



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

December 29, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Burlington Resources Oil and Gas Company, L.P.

P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Joni Clark
Senior Regulatory Specialist
jclark@br-inc.com

Administrative Order NSL-1348-A

Dear Ms. Clark:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on December 8, 2005 (***administrative application reference No. pMES0-534830524***); and (ii) the Division's records in Aztec and Santa Fe, including the file on Division Administrative Order NSL-1348: all concerning Burlington Resources Oil and Gas Company, L.P.'s ("Burlington") request for exceptions to the well location requirements provided within both the:

(A) "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002; and

(B) "*Special Rules for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002:

Burlington proposed Day State Well No. 2-M (**API No. 30-045-33148**) is to be drilled at an unorthodox infill gas well location in both the Blanco-Mesaverde (**72319**) and Basin-Dakota (**71599**) Pools 295 feet from the North line and 2180 feet from the East line (Unit B) of Section 32, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico.

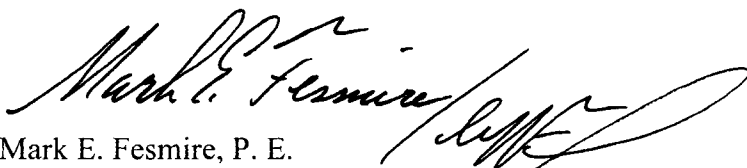
This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing both pools.

Gas production from the shallower Blanco-Mesaverde Pool is to be included within an existing standard 320-acre lay-down gas spacing and proration unit ("GPU") comprising the N/2 of Section 32, which is currently dedicated to Burlington's: (i) Day State Well No. 2 (**API No. 30-045-11171**), located at a standard gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 32; and (ii) Day State Well No. 1-A (**API No. 30-045-22325**), located at a standard Mesaverde infill gas well location 920 feet from the North line and 1020 feet from the East line (Unit A) of Section 32.

Gas production from the deeper Basin-Dakota Pool is to be included within an existing standard 320-acre lay-down GPU also comprising the N/2 of Section 32, which is currently dedicated to Burlington's: (i) Day State Well No. 2 (**API No. 30-045-23017**), located at a standard gas well location 1830 feet from the North line and 1130 feet from the West line (Unit E) of Section 32; and (ii) Day State Well No. 2-E (**API No. 30-045-25008**), drilled at a location now considered to be standard but unorthodox at the time it was spud on May 5, 1981 (*approved by Division Administrative Order NSL-1348, dated April 22, 1981*) 1930 feet from the North line and 1230 feet from the East line (Unit H) of Section 32.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde infill gas well location for Burlington's proposed Day State Well No. 2-M is hereby approved. Further, all of the aforementioned wells and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Aztec
New Mexico State Land Office – Santa Fe
File: NSL-1348