



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

April 23, 1999

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

Telefax No. (505) 326-9833

*Administrative Order NSL-4274*

Dear Ms. Bradfield:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on March 23, 1999 for an exception to the well location requirements provided within the: (i) the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 dated February 1, 1999; and (ii) the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987, for Burlington Resources Oil & Gas Company's ("Burlington") proposed San Juan "27-4" Unit Well No. 46-M to be drilled at an unorthodox infill gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools 1875 feet from the North line and 405 feet from the West line (Lot 2/Unit E) of Section 31, Township 27 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

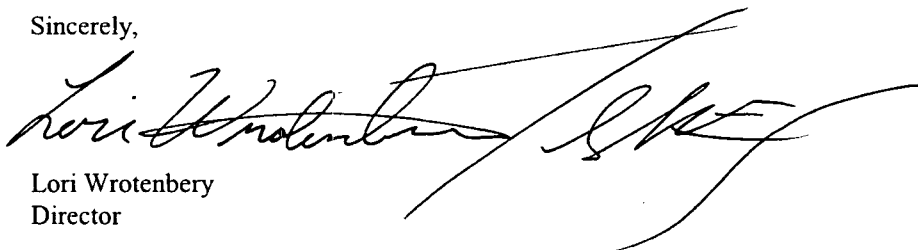
Gas production from the deeper Basin-Dakota Pool is to be included in an existing standard 321.16-acre lay-down gas spacing and proration unit comprising Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 31, which is currently dedicated to Burlington's San Juan "27-4" Unit Well No. 46 (API No. 30-039-20128), located at a standard gas well location 1750 feet from the North line and 850 feet from the East line (Unit H) of Section 31.

Gas production from the shallower Blanco-Mesaverde Pool is to be included in an existing standard 323.16-acre stand-up gas spacing and proration unit comprising Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 31, which is currently dedicated to Burlington's San Juan "27-4" Unit Well No. 26 (API No. 30-039-06771), located at a standard gas well location 860 feet from the South line and 790 feet from the West line (Lot 4/Unit M) of Section 31.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing both pools.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde infill gas well location for the San Juan "27-4" Unit Well No. 46-M is hereby approved. All of the aforementioned wells and both spacing units 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

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