



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

July 7, 2003

Lori Wrotenbery
Director
Oil Conservation Division

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

Attention: **Peggy Cole**
pcole@br-inc.com

Administrative Order NSL-4910

Dear Ms. Cole:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on June 13, 2003 (*administrative application reference No. pKRV0-316736705*); and (ii) the Division's records in Aztec and Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an unorthodox Pictured Cliffs gas well location for its existing San Juan "29-7" Unit Well No. 44-C (API No. 30-039-26051), located 590 feet from the North line and 2140 feet from the East line (Unit B) of Section 17, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. The NE/4 of Section 17 is to be dedicated to this well in order to form a standard 160-acre gas spacing unit for the Blanco-Pictured Cliffs Pool (72359).

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case 12119 on August 12, 1999.

It is our understanding that in April, 1999 Burlington drilled this well to a depth of 6,132 feet and completed it in the Blanco-Mesaverde Pool (72319), and pursuant to the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 on February 1, 1999, as amended by Division Order No. R-10987-A (1), issued in Case No. 12837 on December 2, 2002 [see Rule I.C (1)] this location is standard for the 320-acre stand-up spacing unit and proration unit comprising the E/2 of Section 17. It is further understood that Burlington now intends to perforate the Pictured Cliffs interval in the San Juan "29-7" Unit Well No. 44-C in an attempt to establish gas production from the Blanco-Pictured Cliffs Pool and recompleat the well such that production from both intervals will be commingled downhole [see Division Administrative Order DHC-1102 (AZ) dated February 13, 2003]; however, pursuant to Division Rule 104.C (3), as revised, this Pictured Cliffs location is unorthodox.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Pictured Cliffs gas well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/mes

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