pool (72319), for its proposed Burnt Mesa Well No. 2B (API No. **30-045-33376**), to be located 2040 feet from the South line and 925 feet from the West line (Unit L) of Section 26, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

The S/2 of Section 26, being a standard 320-acre lay-down gas spacing unit for the Basin-Dakota Prorated Gas Pool and for the Blanco-Mesaverde Prorated Gas Pool, is to be dedicated to this well. Division records indicate that the proposed well would be the first Dakota well on this spacing unit and the third Mesaverde well on this spacing unit. It is our understanding that this location does not lie within a federal exploratory unit.

Your enclosed C-102 shows that this lay-down spacing unit is 2,579.64 feet high on the west side. The proposed well location is therefore within 540 feet of the northern boundary of this lay-down spacing unit and does not meet the 660 feet setback requirement for a Dakota well or a Mesaverde well as specified in the special pool rules within Division Order No. R-10987, as amended.

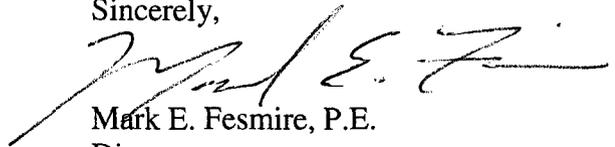
It is our understanding that geology, utilities, archaeology, and topography were all factors that resulted in this non-standard location and that ConocoPhillips Company has been notified as the affected offset operator to this proposed non-standard location.

This application has been duly filed under the provisions of Division Rule 19.15.3.104(F) and 19.15.14.1210(A)(2).

By the authority granted me under the provisions of Division Rule 19.15.3.104.F(2) and by special pool rules contained in Division Order No. R-10987, as amended, the above-described unorthodox gas well location in the Dakota formation, Basin-Dakota Prorated Gas Pool and in the Mesaverde formation, Blanco-Mesaverde Prorated Gas Pool within this 320-acre standard unit comprising the S/2 of Section 26 is hereby approved.

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

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/wvj

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