

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

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Mark Fesmire

Division Director

Oil Conservation Division



March 18, 2009

Burlington Resources Oil & Gas Company, LP

Attn: Ms. Patsy Clugston

3401 E. 30th Street

Farmington, NM 87401

Administrative Order NSL-6006

Re: San Juan 27-4 Well No. 139N

API No. 30-039-30438

Unit B, Section 9-27N-4W

Rio Arriba County, New Mexico

Dear Ms. Clugston:

Reference is made to the following:

(a) your application (~~administrative~~ **application reference No. pKAA09-04461168**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 13, 2009,

(b) your supplemental emails dated March 9, March 12 and March 17, 2009, and

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

Burlington Resources Oil & Gas Company, L.P. (Burlington) has requested to drill the above-referenced well as a directional gas well, to a bottom hole location that will be unorthodox under Division Rule 16.14.B. The proposed surface location and terminus of the well are as follows:

Surface Location: 110 feet from the North line and 1700 feet from the East line
(Unit B) of Section 9, Township 27N, Range 4W, NMPM
Rio Arriba County, New Mexico

Terminus 514 feet from the North line and 456 feet from the East line
(Unit A) of said Section 9.

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



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The E/2 of Section 9 will be dedicated to the proposed well to form a standard 320-acre spacing unit in the Basin-Dakota Gas Pool (71599). Spacing in this pool is governed by Rules II A and II C of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as most recently amended by Order No. R-10987-B(2), which generally provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary.

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

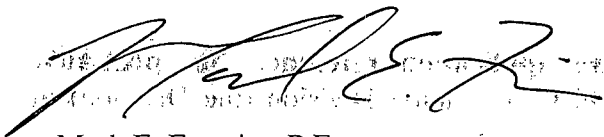
It is our understanding that you are seeking this location because of an unintended drilling error. It is further understood notice of this application to offsetting operators or owners is not required because of common ownership.

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 - Farmington