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

May 10, 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-4278

Dear Ms. Bradfield:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on May 5, 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. Lots 3, 4, 5, 6, 11, 12, 13, and 14 (W/2 equivalent) of Section 26, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico is to be dedicated to the proposed well in order to form a standard 300.76-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool.

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 gas well location in Section 26 is hereby approved:

San Juan "32-9" Unit Well No. 116 1955' FNL & 1570' FWL (Lot 6/Unit F) (API No. 30-045-29871).

Further, the aforementioned well and spacing 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