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

March 4, 1999

Burlington Resources Oil & Gas Company P. O. Box 4289 Farmington, New Mexico 87499-4289 Attention: Peggy Bradfield Telefax No. (505) 326-9833

Administrative Order NSL-4091-A

Dear Ms. Bradfield:

Reference is made to the following: (i) your application dated February 24, 1999; (ii) the New Mexico Oil Conservation Division's ("Division") initial response to your application by letter from Mr. Michael E. Stogner dated March 1, 1999; (iii) your telefaxed response on March 4, 1999; and (iv) the records of the Division in Santa Fe: all concerning Burlington Resources Oil and Gas Company's ("Burlington") request for an exception to the well location requirements provided within the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 dated February 1, 1999, for a non-standard Blanco-Mesaverde infill gas well location in an existing 320-acre non-standard gas spacing and proration unit ("GPU") for the Blanco-Mesaverde Pool comprising the SE/4 SE/4 of Section 23 and the NE/4 NW/4, S/2 NW/4, and SW/4 of Section 24, both in Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico (approved by Division Administrative Order NWU-37, dated May 12, 1955).

This GPU is currently dedicated to Burlington's:

- (i) East Well No. 5 (API No. 30-045-10475), located at a standard gas well location 990 feet from the South line and 1650 feet from the West line (Unit N) of Section 24; and
- (ii) East Well No. 5-A (API No. 30-045-22865), located at an unorthodox infill gas well location (approved by Division Order No. R-5674, issued in Case No. 6156 dated March 21, 1978)1120 feet from the North line and 1790 feet from the West line (Unit C) of Section 24.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled as the second infill well on this GPU at an unorthodox gas well location in Section 24 is hereby approved:

East Well No. 5-E 1615' FNL & 875' FWL (Unit E) (API No. 30-045-29646).

Further, all three of the aforementioned East Well Nos. 5, 5-A, and 5-E and existing non-standard GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

By Administrative Order NSL-4091, dated July 13, 1998, the Division authorized Burlington to drill and complete this well at an unorthodox infill gas well location in the Basin-Dakota Pool. It is our understanding that Burlington now intends to dually complete the East Well No. 5-E in both the Blanco-Mesaverde and Basin-Dakota Pools. All provisions of Administrative Order NSL-4091 shall remain in full force and effect until further notice.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington

File: NSL-4091