



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 23, 1998

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

Administrative Order NSL-4101

Dear Ms. Bradfield:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on July 14, 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. 98-A to be drilled at an unorthodox gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools 1240 feet from the North line and 1160 feet from the West line (Unit D) of Section 10, Township 27 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

Gas production from the Blanco-Mesaverde Pool is to be included in an existing standard 320-acre stand-up gas spacing and proration unit comprising the W/2 of Section 10, which is currently dedicated to Burlington's San Juan "27-4" Unit Well No. 98 (API No. 30-039-20834), located at a standard gas well location 1180 feet from the South line and 1840 feet from the West line (Unit N) of Section 10.

The W/2 of Section 10, being a standard 320-acre gas spacing and proration unit for the Basin Dakota Pool, is also to be dedicated to the proposed San Juan "27-4" Unit Well No. 98-A.

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 Blanco-Mesaverde "infill" gas well location and Basin-Dakota gas well location for the San Juan "27-4" Unit Well No. 98-A is hereby approved. Both of the aforementioned San Juan "27-4" Unit Well Nos. 98 and 98-A 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