



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401



IN REPLY REFER TO:
SJ 27-5 Pilot Infill Project

March 5, 2007

Mark Fesmire
New Mexico Oil Conservation Division
1220 S. St. Frances Drive
Santa Fe, New Mexico 87505

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10/6/07
JRM

Dear Mr. Fesmire:

Reference is made to Case No. 1388⁸, whereby Burlington Resources Oil and Gas Company LP (Burlington) is seeking approval for a pilot infill project in section 8, T.27N., R.5W., of the San Juan 27-5 Unit. The purpose of the pilot is to determine the commercial feasibility and optimal well spacing for the Mesaverde and Dakota Formations. In assessing the economic feasibility and optimal well spacing, Burlington will drill and develop 15 Mesaverde/Dakota wells and two (2) pressure observations wells. Current well spacing for the Mesaverde and Dakota formations allows up to 4 completions per standard 320 acre proration unit. The pilot will assess the feasibility of both 40 acre and 20 acre increased density.

We recently reviewed the technical merits of this case with representatives of Burlington and find that this pilot should help our respective agencies determine maximum economic recovery of gas and optimal well spacing for Mesaverde and Dakota well development in this part of the San Juan Basin.

Pursuant to the Memorandum of Understanding between the BLM and the OCD, we support Burlington's application for an increased density pilot project.

If you have any questions regarding the above, contact me at (505) 599-6367.

Jim Lovato

Senior Technical Advisor,
Petroleum Engineer

CC: Burlington