



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

November 23, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Burlington Resources Oil & Gas Company, L. P.

P. O. Box 4289

Farmington, New Mexico 87499-9700

Attention: Sharon Zubrod
Project Supervisor

Administrative Order NSL-5304

Dear Ms. Zubrod:

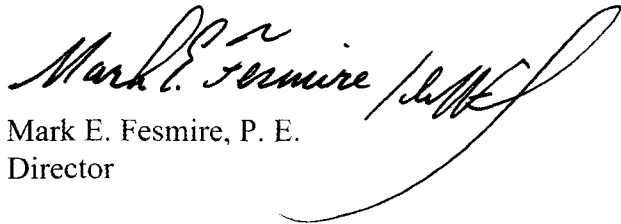
Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on November 16, 2005 (*administrative application reference No. pSEM0-532052204*); and (ii) the Division's records in Aztec and Santa Fe: all concerning Burlington Resources Oil & Gas Company, L. P.'s ("Burlington") request for an exception to the well location requirements provided within the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002, for the proposed San Juan Well No. 11-B (**API No. 30-045-33087**) to be drilled at an unorthodox infill gas well location 2475 feet from the South line and 1875 feet from the West line (Lot 11/Unit K) of Section 11, Township 30 North, Range 10 West, NMPM, Blanco-Mesaverde Pool (**72319**), Rio Arriba County, New Mexico.

The Blanco-Mesaverde gas production from this well is to be included within an existing standard 311.78-acre lay-down gas spacing and proration unit ("GPU") comprising Lots 9 through 16 (S/2 equivalent) of Section 11, which is currently dedicated to Burlington's: (i) San Juan Well No. 11 (**API No. 30-045-09610**), located at a standard gas well location 1080 feet from the South line and 1190 feet from the West line (Lot 13/Unit M) of Section 11; (ii) San Juan Well No. 11-A (**API No. 30-045-22498**), located at a standard infill gas well location 1760 feet from the South line and 1020 feet from the East line (Lot 9/Unit I) of Section 11; and (iii) Sunray "H" Com. Well No. 6-M (**API No. 30-045-30728**), also located at a standard infill gas well location 1170 feet from the South line and 1855 feet from the East line (Lot 15/Unit O) of Section 11.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing the Blanco-Mesaverde Pool.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Blanco-Mesaverde infill gas well location for Burlington's proposed San Juan Well No. 11-B is hereby approved. Further, all four of the aforementioned San Juan Wells No. 11, 11-A, 11-B, and Sunray "H" Com. Well No. 6-M and existing 311.78-acre GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", followed by a large, stylized flourish or scribble that extends to the right.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: U. S. Bureau of Land Management – Farmington
New Mexico Oil Conservation Division – Aztec