

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



April 16, 2012

Burlington Resources Oil & Gas Company, LP
Attn: Ms. Patsy Clugston

ADMINISTRATIVE NON-STANDARD PRORATION UNIT ORDER

Administrative Order NSP-1957
Administrative Application Reference No. pTGW 12-08857756

Re: Burlington Resources Oil & Gas Company, LP
Reid Well No. 22M
API No. 30-045-
Lots 1, 2 and 3, SE/4 SW/4 and S2/ SE/4 of Irregular Section 7
And Lots 3 and 4 and the S/2 SW/4 of Irregular Section 8
Township 28 North, Range 9 West, NMPM,
Comprising 345.25 acres, more or less
San Juan County, New Mexico

Dear Ms. Clugston :

Reference is made to the following:

(a) your application submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 28, 2012; and

(b) the Division's records pertinent to your request, including previous orders cited below.

Burlington has requested approval of a non-standard, 345.25-acre gas spacing unit, described in the caption of this letter, in the Basin Mancos Gas Pool (Pool Code 97232).

The proposed non-standard gas spacing unit will be dedicated to Burlington's Reid Well No. 22M (API No. to be assigned) to be drilled from a surface location 990 feet from the South line and 915 feet from the West line (Unit M), to a bottom hole location 710 feet from the South line and 1930 feet from the West line (Unit N) of Section 8, Township 28 North, Range 9 West, NMPM, in San Juan County, New Mexico.

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Your application has been duly filed under the provisions of Division Rules 15.11.B(2) and 4.12.A(3).

We understand that you are seeking establishment of this non-standard unit due to irregularities in the official surveys, and specifically due to the small size of Irregular Sections 7 and 8. We further understand that the proposed unit has the same horizontal boundaries as existing non-standard gas spacing and proration units established in the Blanco Mesaverde Gas Pool by Order R-8170 and in the Basin Dakota Gas Pool by Order R-1814.

It is further understood that Burlington and its affiliates own 100% of the working interests in all tracts within Sections 7 and 8 that are excluded from the proposed unit. Accordingly no notice of this application is necessary.

Pursuant to the authority conferred by Rule 15.11.B(2), the above-described non-standard 345.25-acre gas spacing unit is hereby approved.

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 "Jami Bailey", written in a cursive style.

Jami Bailey
Director

JB/db

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