

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**

Governor

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Cabinet Secretary

**Reese Fullerton**

Deputy Cabinet Secretary

**Mark Fesmire**

Division Director

Oil Conservation Division



March 3, 2009

Burlington Resources Oil & Gas Company, LP

Attn: Ms. Patsy Clugston

3401 E. 30th Street

Farmington, NM 87401

**Administrative Order NSL-5997**

**Re: Ute Well No. 27**

**API No. 30-045-29276**

**2125 feet FSL and 1270 feet FWL**

**Unit L, Section 16-32N-14W**

**San Juan County, New Mexico**

Dear Ms Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-03352403**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 2, 2009, and

(b) the Division's records pertinent to this request.

Burlington Resources Oil & Gas Company, LP (Burlington) has requested to drill the above-referenced well at an unorthodox well location, as described above in the caption of this letter.

The SW/4 of Section 16 will be dedicated to this well in the order to form standard 160-acre spacing units in the Barker Dome Hermosa formation and in the Barker Dome Ismay Pool (96354). Spacing in the Barker Dome Ismay Pool is governed by the Special Rules and Regulations for the Barker Dome-Ismay Pool, as adopted by Order No. R-46-A, effective February 13, 1995, which provide for 160-acre units, with wells to be located at least 790 feet from any unit outer boundary and at least 130 feet from any quarter-quarter section line. Wildcat spacing in the Barker Dome Hermosa formation is governed by statewide Rule 15.10.C, which provides for 160-acre units, with wells located at least 660 feet from a unit outer boundary.



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The S/2 of Section 16 will be dedicated to this well in order to form a standard 320-acre spacing unit in the Barker Dome Desert Creek Pool (96353). Spacing in this pool is governed by the Special Rules and Regulations for the Barker Dome-Desert Creek Pool, as adopted by Order No. R-46-A, effective February 13, 1995, which provide for 320-acre units, with wells to be located at least 790 feet from any unit outer boundary and at least 130 feet from any quarter-quarter section line.

This location is less than 660 feet from the northern unit boundary of both the proposed 160-acre SW/4 unit and the proposed 320-acre S/2 unit, and, in addition, is less than 130 feet from the eastern boundary of the quarter-quarter section.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

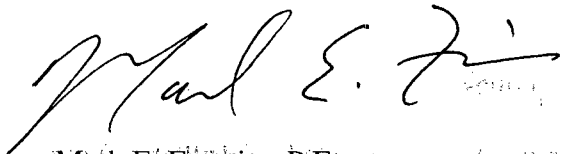
It is our understanding that you are seeking this location in order to utilize an existing wellbore. It is also understood that notice of this application to offsetting operators or owners is unnecessary because of common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.  
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec

United States Bureau of Land Management - Durango, CO