



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



November 16, 2009

Burlington Resources Oil & Gas Company, LP
Attn: Ms. Patsy Clugston
3401 E. 30th Street
Farmington, NM 87402

Administrative Order NSL-6113

Re: San Juan 27-4 Well No. 35C
API No. 30-039-30413
1080 feet FNL and 1025 feet FWL
Unit D, Section 26-27N-4W
Rio Arriba County, New Mexico

Dear Ms. Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-30938305**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on November 5, 2009, and

(b) the Division's records pertinent to this request.

Burlington Resources Oil and Gas Company, LP (Burlington) has requested to complete the above-referenced well as a directional well in the Dakota formation. The well was drilled from the surface location described in the caption of this letter to an unorthodox bottom hole location in the Dakota formation, 715 feet from the North line and 2010 feet from the West line (Unit C) of Section 26, Township 27 North, Range 4 West, in Rio Arriba County, New Mexico. The W/2 of Section 26 will be dedicated to this well in order to form a standard 320-acre, more or less, gas spacing unit in the Basin-Dakota Gas Pool (71599).

Spacing in this pool is governed by Rules II.A and II.C of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as most recently amended by Order No. R-10987-B(2), issued on January 29, 2002, which generally provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the eastern unit boundary.



Your application has been duly filed under the provisions of Division Rules 15.13.C and 4.12.A(2).

It is our understanding that you are seeking this location due to an unintentional deviation of the well from the intended bottom hole location.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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