NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

April 23, 1999

Burlington Resources Oil & Gas Company P. O. Box 4289 Farmington, New Mexico 87499-4289 Attention: Peggy Bradfield

Administrative Order NSL-4273

Dear Ms. Bradfield:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on April 15, 1999 for an exception to the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987, for a non-standard Basin-Dakota infill gas well location in an existing standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool comprising the W/2 of Section 8, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Burlington's San Juan "27-5" Unit Well No. 112 (API No. 30-039-20239), located a standard gas well location 1840 feet from the South line and 960 feet from the West line (Unit L) of Section 8.

The 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 at an unorthodox infill gas well location in Section 8 is hereby approved:

San Juan "27-5" Unit Well No. 112-M 665' FNL & 1655' FWL (Unit C) (API No. 30-039-26044).

Further, both of the aforementioned San Juan "27-5" Unit Well Nos. 112 and 112-M and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington