



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

ADMINISTRATIVE ORDER DHC-1755

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

Attention: Ms. Peggy Bradfield

San Juan 27-5 Unit No.57
API No.-30-039-07082
*Unit F, Section 13, Township 27 North, Range 5 West, NMPM,
Rio Arriba County, New Mexico.
Basin-Dakota (Prorated Gas - 71599) and
Blanco-Mesaverde (Prorated Gas - 72319) Pools*

Dear Ms. Bradfield:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

The applicant shall consult with the supervisor of the Aztec District Office of the Division upon completion and testing of the well in order to establish a fixed allocation of production from each of the commingled zones. Upon approval by the Division's District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

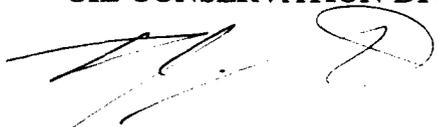
REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 14th day of January, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



KATHLEEN A. GARLAND
Acting Director

S E A L

KAG/DRC

cc: Oil Conservation Division - Aztec
Bureau of Land Management-Farmington



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 11, 1998

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

Administrative Order NSL-3944

Dear Ms. Bradfield:

Reference is made to your application dated February 6, 1998 for an unorthodox Blanco-Mesaverde "infill" gas well location on an existing 320-acre gas spacing and proration unit ("GPU") for said Blanco-Mesaverde Pool comprising the W/2 of Section 13, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. Said GPU presently has dedicated thereon the San Juan "27-5" Unit Well No. 29 (API No. 30-039-60067), located at a standard gas well location 990 feet from the South and West lines (Unit M) of said Section 13.

It is our understanding that the subject well of this application, the San Juan "27-5" Unit Well No. 57 (API No. 30-039-07082), located 1450 feet from the North line and 2510 feet from the West line (Unit F) of said Section 13, was originally drilled by Pan American Petroleum Corporation in 1965 and completed in the Basin-Dakota Pool at a location that is considered to be unorthodox, however no record of approval for said unorthodox Dakota gas well location can be found. The Dakota gas production from this well is dedicated to a standard 320-acre GPU which comprises the N/2 of said Section 13.

It is also our understanding that Burlington Resources Oil and Gas Company ("Burlington") at this time intends to downhole commingle gas production from both the Blanco-Mesaverde and Basin-Dakota Pools in said wellbore under the authority of Division Administrative Order DHC-1755, dated January 14, 1998.

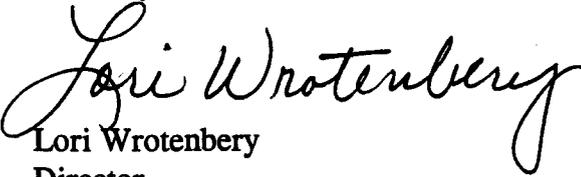
Pursuant to the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-8170, as amended, said location is also unorthodox for the Mesaverde interval.

By the authority granted me under the provisions of Rule 2(d) of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox Dakota/Mesaverde gas well location for the San Juan "27-5" Unit Well No. 57 is hereby approved.

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Further, Burlington is authorized to simultaneously dedicate Blanco-Mesaverde gas production from both the San Juan "27-5" Unit Well Nos. 29 and 57 to the subject 320-acre GPU that comprises the W/2 of said Section 13. Said wells and GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest New Mexico.

Sincerely,



Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: DHC-1755 /