

June 30, 1998

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

Administrative Order NSL-4080

Dear Ms. Bradfield:

Reference is made to your application dated June 22, 1998 for an exception to the well location requirements provided within the "Special Rules and Regulations for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987, for a non-standard Blanco-Mesaverde infill gas well location in an existing non-standard 196.56-acre stand-up gas spacing and proration unit for the Blanco-Mesaverde Pool comprising Lots 7, 8, 9, 10, 15, 16, 17, and 18 (W/2 equivalent) of irregular Section 30, Township 32 North, Range 9 West, NMPM, San Juan County, New Mexico. This unit is currently dedicated to Burlington Resources Oil & Gas Company's San Juan "32-9" Unit Well No. 40 (API No. 30-045-11220), located at a standard gas well location 890 feet from the South and West lines (Lot 18/Unit N) of Section 30.

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 following described well to be drilled at an unorthodox infill gas well location in Section 30 is hereby approved:

San Juan "32-9" Unit Well No. 40-A 1620' FNL & 1645' FWL (Lot 10/Unit F) (API No. 30-045-29627)

Further, both of the aforementioned San Juan "32-9" Unit Well Nos. 40 and 40-A and the existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

ri Uniterberry Lori Wrotenbery Director

LW/MES/kv

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