

March 18, 1999

Burlington Resources Oil & Gas Company P. O. Box 4289 Farmington, New Mexico 87499-4289 Attention: Peggy Bradfield

Administrative Order NSL-4235

Dear Ms. Bradfield:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on March 17, 1999 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, for a non-standard Basin-Dakota infill gas well location in an existing standard 319.59-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool comprising Lots 3 and 4, the S/2 NW/4, and SW/4 (W/2 equivalent) of Section 5, Township 27 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Burlington's San Juan "27-4" Unit Well No. 39 (API No. 30-039-20145), located a standard gas well location 846 feet from the South line and 1693 feet from the West line (Unit N) of Section 5.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox infill gas well location in Section 5 is hereby approved:

San Juan 27-4 Unit Well No. 39-M 2250' FNL & 910' FWL (Unit E).

Further, both of the aforementioned San Juan "27-4" Unit Well Nos. 39 and 39-M and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely, Lori Wrotenbery

Director

LW/MES/kv

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