



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

March 31, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Burlington Resources Oil & Gas Company

P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Joni Clark, Regulatory Specialist

jclark@br-inc.com

Administrative Order NSL-5182

Dear Ms. Clark:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on March 7, 2005 (*administrative application reference No. pSEM0-506637406*); and (ii) the Division's records in Aztec and Santa Fe, including the file on Division Case No. 9811: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for its proposed Reese Mesa Well No. 8-S (API No. 30-045-32903) to be drilled 1735 feet from the South line and 2045 feet from the East line (Lot 11/Unit J) of Irregular Section 11, Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico.

Further, this well is to be dedicated to the previously approved non-standard 299.89-acre gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629) comprising: (i) Lots 5, 6, 11, 12, 13, and 14 of Irregular Section 11; and (ii) Lots 8, 9, and 16 of Irregular Section 12, Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico (approved by Division Order o. R-9055, issued in Case No. 9811 on November 21, 1989).

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*;" (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

Mark E. Fesmire, P. E.

Director

MES/ms

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington
File: Case No. 9811