

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



July 2, 2008

Burlington Resources Oil & Gas Company, LP
Attn: Ms. Sasha Spangler
P.O. Box 4289
Farmington, NM 87499

Administrative Order NSL-5864

Re: Lloyd B Com. Well No. 100
API No. 30-045-34669
Unit F, Section 12-29N-11W
San Juan County

Dear Ms Spangler:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-15551434**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on June 3, 2008, and

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

Burlington Resources Oil & Gas Company, LP (Burlington) has requested to drill the above-referenced well at an unorthodox gas well location, 1650 feet from the North line and 2014 feet from the West line (Unit F) of Section 12, Township 19 North, Range 11 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, spacing unit in the Basin-Fruitland Gas Pool (71629). This pool is governed by Rule 7.A(1) of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as amended by Order No. R-8768-F, effective July 17, 2003, which provides generally that a well shall be located at least 660 feet from any unit boundary. This location is less than 660 feet from the eastern unit boundary.

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.



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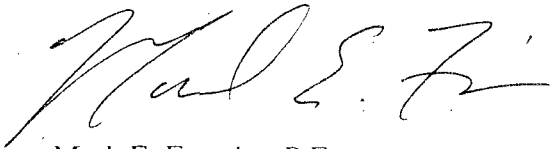
It is also understood that notice of this application to offsetting operators or owners is unnecessary because of common ownership.

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', written in a cursive style.

Mark E. Fesmire, P.E.
Director

MEF/db

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