STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

July 30, 1996

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

Administrative Order NSL-3695

Dear Ms. Bradfield:

Reference is made to your application dated July 23, 1996 for a non-standard Basin-Fruitland coal gas well location for your existing Huerfanito Unit Well No. 98-M (API No. 30-045-28946), which was drilled in 1993 and dually completed under the authority of Division Order No. R-9887, dated April 27, 1993, in both the Blanco-Mesaverde and Basin-Dakota Pools at a standard gas well location for both intervals 790 feet from the South line and 1500 feet from the East line (Unit O) of Section 35, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico.

It is our understanding that both the Mesaverde and Dakota intervals will be plugged back and abandoned and said well will be recompleted up-hole as a single Basin-Fruitland Coal (Gas) Pool well, which pursuant to the "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool", as promulgated by Division Order No. R-8768, as amended, is unorthodox. Further, the E/2 of said Section 35 shall be dedicated to the well to form a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely

William J. Lel

Director

cc:

WJL/MES/kv

Oil Conservation Division - Aztec

U. S. Bureau of Land management - Farmington