



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 26, 2007

Burlington Resources Oil & Gas Company, LP
Attn: Patsy Clugston
P.O. Box 4289
Farmington, NM 87499-4289

Administrative Order NSL-5591

**Re: San Juan 28-5 Unit Well No. 74E
API No. 30-039-29820
P-36-28N-5W
Rio Arriba County**

Dear Ms Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS07-05837334**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 27, 2007, and

(b) the Division's records pertinent to this request, including, but not limited to Order R-2948, issued in Case No. 3272 on August 16, 1965.

Burlington Resources Oil & Gas Company, LP (Burlington) has requested to complete its San Juan 28-5 Unit Well No. 74E (API No. 30-039-29820) at an unorthodox Dakota gas well location, 570 feet from the South line and 495 feet from the East line (Unit P) of Section 36, Township 28 North, Range 5 West, N.M.P.M., in Rio Arriba County, New Mexico. Lots 2, 3, 5, 6, 7 and 8 and the NW/4 SE/4 of Section 36 will be dedicated to this well. This non-standard 330.74 (more or less)-acre gas spacing and proration unit in the Basin-Dakota Gas Pool (71599) was approved by Commission Order R-2948. This location is governed by Rules II.A and II.C(1) of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as amended by Order No. R-10987-B(2), effective January 29, 2002, which provide for 320-acre units with wells to be located at least 660 feet from any unit boundary. This location is less than 660 feet from the southern and eastern unit boundaries.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that Burlington is seeking this location due to topography and in order to conform to United States Bureau of Land Management surface siting requirements.

It is also understood that Burlington is the operator of all of the spacing units towards which this location encroaches, and that all owners of working interests in those spacing units have been notified of this application.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management - Farmington