



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

December 30, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Burlington Resources Oil & Gas Company

P. O. Box 4289

Farmington, New Mexico 87499-4289

Telefax No. (505) 326-9833

Attention: Joni Clark

Administrative Order NSL-4971

Dear Ms. Clark:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on November 7, 2003 (***administrative application reference No. pMES0-331139041***); and (ii) the records of the Division in Aztec and Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for Burlington's proposed Cundiff "A" Well No. 2-R (**API No. 30-045-31790**) to be drilled 880 feet from the North line and 560 feet from the East line (Lot 1/Unit A) of Section 17, Township 32 North, Range 12 West, NMPM, San Juan County, New Mexico.

Lots 1 through 8 (N/2 equivalent) of Section 17 is to be dedicated to this well in order to form a 299.27-acre lay-down gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (**71629**).

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*"; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

Lori Wrotenbery

Director

LW/mes

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington