



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

January 24, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Burlington Resources Oil & Gas Company

P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Peggy Cole

Telefax No. (505) 326-9833

Administrative Order NSL-4542

Dear Ms. Cole:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on December 6, 2000; and (ii) the Division's records in Santa Fe and Aztec: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an off-pattern non-standard Basin-Fruitland coal gas well location for the existing Hancock "B" Well No. 5-E (**API No. 30-045-24078**), located 1450 feet from the South line and 1160 feet from the East line (Unit I) of Section 31, Township 28 North, Range 9 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico.

It is our understanding that the Hancock "B" Well No. 5-E is currently completed in the Basin-Dakota Pool at a standard infill gas well location within a standard 320-acre lay-down gas spacing and proration unit comprising the S/2 of Section 31.

It is further understood that Burlington intends to abandon the Dakota interval in this well at this time and to recompleate up-hole into the Basin-Fruitland Coal (Gas) Pool. Pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, the location of this well is considered to be unorthodox. Further, the S/2 of Section 31 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of these special pool rules the above-described unorthodox coal gas well location for the Hancock "B" Well No. 5-E is hereby approved.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

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