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

June 29, 1998

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

Administrative Order NSL-4081

Dear Ms. Bradfield:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on June 24, 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 Allison Unit Well No. 31-M (API No. 30-045-29601) to be drilled at an unorthodox "infill" gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools 1100 feet from the North line and 300 feet from the West line (Unit D) of Section 14, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

Gas production attributed to the well from both pools is to be included in the existing standard 320-acre standup gas spacing and proration unit comprising the W/2 of Section 14. Blanco-Mesaverde gas production is currently dedicated to Burlington's Allison Unit Well No. 28 (API No. 30-045-20153), located at a standard gas well location 1050 feet from the South line and 875 feet from the West line (Unit M) of Section 14. Basin-Dakota gas production is currently dedicated to Burlington's Allison Unit Well No. 31 (API No. 30-045-23296), located at a standard gas well location 1465 feet from the South line and 810 feet from the West line (Unit L) of Section 14.

The application has been duly filed under the provisions of Division 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 Allison Unit Well No. 31-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

Kori Wrotenb

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington

brotenbeng