



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

October 31, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Burlington Resources Oil & Gas Company

P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Peggy Cole

pbradfield@br-inc.com

Telefax No. (505) 326-9833

Administrative Order NSL-699-A

Dear Ms. Cole:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on October 11, 2001 (*application reference No. pKRV0-128837266*); and (ii) the Division's records in Santa Fe and Aztec: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for a non-standard Basin-Fruitland coal gas well location for the existing Brookhaven Com "H" Well No. 10 (**API No. 30-045-21673**) located 475 feet from the North line and 1140 feet from the East line (Unit A) of Section 16, Township 31 North, Range 11 West, NMPM, San Juan County, New Mexico. The E/2 of Section 16 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (**71629**).

By Division Administrative Order NSL-699, dated February 10, 1975, as corrected by order dated February 18, 2001, El Paso Natural Gas Company received authorization to drill to and complete the above-described well in the Blanco-Pictured Cliffs Pool at an unorthodox gas well location within a standard 160-acre spacing unit comprising the NE/4 of Section 16.

It is our understanding that Burlington now intends to perforate the Brookhaven Com "H" Well No. 10 up-hole into the Fruitland coal gas interval in an attempt to establish gas production and recompleat the well such that production from both the Fruitland coal gas and Pictured Cliffs intervals zones will be downhole commingled. Pursuant to Rule 7 of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, the location of this well is considered to be unorthodox for the proposed 320-acre unit.

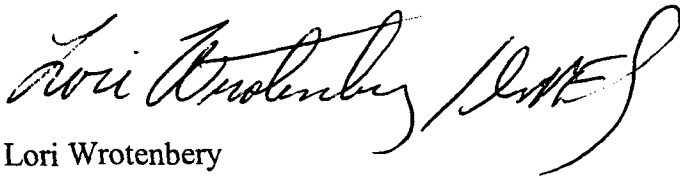
By the authority granted me under the provisions of Rule 8 of these special pool rules the above-described unorthodox coal gas well location for the Brookhaven Com "H" Well No. 10 is hereby approved.

Further all provisions of Division Order NSL-699, as corrected, shall remain in full force and

Administrative Order NSL-699-A
Burlington Resources Oil & Gas Company
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affect until further notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery" followed by a stylized flourish or set of initials.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
New Mexico State Land Office - Santa Fe
File: Division Administrative Order NSL-699

Draft 699A

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October 18, 2001

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