



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

August 11, 1998

Burlington Resources Oil & Gas Company
P. O. Box 51810
Midland, Texas 79710-1810
Attention: Maria L. Perez

Administrative Order NSL-4105(BHL)

Dear Ms. Perez:

Reference is made to the following: (i) Burlington Resources Oil and Gas Company's ("Burlington") original application to the Division, dated June 1, 1998; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated June 30, 1998; (iii) Burlington's responses on July 16, 23, and 27, 1998; and, (vi) the records of the Division in Santa Fe: all concerning Burlington's request for a non-standard subsurface gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to Wolfcamp gas production for the proposed Corral Draw "10" Federal Well No. 1 (API No. 30-015-30335) to be drilled from a surface location 800 feet from the South line and 1650 feet from the West line (Unit N) of Section 10, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico. The S/2 of Section 10, being a standard 320-acre gas spacing and proration unit for the Wolfcamp formation, is to be dedicated to the well.

It is our understanding that Burlington intends to kickoff of the vertical portion of the wellbore in an easterly direction and drill a lateral horizontal drainhole through the Wolfcamp formation. Further, to allow for natural drift tendencies in normal vertical rotary drilling operations within this immediate area Burlington is requesting a larger than legal drilling window for this producing interval [see Division General Rules 104.B(1)(a) and 111.A(9)].

The applicable drilling window or "producing area" within the Wolfcamp formation for the wellbore shall include that area within the subject 320-acre gas spacing and proration unit comprising the S/2 of Section 10 that is:

- (a) no closer than 660 feet to the north boundary of the 320-acre tract;
- (b) no closer than 660 feet to the South line of Section 10;
- (c) no closer than 1650 feet to the East line of Section 10; and,

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(d) no closer than 1500 feet to the West line of
Section 10.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described non-standard subsurface gas producing area/bottomhole gas well location for the Wolfcamp formation is hereby approved.

The operator shall comply with all provisions of Division General Rule 111 applicable in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery / L.W.S.", written in dark ink.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad