



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 2, 1999

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

Conoco, Inc.
10 Desta Drive – Suite 100W
Midland, Texas 79705-4500
Attention: Kay Maddox

Administrative Order NSL-4299

Dear Ms. Bradfield and Ms. Maddox:

Reference is made to the application filed by Burlington Resources Oil & Gas Company ("Burlington") on May 13, 1999 for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987, for a non-standard Basin-Dakota infill gas well location.

It is the Division's understanding that Burlington intends to drill the proposed Davis A. Federal Well No. 1-M to a depth of 7,000 feet, which is sufficient to test the Dakota formation, at a location that is 1885 feet from the South line and 1745 feet from the West line (Lot 11/Unit K) of Section 25, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico. This well is to be dually completed in both the Blanco-Mesaverde and Basin-Dakota Pools and is to be cooperatively operated by both Burlington and Conoco, Inc. ("Conoco").

Gas production from the Blanco-Mesaverde Pool is to be included in an existing standard 314.89-acre gas spacing and proration unit that comprises Lots 3, 4, 5, 6, 11, 12, and 13 and the NW/4 SW/4 (W/2 equivalent) of Section 25 and is currently dedicated to the existing Payne Well No. 8 (API No. 30-045-26643), located at a standard gas well location 1120 feet from the North line and 1550 feet from the West line (Lot 3/Unit C) of Section 25, operated by Burlington. Pursuant to **Subparagraph I.B** of the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 dated February 1, 1999, this location is considered to be standard.

Gas production from the Basin-Dakota Pool is to be included in an existing standard 314.89-acre gas spacing and proration unit that also comprises the W/2 equivalent of Section 25 and is

Administrative Order NSL-4299
Burlington Resources/Conoco Inc.
June 2, 1999
Page 2

currently dedicated to the existing Davis A. Federal Well No. 1 (**API No. 30-045-09210**), located a standard gas well location 1190 feet from the North line and 990 feet from the West line (Lot 4/Unit D) of Section 25, operated by Conoco. Pursuant to the applicable rules governing the Basin-Dakota Pool this location is considered to be unorthodox.

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) and the special rules governing the Basin-Dakota Pool, the above-described unorthodox infill Dakota gas well location for the Davis A. Federal Well No. 1 is hereby approved.

Further, both of the aforementioned Davis A. Federal Well Nos. 1 and 1-M and existing 314.89-acre Basin-Dakota 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,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery" followed by a stylized flourish or set of initials.

Lori Wrotenbery
Director

LW/MES/kv

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