

April 20, 1998

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

Administrative Order NSL-4013

Dear Ms. Bradfield:

Reference is made to your application dated April 13, 1998, for an unorthodox "infill" gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools for your proposed San Juan "27-4" Unit Well No. 56-M to be drilled 540 feet from the North line and 750 feet from the West line (Unit D) of Section 21, Township 27 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

Gas production attributed to said well from both pools is to be included in the existing standard 320-acre gas spacing and proration units comprising the W/2 of said Section 21. The Mesaverde production is currently dedicated to your San Juan "27-4" Unit Well No. 145 (API No. 30-039-22994), located at a standard gas well location 1740 feet from the South line and 1660 feet from the West line (Unit K) of said Section 21, and the Dakota production is currently dedicated to the San Juan "27-4" Unit Well No. 56 (API No. 30-039-20416), located at a standard gas well location 1800 feet from the South line and 900 feet from the West line (Unit L) of said Section 21.

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 "infill" Dakota/Mesaverde gas well location for the San Juan "27-4" Unit Well No. 56-M is hereby approved.

Sincerely,

rotenberg LoriWrotenbery Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec U. S. Bureau of Land Management - Farmington U. S. Forest Service - Bloomfield