



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

September 30, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, New Mexico 87499-4289
Attention: Peggy Cole
pbradfield@br-inc.com

Telefax No. (505) 326-9833

Administrative Order NSL-4788

Dear Ms. Cole:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on September 25, 2002 (*application reference No. pKRV0-226935566*); and (ii) the records of the Division in Aztec and Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an exceptions to the well location requirements provided within the:

(A) 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

(B) the "*Special Rules for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002:

for Burlington's proposed Grambling "C" Well No. 2-B (API No. 30-045-31108) to be drilled at an unorthodox gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools 1975 feet from the North line and 380 feet from the West line (Lot 5/Unit E) of Section 14, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico.

Gas production from the Blanco-Mesaverde Pool is to be included within an existing standard 308.6-acre stand-up gas spacing and proration unit comprising Lots 3, 4, 5, 6, 11, 12, 13, and 14 (W/2 equivalent) of Section 14, which is currently dedicated to Burlington's: (i) Grambling "C" Well No. 2-A (API No. 30-045-21784), located at a standard gas well location 1015 feet from the North line and 1600 feet from the West line (Lot 3/Unit C) of Section 14; (ii) Grambling "C" Well No. 2-R (API No. 30-045-28625), located at a standard gas well location 1425 feet from the

South line and 1725 feet from the West line (Lot 11/Unit K) of Section 14; and (iii) Grambling "C" Well No. 13 (API No. 30-045-26599), located at a standard gas well location 1155 feet from the South line and 790 feet from the West line (Lot 13/Unit M) of Section 14.

The proposed Grambling "C" Well No. 2-B is to be an initial Dakota gas well within a standard 311.78-acre lay-down gas spacing and proration unit for the Basin Dakota Pool comprising Lots 1 through 8 (N/2 equivalent) of Section 14.

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 above-described unorthodox Basin-Dakota/Blanco-Mesaverde gas well location for the Grambling "C" Well No. 2-B is hereby approved. All of the aforementioned wells and both spacing units 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