



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

April 13, 2006

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

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

Attention: Joni Clark
Regulatory Specialist
jclark@br-inc.com

Administrative Order NSL-5360

Dear Ms. Clark:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on March 23, 2006 (*administrative application reference No. pTDS0-608252150*); and (ii) the Division's records in Aztec and Santa Fe, including the file on Division administrative application reference No. pTDS0-607553930: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for its existing Jose Jaquez Well No. 1 (**API No. 30-045-09341**), located 2060 feet from the South line and 1460 feet from the West line (Unit K) of Section 24, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

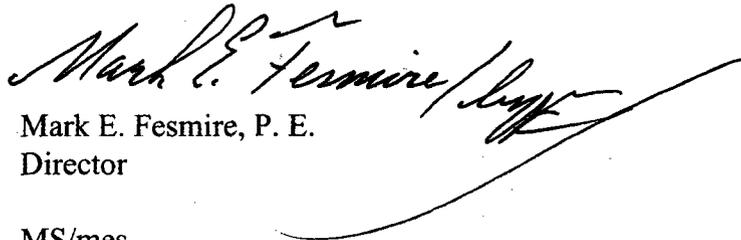
The S/2 of Section 24, being a standard 320-acre lay-down gas spacing unit in the Basin-Fruitland Coal (Gas) Pool (**71629**), is dedicated to this well.

Your application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*;" and (ii) Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

It is the Division's understanding the above-described Jose Jaquez Well No. 1 was initially drilled in 1962 by Southwest Production Company of Farmington, New Mexico and completed in the Basin-Dakota Pool (**71599**) at a standard gas well location within a standard 320-acre stand-up gas spacing and proration unit comprising the W/2 of section 24. In September, 1999 Burlington plugged back and abandoned the Dakota interval and recompleted the well up-hole into the Fruitland coal gas zone.

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the above-described unorthodox coal gas well location for the Jose Jaquez Well No. 1 is hereby approved.

Sincerely,



Mark E. Fesmire, P. E.
Director

MS/mes

cc: New Mexico Oil Conservation Division – Aztec
