



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 6, 1998

Burlington Resources Oil & Gas Company
P. O. Box 51810
Midland, Texas 79710-1810
Attention: Maria L. Perez

Administrative Order NSL-3985(BHL)

Dear Ms. Perez:

Reference is made to your applications dated February 13 and March 5, 1998 for a non-standard subsurface gas producing area/bottomhole gas well location, pursuant to Division General Rules 104.F and 111.C(2), to be applicable to the Wolfcamp formation for Burlington Resources Oil and Gas Company's ("Burlington") Corral Draw "9" Federal Well No. 1 to be drilled from a surface location 660 feet from the North line and 1650 feet from the West line (Unit C) of Section 9, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico. The N/2 of said Section 9, being a standard 320-acre gas spacing and proration unit for the Wolfcamp formation, is to be dedicated to said well.

It is our understanding that Burlington intends to kick off of the vertical portion of said wellbore in a southeasterly direction and drill a lateral horizontal drainhole through a potentially gas bearing interval of the Wolfcamp formation. Further, to allow for natural drift tendencies in normal vertical rotary drilling operations within this immediate area Burlington is requesting a larger than legal drilling window for this producing interval [see Division General Rules 104.B(1)(a) and 111.A(9)].

The applicable drilling window or "producing area" within the Wolfcamp formation for said wellbore shall include that area within the subject 320-acre gas spacing and proration unit comprising the N/2 of said Section 9 that is:

- (a) no closer than 560 feet to the North line of said Section 9;
- (b) no closer than 1500 feet to the West line of said Section 9;
- (c) no closer than 1650 feet to the East line of said Section 9; and,

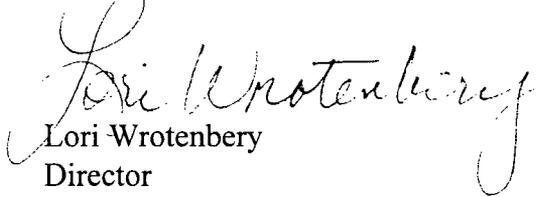
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(d) no closer than 660 feet to the southern boundary of said 320-acre unit.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described non-standard subsurface gas producing area/bottomhole gas well location for the Wolfcamp formation is hereby approved.

The operator shall comply with all provisions of Division General Rule 111 applicable in this matter.

Sincerely,


Lori Wrottenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad