



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

March 6, 2003

Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, New Mexico 87499-4289
Attention: Peggy Cole
pbradfield@br-inc.com

Telefax No. (505) 326-9833

Administrative Order NSL-4850

Dear Ms. Cole:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on February 10, 2003 (*application reference No. pKRV0-304156610*); (ii) the Division's initial response by letter dated February 11, 2003 from Mr. Michael E. Stogner, Engineer in Santa Fe; (iii) your response by a "sticky-note" with attachments with the required information to complete this application; and (iv) the records of the Division in Aztec and Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for a non-standard infill gas well location within an existing standard 320-acre lay-down gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629) comprising the S/2 of Section 2, Township 31 North, Range 8 West, NMPM, San Juan County, New Mexico.

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*"; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

This unit is currently dedicated to Burlington's State Com. "31-8" Well No. 2 (API No. 30-045-27765), located at a standard coal gas well location 1225 feet from the South line and 1015 feet from the West line (Unit M) of Section 2.

The geologic interpretation submitted with this application indicates that the proposed unorthodox infill gas well location will be at a more favorable geologic position within the Basin-Fruitland Coal (Gas) Pool underlying the SE/4 of Section 2. Topographic conditions further restrict placement of the subject well.

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the following described well to be drilled as an unorthodox infill coal gas well on this 320-acre gas spacing unit is hereby approved:

**State Com. "31-8" Well No. 2-S
630' FSL & 1985' FEL (Unit O)
(API No. 30-045-31264).**

Further, Burlington is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from its existing State Com. "31-8" Well No. 2 with the proposed State Com. "31-8" Well No. 2-S.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division – Aztec
New Mexico State Land Office – Santa Fe
Thomas Kellahin, Legal Counsel for Burlington Resources Oil & Gas Company – Santa Fe