

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor BETTY RIVERA Cabinet Secretary

April 11, 2002

Lori Wrotenbery Director Oil Conservation Division

Burlington Resources Oil & Gas Company, L.P. c/o W. Thomas Kellahin P. O. Box 2265 Santa Fe, New Mexico 87504-2265

Telefax No. (505) 982-2047

Administrative Order NSL-4717

Dear Mr. Kellahin:

Reference is made to the following: (i) your application on behalf of the operator, Burlington Resources Oil & Gas Company, L.P. ("Burlington"), submitted to the New Mexico Oil Conservation Division ("Division") on March 22, 2002 (*Division application reference No. pKRV0-208536370*); and (ii) the Division's records in Aztec and Santa Fe, including the record in Division Case No. 12836: all concerning Burlington's request for an exception to the well location requirements 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 an off-pattern non-standard replacement coal gas well location within a former standard 320-acre stand-up gas spacing and proration unit comprising the W/2 of Section 20, Township 31 North, Range 8 West, NMPM, San Juan County, New Mexico.

The application has been duly filed under the provisions of: (i) Rule 8 of the special pool rules; (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.

It is our understanding that initial development of Basin-Fruitland coal gas production within this 320-acre unit commenced in 1990 when Burlington's Quinn Well No. 339 (**API No. 30-045-28094**) was drilled at a standard coal gas well location 1825 feet from the South line and 835 feet from the West line (Unit L) of Section 20. Basin-Fruitland coal gas production ceased in this well in May, 1999. It is our understanding that this well is to be plugged and abandoned in the near future (see USBLM Form 3160-5, Sundry Notice, on this well dated November 16, 2001).

By the authority granted me under the provisions of these special pool rules and Division Rule 104.F (2), the following described well to be drilled as a replacement coal gas well on this 320-

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acre gas spacing and proration unit at an off-pattern non-standard coal gas well location is hereby approved:

Quinn Well No. 339-R 840' FNL & 1095' FWL (Unit D).

Sincerely,

GriWrotenberg

Lori Wrotenbery Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: Case No. 12836