



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 15, 2006

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

Attention: Ms. Patsy Clugston

Re: **Florance Well No. 1M**
API No. 30-045-33384
45' FNL & 235' FEL, Unit A,
Section 26, T-28 North, R-8 West, NMPM,
San Juan County, New Mexico

Administrative Order NSL-5486

Dear Ms. Clugston:

Reference is made to the following:

- (a) Burlington Resources Oil & Gas Company, L.P.'s ("Burlington") application for a non-standard well location (*administrative application referenece No. pTDS0629646930*) for the Florance Well No. 1M that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on October 23, 2006; and
- (b) the Division's records pertinent to Burlington's request.

Burlington requests authority to drill its Florance Well No. 1M to test the **Basin-Dakota (Prorated Gas - 71599) and Blanco-Mesaverde (Prorated Gas -72319) Pools** at an unorthodox gas well location for both pools 45 feet from the North line and 235 feet from the East line (Unit A) of Section 26, Township 28 North, Range 8 West, NMPM, San Juan County, New Mexico. The N/2 of Section 26 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit. The Basin-Dakota and Blanco-Mesaverde Gas Pools are currently governed by special pool rules established by Division Order No. R-10987, as amended, which provide that:

- (a) a standard unit shall consist of 320 acres, more or less, comprising the N/2, S/2, E/2 or W/2 of a governmental section; and

- (b) well's shall be located no closer than 660 feet from the outer boundary of the proration unit, nor closer than 10 feet from any quarter-quarter section line or subdivision inner boundary.

Burlington's application demonstrates that the proposed non-standard location is necessitated by topographic considerations within the NE/4 of Section 26.

Division records show that the Florance Well No. 1M will be the third well producing from the Blanco-Mesaverde Gas Pool within the N/2 of Section 26, and the second well producing from the Basin-Dakota Gas Pool within the N/2 of Section 26. The existing Blanco-Mesaverde Gas Pool producing wells are the Burlington Howell Well No. 2 (API No. 30-045-07181) located 1090 feet from the North line and 1650 feet from the East line (Unit B) of Section 26, and the Burlington Howell Well No. 2A (API No. 30-045-26383) located 1450 feet from the North line and 790 feet from the West line (Unit E) of Section 26. The existing Basin-Dakota Gas Pool producing well is the ConocoPhillips Company Florance Well No. 1 (API No. 30-045-20258) located 1770 feet from the North line and 1090 feet from the West line (Unit E) of Section 26.

The applicant has provided notice of its application to all affected offset operators/and or interest owners. No objection has been received within the 20-day waiting period prescribed by Division Rule 19.15.3.104(F).

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Blanco-Mesaverde and Basin-Dakota Gas Pools is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/drc

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