

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary

February 7, 2001

Lori Wrotenbery Director Oil Conservation Division

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-4546

Dear Ms. Bradfield:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on October 27, 2000 for an exception to the well location requirements provided within the: (i) the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999; and (ii) the "Special Rules for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June30, 2000, as amended by Division Order No. R-10987-B (1), for Burlington Resources Oil & Gas Company's ("Burlington") proposed Seymour Well No. 5-B to be drilled at an unorthodox gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools 1515 feet from the North line and 2145 feet from the West line (Lot 6/Unit F) of Section 23, Township 31 North, Range 9 West, NMPM, San Juan County, New Mexico.

Gas production from the Blanco-Mesaverde Pool is to be included in an existing standard 313.36-acre stand-up gas spacing and proration unit comprising Lots 3, 4, 5, 6, 11, 12, 13, and 14 (W/2 equivalent) of Section 23, which is currently dedicated to Burlington=s: (i) Seymour Well No. 5 (API No. 30-045-10438), located at a standard gas well location 1100 feet from the South line and 1060 feet from the West line (Lot 13/Unit M) of Section 23; and (ii) Seymour Well No. 5-A (API No. 30-045-21760), located at a standard infill gas well location 1180 feet from the North line and 920 feet from the West line (Lot 4/Unit D) of Section 23.

The W/2 equivalent of Section 23, being a standard 313.36-acre gas spacing and proration unit for the Basin Dakota Pool, is also to be dedicated to the proposed Seymour Well No. 5-B.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing both pools.

By the authority granted me under the provisions of Division Rule 104.F (2), the abovedescribed unorthodox Basin-Dakota/Blanco-Mesaverde gas well location for the Seymour Well No. 5-B is hereby approved. All of the aforementioned wells and both spacing units will be subject to Administrative Order NSL-4546 Burlington Resources Oil & Gas Company February 7, 2001 Page 2

all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery

Lori Wrotenber Director

LW/MES/kv

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