

# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

February 19, 2008

Burlington Resources Oil & Gas, LP  
Attn: Ms. Patsy Clugston  
3401 E. 30th St  
Farmington, NM 87401

**Administrative Order NSL-5787**

**Re: Lively Well No. 8M  
API No. 30-045-34511  
Unit D, Section 12-29N-8W  
San Juan County**

Dear Ms Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-01128593**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 10, 2008, and

(b) the Division's records pertinent to this request.

Burlington Resources Oil & Gas, LP (Burlington) has requested to drill the above-referenced well at an unorthodox Mesaverde and Dakota gas well location, 555 feet from the North line and 610 feet from the West line (Unit D) of Section 12, Township 29 North, Range 8 West, N.M.P.M., in San Juan County, New Mexico. The W/2 of Section 12 will be dedicated to this well in order to form a standard 320-acre, more or less, gas spacing unit in the Blanco Mesaverde Gas Pool (72319) and the Basin Dakota Gas Pool (71599).

Spacing in the Blanco-Mesaverde Gas Pool is governed by Rules I.A and I.C of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, as amended by Order No. R-10987-A(1), effective December 2, 2002, which generally provide for 320-acres units, with wells located at least 660 feet from a unit outer boundary. Spacing in the Basin Dakota Gas Pool is governed by Rules II.A and II.C of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as most recently amended by Order No. R-10987-B(2), which generally provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary.

This location is less than 660 feet from the northern and western unit boundaries.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location for topographic reasons, and in order to minimize interference with existing surface improvements.

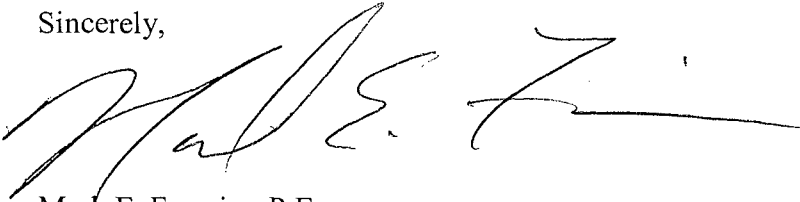
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.  
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec  
New Mexico State Land Office - Santa Fe  
United States Bureau of Land Management - Farmington