



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor
Joanna Prukop
Cabinet Secretary

August 26, 2003

Lori Wrotenbery
Director
Oil Conservation Division

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

Attention: Peggy Cole
pbradfield@br-inc.com

Administrative Order NSL-4942

Dear Mr. Thompson:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on August 26, 2003 (*application reference No. pMES0-323850757*); and (ii) the records of the Division in Aztec and Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an exceptions to the well location requirements provided within 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. F-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 East Well No. 10-N at an unorthodox infill gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools 685 feet from the South line and 570 feet from the West line (Unit M) of Section 26, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico.

Gas production from both the Blanco-Mesaverde and Basin-Dakota Pools is to be included within an existing standard 320-acre stand-up gas spacing and proration unit ("GPU") for both pools comprising the W/2 of Section 26, which production is currently dedicated to Burlington's: (i) East Well No. 10 (API No. 30-045-10350), located at a standard gas well location 1770 feet from the North line and 790 feet from the West line (Unit E) of Section 26; and (ii) East Well No. 10-M (API No. 30-045-24043), located at a standard infill gas well location 1045 feet from the South line and 1695 feet from the West line (Unit N) of Section 26.

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 infill gas well location for Burlington's proposed East Well No. 10-N is hereby approved. The aforementioned producing 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,

A handwritten signature in cursive script, appearing to read "Lori Wrotenberg", followed by a large, sweeping flourish that extends across the page.

Lori Wrotenberg
Director

LW/MES/kv

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