

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



December 8, 2008

Burlington Resources Oil & Gas Company, LP
Attn: Ms. Patsy Clugston
3401 E. 30th Street
Farmington, NM 87401

Administrative Order NSL-5974

Re: Bandy Com. Well No. 100
API No. 30-045-34715
2090 feet FSL and 1010 feet FWL
Unit L, Section 3-30N-11W
San Juan County, New Mexico

Dear Ms. Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-29036098**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 15, 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 well location, as described above in the caption of this letter.

The S/2 of Section 3 will be dedicated to this well in order to form a standard 320-acre, more or less, spacing unit in the Basin-Fruitland Coal Gas Pool (71629). Spacing in this pool is governed by 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 provide generally for 320-acre units with wells to be located at least 660 feet from any unit boundary. This location is less than 660 feet from the northern unit boundary.



The SW/4 of Section 3 will be dedicated to this well in order to form a standard 160-acre, more or less, spacing unit in the undesignated Farmer-Fruitland Sand Gas Pool (76570). Spacing in this pool is governed by statewide Rule 15.10.C, which provides for 160-acre units with wells located at least 660 feet from any unit boundary. This location is less than 660 feet from the northern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location in order to accommodate existing surface use.

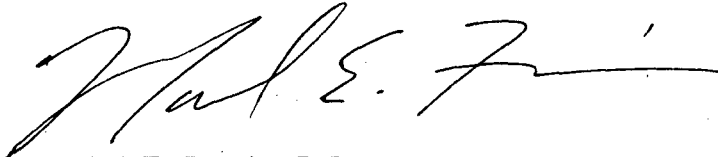
It is also understood that notice of this application has been provided to all "affected persons" in offsetting spacing units toward which this location encroaches, as required by Division Rule 4.12.A(2).

Pursuant to the authority conferred by Division Rule 15.13.B, 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 5.9.

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", with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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