



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

June 5, 2001

Lori Wrotenbery
Director
Oil Conservation Division

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

Telefax No. (505) 326-9833

Administrative Order NSL-4590

Dear Ms. Cole:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on April 24, 2001; and (ii) the Division's records in Santa Fe and Aztec: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an off-pattern non-standard Basin-Fruitland coal gas well location for the existing Mitchell Well No. 1-E (API No. 30-045-23645), located 1758 feet from the North line and 1850 feet from the West line (Unit F) of Section 5, Township 31 North, Range 12 West, NMPM, Basin-Fruitland Coal (Gas) Pool (71629), San Juan County, New Mexico.

According to the Division's well records the Mitchell Well No. 1-E was initially drilled in 1980 by Consolidated Oil & Gas, Inc. and completed at a standard infill gas well location in the Basin-Dakota Pool within a standard 318.36-acre stand-up gas spacing and proration unit comprising Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 5.

It is our understanding that Burlington recently abandoned the Dakota interval and recompleted this well up-hole into the Basin-Fruitland Coal (Gas) Pool. Pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, the location of this well is considered to be unorthodox. Further, Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 5 is also to be dedicated to this well in order to form a standard 318.36-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of these special pool rules the above-described unorthodox coal gas well location for the Mitchell Well No. 1-E is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

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