



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

September 24, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Burlington Resources Oil & Gas Company

P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Peggy Cole

Administrative Order NSL-4948

Dear Ms. Cole:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on August 27, 2003 (*administrative application reference No. pLR0-323950601*); and (ii) the Division's records in Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an exception to the well location requirements provided within the "*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, for Burlington's proposed Hardie "A" Well No. 1-B (API No. 30-045-31139), to be drilled at an unorthodox infill gas well location 930 feet from the North line and 2160 feet from the West line (Unit C) of Section 26, Township 29 North, Range 8 West, NMPM, Blanco-Mesaverde Pool (72319), San Juan County, New Mexico.

The Blanco-Mesaverde gas production from this well is to be included within an existing standard 320-acre stand-up gas spacing and proration unit ("GPU") comprising the W/2 of Section 26, which is currently dedicated to Burlington's: (i) Hardie "A" Well No. 1 (API No. 30-045-07759), located at a standard gas well location 990 feet from the South line and 1850 feet from the West line (Unit N) of Section 26; and (ii) Hardie "A" Well No. 1-A (API No. 30-045-22829), located at a standard infill gas well location 1790 feet from the North line and 790 feet from the West line (Unit E) of Section 26.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing the Blanco-Mesaverde Pool.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Blanco-Mesaverde infill gas well location for the proposed Hardie "A" Well No. 1-B is hereby approved. Further, all three of the aforementioned Hardie "A" Wells No. 1, 1-A, and 1-B, and existing 320-acre GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,

Lori Wrotenbery

Director

LW/mes

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington