



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 11, 1998

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

Administrative Order NSL-3944

Dear Ms. Bradfield:

Reference is made to your application dated February 6, 1998 for an unorthodox Blanco-Mesaverde "infill" gas well location on an existing 320-acre gas spacing and proration unit ("GPU") for said Blanco-Mesaverde Pool comprising the W/2 of Section 13, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. Said GPU presently has dedicated thereon the San Juan "27-5" Unit Well No. 29 (API No. 30-039-60067), located at a standard gas well location 990 feet from the South and West lines (Unit M) of said Section 13.

It is our understanding that the subject well of this application, the San Juan "27-5" Unit Well No. 57 (API No. 30-039-07082), located 1450 feet from the North line and 2510 feet from the West line (Unit F) of said Section 13, was originally drilled by Pan American Petroleum Corporation in 1965 and completed in the Basin-Dakota Pool at a location that is considered to be unorthodox, however no record of approval for said unorthodox Dakota gas well location can be found. The Dakota gas production from this well is dedicated to a standard 320-acre GPU which comprises the N/2 of said Section 13.

It is also our understanding that Burlington Resources Oil and Gas Company ("Burlington") at this time intends to downhole commingle gas production from both the Blanco-Mesaverde and Basin-Dakota Pools in said wellbore under the authority of Division Administrative Order DHC-1755, dated January 14, 1998.

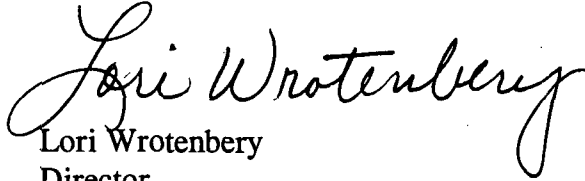
Pursuant to the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-8170, as amended, said location is also unorthodox for the Mesaverde interval.

By the authority granted me under the provisions of Rule 2(d) of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox Dakota/Mesaverde gas well location for the San Juan "27-5" Unit Well No. 57 is hereby approved.

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Further, Burlington is authorized to simultaneously dedicate Blanco-Mesaverde gas production from both the San Juan "27-5" Unit Well Nos. 29 and 57 to the subject 320-acre GPU that comprises the W/2 of said Section 13. Said wells and GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest New Mexico.

Sincerely,



Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: DHC-1755