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

October 28, 1998

Burlington Resources Oil & Gas Company P. O. Box 51810 Midland, Texas 79710-1810 Attention: Maria L. Perez

Administrative Order NSL-4159(BHL)

Dear Ms. Perez:

Reference is made to your application dated October 5, 1998 for a non-standard subsurface gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Undesignated Ross Draw-Wolfcamp Gas Pool for Burlington Resources Oil and Gas Company's ("Burlington") BR "13" Federal Well No. 1 to be drilled from a surface location 1834 feet from the North line and 665 feet from the West line (Unit E) of Section 13, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. The W/2 of Section 13, being a standard 320-acre stand-up gas spacing and proration unit for the Undesignated Ross Draw-Wolfcamp Gas Pool, is to be dedicated to this well.

It is our understanding that Burlington intends to kickoff of the vertical portion of this wellbore in a southeasterly direction and drill a lateral horizontal drainhole through the Wolfcamp formation. Further, to allow for natural drift tendencies in normal vertical rotary drilling operations within this immediate area Burlington is requesting a larger than legal drilling window for this producing interval [see Division General Rules 104.B(1)(a) and 111.A(9)].

The applicable drilling window or "producing area" within the Wolfcamp formation for this wellbore shall include that area within the subject 320-acre gas spacing and proration unit comprising the W/2 of Section 13 that is:

- (a) no closer than the normal set-back requirement of 660 feet to the eastern boundary of the subject 320-acre tract;
- (b) no closer than 500 feet to the West line of Section 13; and,
- (c) no closer than the normal set-back requirement of 1650 feet to the North and South lines of Section 13.

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By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described non-standard subsurface gas producing area/bottomhole gas well location for the Wolfcamp formation is hereby approved.

The operator shall comply with all provisions of Division General Rule 111 applicable in this matter.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia

U. S. Bureau of Land Management - Carlsbad