



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

May 2, 2002

Area Manager
San Juan Resources Area
United States Bureau of Land Management
15 Burnett Court
Durango, CO 81301

**Re: Case No. 12745
Order No. R-10987-B(2)
Application of Burlington Resources Oil & Gas Company and Conoco, Inc.
to Amend the Special Rules and Regulations for the Basin-Dakota Pool to
Increase Well Density and Amend the Well Location Requirements, San
Juan, McKinley, Sandoval and Rio Arriba Counties, New Mexico**

Ladies and Gentlemen:

On January 22, 2002, the New Mexico Oil Conservation Division adopted the referenced order changing the well spacing and density requirements for the Basin-Dakota Gas Pool.

Pursuant to the Amended Memorandum of Understanding (MOU) between the Division and the Bureau of Land Management, accepted by the Division on July 2, 1999, this Order excluded all Indian Lands.

We herewith submit for your approval pursuant to the MOU a proposed amender Order [No. R-10987B()] which would extend the new spacing and density regulations to the Indian Lands within the jurisdiction of your office, together with a copy of the administrative record of our hearing on this subject conducted on October 18, 2001.

Please notify this office when you are in a position to issue your concurrence in the proposed amended order.

Should you have any questions, please call me at (505)-476-3450.

Very truly yours,

David K. Brooks

Assistant General Counsel