

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Reese Fullerton

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



March 4, 2009

Burlington Resources Oil & Gas Company, LP

Attn: Ms. Patsy Clugston

3401 E. 30th Street

Farmington, NM 87401

RCVD MAR 16 '09

OIL CONS. DIV.

DIST. 3

Administrative Order NSL-6001

Re: Frost Well No. 500S

API No. 30-045-34858

615 feet FNL and 1400 feet FWL

Unit C, Section 26-27N-10W

San Juan County, New Mexico

Dear Ms Clugston:

Reference is made to the following:

(a) your application (~~administrative~~ **application reference** No. **pKAA09-03757599**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 6, 2009, and

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

Burlington Resources Oil & Gas Company, LP (Burlington) has requested to drill the above-referenced well at an unorthodox well location described above in the caption of this letter. The N/2 of Section 26 will be dedicated to this well in order to form a standard 320-acre spacing unit in the Basin Fruitland Coal Gas Pool (71629). Spacing in this pool is governed by the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as amended by Order No. R-8768-F, effective July 17, 2003, which provide generally for 320-acre units with wells to be located at least 660 feet from any unit boundary. This location is less than 660 feet from the northern unit boundary.

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

It is our understanding that you are seeking this location for topographic reasons.

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462 * <http://www.emnrd.state.nm.us>



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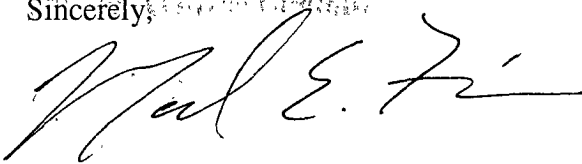
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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,



Mark E. Fesmire, P.E.
Director

MEF/db

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