



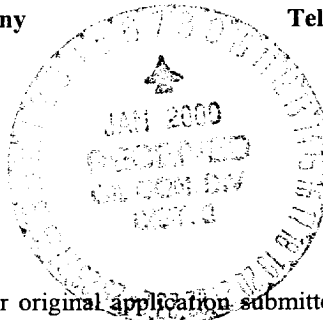
**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 4, 2000

**Burlington Resources Oil and Gas Company
P. O. Box 4289
Farmington, New Mexico 87499-4289
Attention: Peggy Bradfield Cole**

Telefax No. (505) 326-9833



Administrative Order NSL-4383

Dear Ms. Cole:

Reference is the following: (i) your original application submitted to the New Mexico Oil Conservation Division ("Division") on November 17, 1999; (ii) the Division's initial response by letter from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe, dated December 1, 1999 withdrawing this application; (iii) your re-submittal of this application to the Division on December 15, 1999; and (iv) the Division's records in Santa Fe: all concerning Burlington Resources Oil and Gas Company's ("Burlington") request for an off-pattern non-standard Basin-Fruitland coal gas well location for the proposed Huerfanito Unit Com. Well No. 174 (API No. 30-045-29885) to be drilled 920 feet from the South line and 840 feet from the East line (Unit P) of Section 24, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico. The S/2 of Section 24 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.

The application has been duly filed under the provisions of: (i) Rule 8 of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended; (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 a well drilled into the Basin-Fruitland Coal (Gas) Pool at the proposed off-pattern non-standard coal gas well location will be at a slightly more favorable geologic position within the gas productive coal seam interval than a well drilled at a location considered to be standard for this 320-acre S/2 dedication.

By the authority granted me under the provisions of these special pool rules and Division Rule 104.F (2), the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Farmington
W. Thomas Kellahin, Legal Counsel for Burlington - Santa Fe