



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 23, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Burlington Resources Oil and 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-5381

Dear Ms. Clark:

Reference is made to the following: (i) your application dated April 13, 2006 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 20, 2006 (*administrative application reference No. pTDS0-611056096*); and (ii) the Division's records in Aztec and Santa Fe: all concerning Burlington Resources Oil and Gas Company, L.P.'s ("Burlington") request for exceptions to the well location requirements provided within both the:

(A) "*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; and

(B) "*Special Rules for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002:

Burlington proposes to drill its San Juan "28-4" Unit Well No. 28-A (**API No. 30-039-27626**) is to be drilled at an unorthodox gas well location in both the Blanco-Mesaverde (**72319**) and Basin-Dakota (**71599**) Pools 230 feet from the North line and 530 feet from the West line (Lot 1/Unit D) of Section 19, Township 28 North, Range 4 West, NMPM, Rio Arriba County, New Mexico

Gas production from the shallower Blanco-Mesaverde Pool is to be included within an existing standard 319.54-acre lay-down gas spacing and proration unit ("GPU") comprising Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 19, which is currently dedicated to Burlington's San Juan "28-4" Unit Well No. 28 (**API No. 30-039-07388**), located at a standard gas well location 1540 feet from the North line and 1180 feet from the East line (Unit H) of Section 19.

May 23, 2006

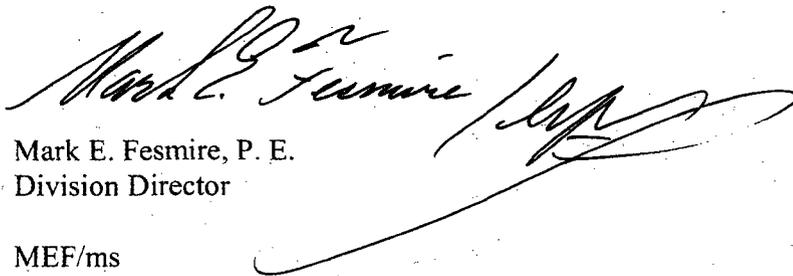
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The proposed San Juan "28-4" Unit Well No. 28-A will be the initial Dakota gas well within this same 319.54-acre lay-down GPU.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing both pools.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde gas well location for Burlington's proposed San Juan "28-4" Unit Well No. 28-A is hereby approved. Further all of the aforementioned wells and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,



Mark E. Fesmire, P. E.
Division Director

MEF/ms

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington
U. S. Forest Service, Jicarilla Ranger District – Bloomfield, NM
