



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



June 14, 2011

Burlington Resources Oil & Gas Company, LP
Attn: Ms. Patsy Clugston
3401 E. 30th Street
Farmington, NM 87402

Administrative Order NSL-6397

Re: Rock Island Federal Well No. 1N
API No. 30-045-35174
2516 feet FSL and 2047 feet FEL
Unit J (Lot 10), Section 9-29N-10W
San Juan County, New Mexico

Dear Ms Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-14041472**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 20, 2011, and

(b) the Division's records pertinent to this request.

Burlington Resources Oil & Gas Company, LP (Burlington) has requested to drill the above-referenced well at an unorthodox gas well location, as described above in the caption of this letter. The S/2 of Section 9 will be dedicated to this well in order to form standard 320.56-acre gas spacing units in the Blanco Mesaverde Gas Pool (72319) and in the Basin Dakota Gas Pool (71599). Spacing in the Blanco Mesaverde Gas Pool is governed by Rules I.A and I.C of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, as amended by Order No. R-10987-A(1), effective December 2, 2002, which generally provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary. Spacing in the Basin Dakota Gas Pool is governed by Rules II.A and II.C of the Special Rules and Regulations for the Basin-Dakota

Oil Conservation Division
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Gas Pool, as most recently amended by Order No. R-10987-B(2), issued on January 29, 2002, which provide the same. This location is less than 660 feet from the northern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location for topographic reasons.

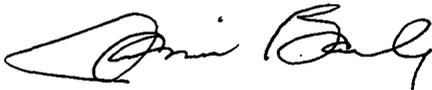
It is also understood that notice of this application to offsetting operators or owners is unnecessary because Burlington owns 100% of the working interest in the offsetting unit.

Pursuant to the authority conferred by Division Rule 15.13.B [19.15.13.B NMAC], the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.5.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is written in a cursive style with a large initial "J" and "B".

Jami Bailey
Director

JB/db

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