

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Jennifer A. Salisbury
Cabinet Secretary

March 15, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Burlington Resources Oil & Gas Company

P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Peggy Cole

MAR 200

Telefax No. (505) 326-9833

Administrative Order NSL-4564

Dear Ms. Cole:

Reference is made to the following: (i) your initial application submitted to the New Mexico Oil Conservation Division ("Division") on February 16, 2001; and (ii) the Division's records in Aztec and Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington's") request for an exception to the well location requirements provided within the "Special Ruses and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 dated June 30, 2000 for a non-standard infill gas well location within an existing standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool comprising the W/2 of Section 8, Township 27 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Burlington's San Juan "27-4" Ur it Well No. 42 (API No. 30-039-20132), located at a standard initial gas well location 1500 feet from the South line and 1550 feet from the West line (Unit K) of Section 8.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority grante I me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infil. gas well location in Section 8 is hereby approved:

San Juan "27-4" Unit Well No. 42-M 2405' FNL & 475' FWL (Unit E) & 27 N - 4 (x) (API No. 30-039-26377)

Further, both of the aforementioned San Juan "27-4" Unit Wells No. 42 and 42-M and existing gas spacing and proration unit 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

U. S. Forest Service - Bloomfield