



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 24, 1997

Burlington Resources Oil & Gas Company
Mid-Continent Division
P. O. Box 51,810
Midland, Texas 79710-1810
Attention: Donna Williams

Administrative Order NSL-3777

Dear Ms. Williams:

Reference is made to your applications dated March 12 and 20, 1997 for an unorthodox oil well location in both the Cruz-Delaware and Undesignated Diamondtail-Bone Spring Pools for the proposed Red Deer "24" Federal Well No. 1. Said well to be drilled 2410 feet from the South line and 1650 feet from the East line (Unit J) of Section 24, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

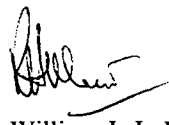
The NW/4 SE/4 of said Section 23, being a standard 40-acre oil spacing and proration unit for both pools, is to be dedicated to said well.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

The geologic interpretation submitted indicates that a well drilled to the north of the nearest location considered "standard" in the NW/4 SE/4 of said Section 23 will be at a more favorable geologic position within the both the Bone Spring and Delaware formations underlying the subject 40-acre tract. Topographic conditions further restricts placement of a drilling pad in the northern portion of the NW/4 SE/4 of said Section 23.

By the authority granted me under the provisions Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

 *Deputy Director*

William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
New Mexico State Land Office - Santa Fe