NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

February 25, 1999

Burlington Resources Oil & Gas Company P. O. Box 4289 Farmington, New Mexico 87499-4289 Attention: Peggy Bradfield Telefax No. (505) 326-9833

Administrative Order NSL-4220

Dear Ms. Bradfield:

Reference is made to your application dated February 23, 1999 for an exception to the well location requirements provided within the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 dated February 1, 1999, for a non-standard Blanco-Mesaverde infill gas well location in an existing standard 318.14-acre stand-up gas spacing and proration unit ("GPU") for the Blanco-Mesaverde Pool comprising Lots 5 and 6, the S/2 NE/4, and the SE/4 (E/2 equivalent) of Section 2, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

This GPU is currently dedicated to Burlington Resources Oil & Gas Company's:

- (i) San Juan "29-7" Unit Well No. 47 (API No. 30-039-07709), located 890 feet from the North line and 1750 feet from the East line (Lot 6/Unit B) of Section 2;
- (ii) San Juan "29-7" Unit Well No. 47-A (API No. 30-039-21613), located 1160 feet from the South line and 1680 feet from the East line (Unit O) of Section 2; and
- (iii) San Juan "29-7" Unit Well No. 47-B (API No. 30-039-25622), located 2610 feet from the South line and 2200 feet from the East line (Unit J) of Section 2 (see Division Order No. R-10720, issued in Case No. 11625 dated January 9, 1997).

The locations of these three existing wells are considered to be standard pursuant to **Subparagraph I.B** of the current special rules governing the Blanco-Mesaverde Pool.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled as the third infill well on this GPU at an unorthodox gas well location

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in Section 2 is hereby approved:

San Juan "29-7" Unit Well No. 47-C 345' FNL & 490' FEL (Lot 5/Unit A) (API No. 30-039-26074).

Further, all four of the aforementioned San Juan "29-7" Unit Well Nos. 47, 47-A, 47-B, and 47-C and existing GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

New Mexico State Land Office - Santa Fe