



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 26, 1998

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

Administrative Order NSL-4074

Dear Ms. Bradfield:

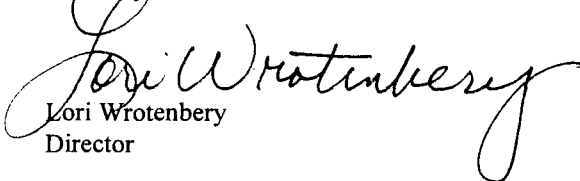
Reference is made to your application dated June 9, 1998 for an exception to the well location requirements provided within the "Special Rules and Regulations for the Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987, for Burlington Resources Oil & Gas Company's ("Burlington") proposed San Juan "27-4" Unit Well No. 55-M to be drilled at an unorthodox "infill" gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools 1970 feet from the South line and 2090 feet from the East line (Unit J) of Section 5, Township 27 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

Gas production attributed to the well from both pools is to be included in the existing standard 319.33-acre stand-up gas spacing and proration unit comprising Lots 1 and 2, the S/2 NE/4, and the SE/4 (E/2 equivalent) of Section 5. Blanco-Mesaverde gas production is currently dedicated to Burlington's San Juan "27-4" Unit Well No. 19 (API No. 30-039-07206), located at a standard gas well location 915 feet from the North line and 1090 feet from the East line (Lot 1/Unit A) of Section 5. Basin-Dakota gas production is currently dedicated to Burlington's San Juan "27-4" Unit Well No. 55 (API No. 30-039-20321), located at a standard gas well location 1700 feet from the North line and 1750 feet from the East line (Unit G) of Section 5.

The application has been duly filed under the provisions of Rules 104.F and 605.B of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde "infill" gas well location for the San Juan "27-4" Unit Well No. 55-M is hereby approved. All of the aforementioned wells and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

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