



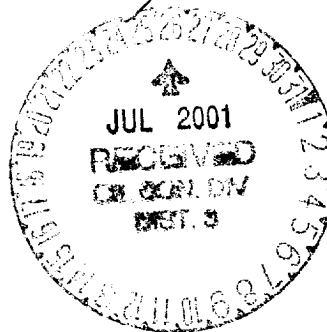
NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 23, 2001

Lori Wrotenbery
Director
Oil Conservation Division

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



Attention: Peggy Cole

Re: *Administrative application for an exception to the well location provisions of the: (i) "Special Rules for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987-A; and (ii) "Special Rules for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987-B, as amended.*

Dear Ms. Cole:

This letter acknowledges the receipt of your administrative application dated July 18, 2001 of an unorthodox gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools for Burlington Resources Oil & Gas Company's proposed Allison Unit Com. Well No. 64 (**API No. 30-045-29810**) to be drilled 2065 feet from the South line and 145 feet from the East line (Unit I) of Section 8, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico. The Division received your application on July 19, 2001, and assigned it NMOCD reference No. *pKRV0-120140364*. Please refer to this number in future correspondence with the Division.

Our preliminary review indicates that the information provided in the application is not sufficient to process an administrative order. The location provisions for both pools essentially requires wells to be no closer than 660 feet from the outer boundary of its assigned GPU (see Division Orders No. R-10987-A and R-10987-B). This well is 593 feet from such nearest outer boundary line, being the northwest corner of the SW/4 NW/4 (Unit E) of Section 9. This well is therefore deemed unorthodox. The following information is necessary:

- (1) An explanation with support data why an unorthodox location is absolutely necessary for this unit and why a standard location can not be found.

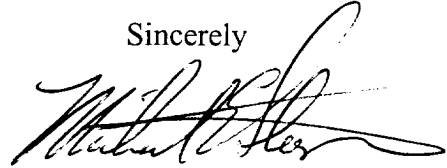
Since the submitted information is insufficient to review, the application was ruled as incomplete on July 23, 2001. Please submit the above stated information by Monday, July 30, 2001.

The Division can not proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

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Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465. Thank you.

Sincerely

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a stylized flourish at the end.

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec