



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

March 24, 2006

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-5356

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 March 3, 2006 (*administrative application reference No. pTDS0-606540190*); and (ii) the Division's records in Aztec and Santa Fe: all concerning Burlington Resources Oil and Gas Company, L.P.'s ("Burlington") request for exceptions to the well location requirements provided within 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 proposes to drill its San Juan "28-4" Unit Well No. 34-M (API No. 30-039-27610) at an unorthodox gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools 1070 feet from the North line and 600 feet from the West line (Lot 1/Unit D) of Section 30, Township 28 North, Range 4 West, NMPM, Rio Arriba 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.

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Gas production from the Basin Dakota Pool is to be included within an existing standard 319.04-acre stand-up gas spacing and proration unit ("GPU") comprising Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 30, which is currently dedicated to Burlington's San Juan "28-4" Unit Well No. 34 (API No. 30-039-20489), located at a standard gas well location 870 feet from the South line and 800 feet from the West line (Lot 4/Unit M) of Section 30.

The proposed San Juan "28-4" Unit Well No. 34-M is to be a replacement Blanco-Mesaverde gas well within a former 319.41-acre lay-down GPU comprising Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 30 to the San Juan "28-4" Unit Well No. 16 (API No. 30-039-07327) located at a standard gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of Section 30; which well was spud on July 10, 1958 by El Paso Natural Gas Company, produced from the Blanco-Mesaverde Pool from November, 1958 to March, 1989, and was plugged and abandoned by Meridian Oil Company on July 18, 1995.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde gas well location for Burlington's proposed San Juan "28-4" Unit Well No. 34-M is hereby approved. Both of the aforementioned Basin-Dakota producing wells and both GPU's 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
U. S. Bureau of Land Management - Farmington