



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 24, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

**Burlington Resources Oil & Gas Company, L. P.
P. O. Box 4289
Farmington, New Mexico 87499-9700**

Attention: Joni Clark
jclark@br-inc.com

Administrative Order NSL-2803-A

Dear Ms. Clark:

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 May 3, 2006 (*administrative application reference No. pTDS0-612350042*); and (ii) the Division's records in Aztec and Santa Fe, including the file on Division Administrative Order NSL-2803: all concerning Burlington Resources Oil & Gas Company, L. P.'s ("Burlington") request for an unorthodox gas well location in both the South Blanco-Pictured Cliffs Pool (72439) and Basin-Fruitland Coal (Gas) Pool (71629) for the proposed San Juan 27-8 "C" Well No. 6-S (API No. 30-045-33614), to be drilled 850 feet from the South line and 575 feet from the West line (Unit M) of Section 11, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

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*," as promulgated by Division Order No. R-8768, as amended; (ii) Division Rule 605; (iii) the "*Special Rules and Regulations for the South Blanco-Pictured Cliffs Pool*," as promulgated by Division Order No. R-10987, issued in Case No. 11705 on May 7, 1998; and (iv) 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].

Gas production from the Basin-Fruitland Coal (Gas) Pool is to be included within an existing standard 320-acre stand-up gas spacing unit comprising the W/2 of Section 11, which is currently dedicated to Burlington's San Juan 27-8 "C" Well No. 6 (API No. 30-045-06676), located at a location now considered to be standard but unorthodox/off-pattern at the time it was re-completed as a Fruitland coal gas producer in mid-1990 (approved by Division Administrative Order NSL-2803, dated May 29, 1990) 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 11.

Burlington Resources Oil & Gas Company, L. P.
Division Administrative Order NSL-2803-A

May 24, 2006

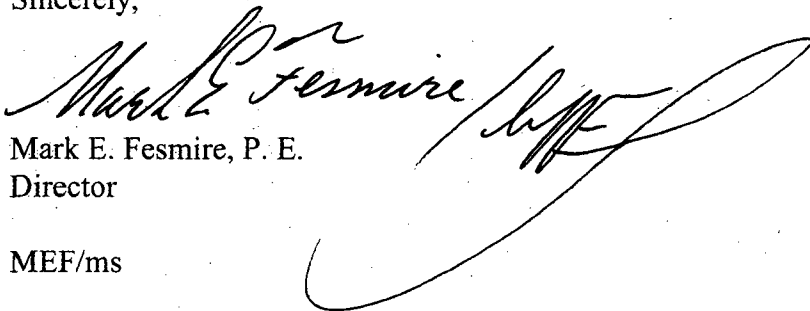
Page 2

Further, this well is to be a replacement gas well within a former standard 160-acre gas spacing and proration unit ("GPU") in the South Blanco-Pictured Cliffs Pool that comprised the SW/4 of Section 11. From the Division's records, initial development of South Blanco-Pictured Cliffs gas production within this 160-acre GPU commenced in early 1958 when Northwest Production Corporation of Albuquerque, New Mexico drilled (spud date: October 30, 1957) and completed its San Juan 27-8 "C" Well No. 5 (API No. 30-045-06596) at a standard gas well location 790 feet from the South line and 990 feet from the West line (Unit M) of Section 11. Last reported production from this well was in October, 1981. This well was plugged and abandoned by El Paso Exploration Company of Farmington, New Mexico in June, 1985.

By the authority granted me under the provisions of and/or in accordance with: (i) Division Rule 104.F (2); (ii) Rule 8 of the special Basin-Fruitland Coal (Gas) Pool rules; (iii) Division Rule 605.B (2) (b); and (iv) the applicable provisions of the special pool rules governing the South Blanco-Pictured Cliffs Pool, the above-described unorthodox infill Basin-Fruitland coal gas well location within the W/2 of Section 11/unorthodox replacement Pictured Cliffs gas well location within the SW/4 of Section 11 for Burlington's above-described San Juan 27-8 "C" Well No. 6-S (API No. 30-045-33614) is hereby approved.

Jurisdiction of this cause is retained for the entry of such further orders as the Division deems necessary.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: U. S. Bureau of Land Management – Farmington
New Mexico Oil Conservation Division – Aztec
File: Division Administrative Order NSL-2803