



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

July 5, 2005

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-2154-A

Dear Ms. Clark:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on June 8, 2005 (*administrative application reference No. pMES0-518645700*); and (ii) the Division's records in Santa Fe, including the files on Division Administrative Order NSL-2154 and in Division Case No. 6294: all concerning Burlington Resources Oil & Gas Company, L. P.'s ("Burlington") request for an exception to the well location requirements provided within the "*Special Rules and Regulations 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, for Burlington's existing EPNG "B" Well No. 1-A (**API No. 30-045-26548**) located at an unorthodox infill gas well location 1060 feet from the North line and 2140 feet from the East line (Unit B) of Section 28, Township 32 North, Range 6 West, NMPM, Basin-Dakota Pool (**71599**), San Juan County, New Mexico.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing the Basin-Dakota Pool.

It is the Division's understanding that the subject EPNG "B" Well No. 1-A was originally drilled by Meridian Oil Production Inc. in October, 1985 to a total depth of 6,150 feet and completed in the Blanco-Mesaverde Pool (**72319**) at an unorthodox infill gas well location within a standard 320-acre stand-up gas spacing and proration unit ("GPU") comprising the E/2 of Section 28 (see Division Administrative Order NSL-2154, dated September 27, 1985).

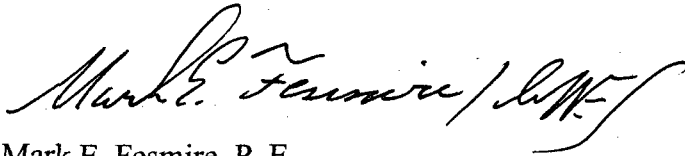
It is further understood that Burlington now intends to deepen the EPNG "B" Well No. 1-A and recompleat it such that gas production from both the Blanco-Mesaverde and Basin-Dakota Pools will be downhole commingled.

Basin-Dakota gas production from this well is to be included within an existing standard 320-acre GPU that also comprises the E/2 of Section 28, which GPU is currently dedicated to Burlington's EPNG "B" Well No. 1 (API No. 30-045-20937), located at a standard Dakota gas well location 1140 feet from the South line and 1720 feet from the East line (Unit O) of Section 28.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Basin-Dakota infill gas well location for Burlington's EPNG "B" Well No. 1-A is hereby approved.

Further, the aforementioned EPNG "B" Wells No. 1 and 1-A and existing 320-acre Dakota GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and the Basin-Dakota Pool.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-2154