



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

May 12, 2003

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-927-B

Dear Ms. Cole:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on April 11, 2003 (*administrative application reference No. pKRV0-310426262*); (ii) the Division's initial response by letter from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe, New Mexico dated April 14, 2003 informing you that the notification in this matter was inadequate; (iii) your telefaxed response of April 21, 2003 showing that notification as required had subsequently been provided to *all effected parties* on April 21, 2003; and (iv) the Division's records in Santa Fe and Aztec: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an unorthodox gas well location in the Chacra formation for the existing El Paso Well No. 1-B (API No. 30-045-29845) located 2165 feet from the North line and 440 feet from the West line (Unit E) of Section 20, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico. The NW/4 of Section 20 is to be dedicated to this well in order to form a standard 160-acre gas spacing and proration unit for the Undesignated Otero-Chacra Pool (82329).

The Division's records indicate that by Division Administrative Order NSL-927-A, dated April 26, 1999, Burlington received authorization to drill to and complete the above-described El Paso Well No. 1-B in the Blanco-Mesaverde Pool (72319) at an unorthodox infill gas well location within a standard 320-acre stand-up gas spacing and proration unit comprising the W/2 of Section 20.

It is our understanding that Burlington now indents to perforate the Chacra interval and recomplete the well such that production from both the Mesaverde and Chacra formations will be downhole commingled (as referenced by Division Administrative Order AZ/DHC-1072). The location of this well within the Otero-Chacra Pool is also considered to be unorthodox, pursuant to Division Rule 104.C (3), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

The application has been duly filed under the provisions of Division Rules 104.F, as revised.

Administrative Order NSL-927-B
Burlington Resources Oil & Gas Company
May 12, 2003
Page 2

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Otero-Chacra gas well location is hereby approved.

Further all provisions of Division Order NSL-927-A shall remain in full force and affect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: Division Administrative Order NSL-927-A ✓