

1425A

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

Telefax No. (505) 326-9833

Attention: Peggy Cole

Administrative Order NSL-1425-A

Dear Ms. Cole:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on January 16, 2001; and (ii) 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 Reid "A" SRC Well No. 1-M (API No. 30-045-24497) located 1510 feet from the South line and 2390 feet from the East line (Lot 9/Unit J) of Section 13, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico. Lot 9, the NE/4 SE/4, and the S/2 SE/4 (SE/4 equivalent) of Section 13 is to be dedicated to this well in order to form a standard 155.50-acre gas spacing and proration unit for the Undesignated Otero-Chacra Pool.

By New Mexico Oil Conservation Division ("Division") Administrative Order NSL-1425, dated October 15, 1981, Southland Royalty Company received authorization to drill to and complete the above-described well in the Blanco-Mesaverde and Basin-Dakota Pools at an unorthodox gas well location for both pools.

It is further understood that Burlington now intends to perforate the Reid "A" SRC Well No. 1-M uphole into the Chacra interval in an attempt to establish gas production and recompleate the well such that production from all three zones will be downhole commingled.

The location of this well within the Undesignated 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.

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

Further all provisions of Division Order NSL-1425 shall remain in full force and affect until further notice.

Sincerely,

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-1425