OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

October 31, 1997

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

Administrative Order NSL-3889

Dear Ms. Bradfield:

Reference is made to your application dated October 9, 1997 for an off-pattern non-standard Basin-Fruitland coal gas well location for your existing Storey "C" Well No. 12 (API No. 30-045-13066), located 800 feet from the North line and 1500 feet from the West line (Unit C) of Section 34, Township 28 North, Range 9 West, NMPM, San Juan County, New Mexico, which was drilled in 1961 and completed in the South Blanco-Pictured Cliffs Pool at a standard gas well location for a 160-acre standard gas spacing and proration unit for said interval comprising the NW/4 of said Section 34.

It is our understanding that the Basin-Fruitland Coal gas interval will be perforated and said well will be recompleted such that production from both intervals will be commingled downhole under authority of Division Administrative Order DHC-1611, dated August 14, 1997. Pursuant to the "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool", as promulgated by Division Order No. R-8768, as amended, said location is considered to be unorthodox. Further, the N/2 of said Section 34 is to be dedicated to the Basin-Fruitland Coal gas interval thereby forming a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal Gas Pool.

By the authority granted me under the provisions of Rule 8 of said special pool rules, the above-described unorthodox coal gas well location for the Storey "C" Well No. 12 is hereby approved.

Sincerely,

William J. LeMay Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington

File: DHC-1611