



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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OIL CONS. DIV.
DIST. 3

BILL RICHARDSON

Governor

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Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 9, 2007

Burlington Resources Oil & Gas Company, L.P.
P.O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Ms. Patsy Clugston

Re: **San Juan 29-7 Unit Well No. 62C**
API No. 30-039-29991
1955' FNL & 2620' FEL, Unit G,
Section 14, T-29 North, R-7 West, NMPM,
Rio Arriba County, New Mexico

Administrative Order NSL-5545

Dear Ms. Clugston:

Reference is made to the following:

- (a) Burlington Resources Oil & Gas Company, L.P.'s ("Burlington") application for a non-standard well location (*administrative application reference No. pTDS0634232471*) for the San Juan 29-7 Unit Well No. 62C that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on December 5, 2006; and
- (b) the Division's records pertinent to Burlington's request.

Burlington requests authority to drill its San Juan 29-7 Unit Well No. 62C to test the **Basin-Dakota (Prorated Gas – 71599) and Blanco-Mesaverde (Prorated Gas –72319) Pools** at a non-standard gas well location for the Dakota formation 1955 feet from the North line and 2620 feet from the East line (Unit G) of Section 14, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. The E/2 of Section 14 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit. The Basin-Dakota and Blanco-Mesaverde Gas Pools are currently governed by special pool rules established by Division Order No. R-10987, as amended, which provide that for wells located within federal exploratory units:

- (a) a standard unit shall consist of 320 acres, more or less, comprising the N/2, S/2, E/2 or W/2 of a governmental section; and

- (b) well's may be drilled no closer than 10 feet from any section, quarter-section, or interior quarter-quarter section line or subdivision inner boundary; provided however, that in order to qualify for the more lenient well setback requirements, the well and gas proration unit (GPU) must meet the following criteria:

the well must be located within a GPU that is fully committed to the unit and must not be located adjacent to an existing or prospective GPU that is non-committed or partially committed to the unit;

the well must be located within a GPU that is within the Participating Area (PA) for that formation and must not be located adjacent to an existing or prospective GPU that is not within the PA for that formation.

Burlington's application stated that the well was originally proposed as a Blanco-Mesaverde Gas Pool test. The well was staked at the proposed location for topographic reasons. The location is standard for the Blanco-Mesaverde Gas Pool since the proposed GPU and the adjacent GPU's are fully committed to the unit and are within the Mesaverde PA. However, the location is unorthodox for the Basin-Dakota Gas Pool since the proposed GPU and several of the adjacent GPU's are not located within the Dakota PA.

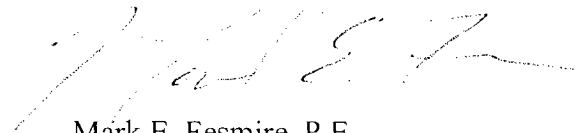
Division records show that the San Juan 29-7 Unit Well No. 62C will be the fourth well producing from the Blanco-Mesaverde Gas Pool, and the first well producing from the Basin-Dakota Gas Pool within the E/2 of Section 14. The existing Blanco-Mesaverde Gas Pool producing wells are the Burlington San Juan 29-7 Unit Wells No. 62 (API No. 30-039-07633) located in Unit A, the 62A (API No. 30-039-25428) located in Unit P, and the 62B (API No. 30-039-26073) located in Unit J.

The affected offset acreage is the W/2 of Section 14. There are currently no wells producing from the Basin-Dakota Gas Pool within the W/2 of Section 14, therefore, Burlington provided notice of this application to all working interest owners within the affected offset acreage.

No interest owner objected to this application.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Basin-Dakota Gas Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MES/drc

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