



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

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Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



July 22, 2008
Administrative Order NSL-5879

Burlington Resources Oil & Gas, LP
Attn: **Ms. Patsy Clugston**
3401 East 30th Street
Farmington, NM 87505

Burlington's NSL Application: McCord B Well No. 1F API (30-045-34200)

2380' FSL, 690' FWL, Unit L (Surface Location)
2335' FSL, 621' FWL, Unit L (Bottom Hole Location)
Section 23, T30N, R13W, N.M.P.M., San Juan County, New Mexico
Basin Dakota (Prorated Gas) Pool (71599)

Dear Ms. Clugston:

Reference is made to the following:

- (a) your application (***administrative application reference No. PKVR0818232756***) submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 27, 2008, and
- (b) the Division's records pertinent to this request.

Burlington Resources Oil & Gas, LP ("Burlington") requests approval of a Non-Standard bottom hole location for its McCord B Well No. 1F unorthodox Basin Dakota gas well location within Section 23 and requests to produce Dakota Gas from the well within a 320 acre, more or less, GPU in the Basin Dakota Gas Pool (71599) consisting of the W/2 of Section 23. The Basin-Dakota Gas Pool is currently governed by special pool rules established by Division Order No. R-10987, as amended, which allow 4 wells per spacing unit and require 660 feet setback from the outer boundary of the gas proration unit.

The subject well was originally staked by Burlington as a vertical standalone Dakota well and before spudding BLM approved a well location move due to topography. After drilling, Burlington was asked by the NMOCD Aztec District to run a



gyro deviation and it was determined at that time that the wellbore deviated Northwesterly resulting in the well being unorthodox by approximately 40 feet.

This bottomhole location is un-orthodox because it is located closer than 660 feet from the western boundary of the W/2 of Section 23 GPU. The application states the affected spacing unit to the west in Section 22 is operated by Energen Resources Corporation and Burlington (OGRID **14538**) certifies the offset owner has been notified.

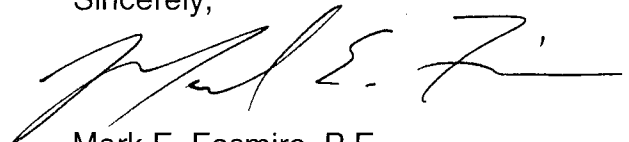
Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A (2)

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

This approval is subject to your being in compliance with all the 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', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Division Director

MEF/tw

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