

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 15, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

**Burlington Resources Oil & Gas Company, L. P.
P. O. Box 4289
Farmington, New Mexico 87499-9700**

Attention: Joni Clark
jclark@br-inc.com

Administrative Order NSL-3770-A

Dear Ms. Clark:

Reference is made to the following: (i) your application for Burlington Resources Oil & Gas Company, L. P. ("Burlington") that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 9, 2006 (*administrative application reference No. pTDS0-613056768*); (ii) the Division's initial response by e-mail from Mr. Michael E. Stogner, Staff Engineer with the Division in Santa Fe on Thursday afternoon, June 1, 2006; (iii) your reply by letter dated June 7, 2006 with supplemental information to support your application; (iv) the Division's and Burlington's subsequent e-mail correspondences on June 9, 12, 20, 23, and 26, 2006 concerning a certain issue you initiated with your June 7th letter; and (v) the Division's records in Aztec and Santa Fe, including the files on Division Administrative Orders NSL-3770 and NSL-5080: all concerning Burlington's request for an unorthodox gas well location in both the Blanco-Pictured Cliffs Pool (72359) and Basin-Fruitland Coal (Gas) Pool (71629) for Burlington's proposed San Juan "29-7" Unit Well No. 549-S (*API No. 30-039-29744*), to be drilled 590 feet from the South line and 375 feet from the West line (Unit M) of Section 9, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

Your application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended; and (ii) Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

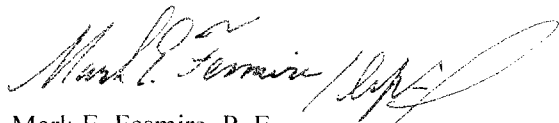
The SW/4 of Section 9, being a standard 160-acre gas spacing unit in the Blanco-Pictured Cliffs Pool, is to be dedicated to this well.

Further, from the Division's records, this well is to be a replacement coal gas well within a former standard 320-acre stand-up gas spacing unit in the Basin-Fruitland Coal (Gas) Pool that comprised the W/2 of Section 9 that was initially assigned Burlington's San Juan "29-7" Unit Well No. 549 (*API No. 30-039-25647*), located at a location now considered to be standard but unorthodox/off-pattern at the time it was drilled in early 1997 (approved by Division Administrative Order NSL-3770, dated February 26, 1997) 1550 feet from the North line and 1100 feet from the West line (Unit E) of Section 9. According to the Division's records this well was plugged and abandoned in November, 2001 and never produced.

By the authority granted me under the provisions of Division Rule 104.F (2) and in accordance with Rule 8 of the special Basin-Fruitland Coal (Gas) Pool rules, the above-described unorthodox Pictured Cliffs gas well location/replacement Basin-Fruitland coal gas well location for Burlington's above-described San Juan "29-7" Unit Well No. 249-S is hereby approved.

Jurisdiction of this cause is retained for the entry of such further orders as the Division deems necessary.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: U. S. Bureau of Land Management – Farmington
New Mexico Oil Conservation Division – Aztec
W. Thomas Kellahin, Legal Counsel for Burlington Resources Oil & Gas Company, L. P. – Santa Fe
File: Division Administrative Order NSL-3770
