

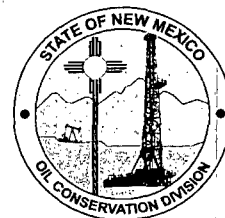


# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



March 4, 2009

Burlington Resources Oil & Gas Company, LP  
Attn: Ms. Patsy Clugston  
3401 E. 30th Street  
Farmington, NM 87401

## Administrative Order NSL-6001

**Re: Frost Well No. 500S**  
**API No. 30-045-34858**  
**615 feet FNL and 1400 feet FWL**  
**Unit C, Section 26-27N-10W**  
**San Juan County, New Mexico**

Dear Ms Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-03757599**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 6, 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 described above in the caption of this letter. The N/2 of Section 26 will be dedicated to this well in order to form a standard 320-acre spacing unit in the Basin Fruitland Coal Gas Pool (71629). Spacing in this pool is governed by the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as amended by Order No. R-8768-F, effective July 17, 2003, which provide generally for 320-acre units with wells to be located at least 660 feet from any unit boundary. This location is less than 660 feet from the northern unit boundary.

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 for topographic reasons.



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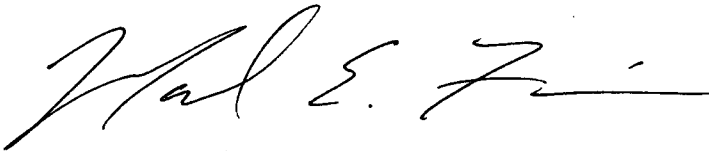
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with the first name "Mark" being the most prominent.

Mark E. Fesmire, P.E.  
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec  
United States Bureau of Land Management - Farmington