



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

September 25, 2000

Lori Wrotenbery
Director
Oil Conservation Division

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

Telefax No. (505) 326-9833

Administrative Order NSL-2484-A

Dear Ms. Cole:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on September 21, 2000 for an exception to the well location requirements provided within the: (i) 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; and (ii) Division Rule 104.C (3), for Burlington Resources Oil & Gas Company's ("Burlington") existing Jicarilla "150" Well No. 12 (**API No. 30-039-24211**) to be re-completed at an unorthodox gas well location in both the Blanco-Mesaverde Pool and Chacra formation 885 feet from the South line and 2465 feet from the West line (Unit N) of Section 1, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

Gas production from the Blanco-Mesaverde Pool is to be included within an existing standard 319.88-acre stand-up gas spacing and proration unit comprising Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 1, which is currently dedicated to Burlington=: (i) Jicarilla "150" Well No. 1 (**API No. 30-039-06669**), located at a standard gas well location 1665 feet from the South line and 890 feet from the West line (Unit L) of Section 1; (ii) Jicarilla "150" Well No. 1-A (**API No. 30-039-24085**), located at a standard infill gas well location 960 feet from the North line and 995 feet from the West line (Lot 4/Unit D) of Section 1; and (iii) Jicarilla "150" Well No. 1-E (**API No. 30-039-23519**), located at a standard second infill gas well location 1656 feet from the North line and 1979 feet from the West line (Unit F) of Section 1.

The SW/4 of Section 1, being a standard 160-acre gas spacing and proration unit for wildcat Chacra gas production, is also to be dedicated to the existing Jicarilla "150" Well No. 12.

The application has been duly filed under the provisions applicable at the time the initial application by Burlington was filed of Division Rules 104.F and 605.B.

By Division Administrative Order NSL-2484, dated March 22, 1988, Union Texas Petroleum received authorization to drill the subject well and complete it in both the Tapacito-

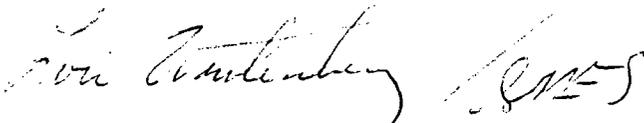
Pictured Cliffs and BS- Mesa-Gallup Pools within a standard 160-acre gas spacing and proration unit for both pools comprising the SW/4 of Section 1 at the above-described unorthodox gas well location. According to Division records, Union Texas Petroleum completed this well only in the BS Mesa-Gallup Pool. Further, Meridian Oil, Inc., the successor company of Burlington, became the operator of this well on June 23, 1990.

It is our understanding further that, pursuant to Division Administrative Order DHC-2687, dated May 20, 2000, Burlington intends to perforate the Jicarilla "150" Well No. 12 uphole into the Mesaverde and Chacra formations and recomplete the well such that production from all three intervals will be downhole commingled.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Blanco-Mesaverde/Chacra gas well location for the Jicarilla "150" Well No. 12 is hereby approved. All four Blanco-Mesaverde gas wells within the 319.22-acre gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

The provisions of Division Administrative Order NSL-2484 applicable only to the Gallup interval shall remain in full force and affect until further notice; all other provisions shall be placed in abeyance.

Sincerely,

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

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U.S. Bureau of Land Management - Albuquerque
File: NSL-2484 /
DHC-2687