

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



June 1, 2008

Burlington Resources Oil & Gas, LP
Attn Ms. Patsy Clugston
3401 E 30th St.
Farmington, NM 87401

Administrative Order NSL-5836

**Re: San Juan 27-4 Well No. 141B
API No. 30-039-30267
Unit N, Section 15-27N-4W
Rio Arriba County**

Dear Ms. Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-12357552**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 2, 2008, and

(b) the Division's records pertinent to this request.

Burlington Resources Oil & Gas, LP (Burlington) has requested to drill the above-referenced well at an unorthodox gas well location, 430 feet from the South line and 2465 feet from the West line (Unit N) of Section 15, Township 27 North, Range 4 West, N.M.P.M., in Rio Arriba County, New Mexico. The S/2 of Section 15 will be dedicated to this well in the Dakota formation in order to form a standard 320-acre spacing unit in the Basin-Dakota Gas Pool (71599). Spacing in this pool is governed by Rules II.A and II.C of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as most recently amended by Order No. R-10987-B(2), which generally provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the southern unit boundary.

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

It is our understanding that you are seeking this location for topographic reasons.

Oil Conservation Division * 1220 South St. Francis Drive
* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



It is also understood that notice of this application to offsetting operators or owners is unnecessary because of common ownership.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', is written over a faint, larger signature that is partially obscured.

Mark E. Fesmire, P.E.
Director

MEF/db

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