



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

January 7, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

ConocoPhillips Company
600 N. Dairy Ashford – 3WL
Houston, Texas 77079-1175

Attention: Jim Penney
Staff Landman – Coalbed Methane Team
jim.e.penny@conocophillips.com

CORRECTED Administrative Order NSP-1886

Dear Mr. Penney:

Due to inadvertence, the description of the 298.38-acre non-standard gas spacing unit in the Basin-Fruitland Coal (Gas) Pool (71629) in San Juan County, New Mexico, approved by Division Administrative Order NSP-1886, dated January 6, 2005, is incorrect and shall therefore be amended at this time to read in its entirety as follows:

“SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM
Irregular Section 7: Lot 1 and the E/2 SE/4
Irregular Section 8: Lots 3 and 4 and the SW/4”.

The corrections set forth in this order shall be entered retroactively as of January 6, 2005; all other provisions of Division Administrative Order NSP-1886 shall remain in full force and effect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P. E.

Director

MEF/ms

cc: New Mexico Oil Conservation Division – Aztec
File: NSP-1886

Stogner, Michael

From: Penney, Jim E. [jim.e.penney@conocophillips.com]
Sent: Friday, January 07, 2005 7:24 AM
To: Stogner, Michael
Cc: Penney, Jim E.
Subject: RE: Request for Administrative Approval of Non-Standard Spacing Units - San Juan 32-7 Unit, San Juan County, New Mexico

Mike - The drafts look good except that my name should be spelled "Penney". Also, I believe the description for the unit covering the #248 well should be "Lot 1 and the E/2SE/4" as to Section 7 and not "Lots 1 and 2 and the SE/4". Lot 2 and the W/2SE/4 of Section 7 are part of the unit for the #247 well.

Let me know if you need to discuss this further.

Regards,

Jim Penney

-----Original Message-----

From: Stogner, Michael [mailto:MSTOGNER@state.nm.us]
Sent: Thursday, January 06, 2005 6:38 PM
To: Penney, Jim E.
Subject: RE: Request for Administrative Approval of Non-Standard Spacing Units - San Juan 32-7 Unit, San Juan County, New Mexico

Finalized draft administrative approvals (NSP-1884, NSP-1885, and NSP-1886) attached for ConocoPhillips' proposed San Juan "32-7" Unit Wells No. 247, 248, and 249 attached:

-----Original Message-----

From: Penney, Jim E. [mailto:jim.e.penney@conocophillips.com]
Sent: Monday, January 03, 2005 7:17 AM
To: Stogner, Michael
Subject: RE: Request for Administrative Approval of Non-Standard Spacing Units - San Juan 32-7 Unit, San Juan County, New Mexico

Thanks for your response. I apologize for not referencing the wells to be drilled in my application. ConocoPhillips will drill the 32-7 #247 in Block K, the 32-7 #248 in Block L and the 32-7 #249 in Block M.

Under a letter dated December 6, 2004, we notified Burlington Resources Oil & Gas of our application. I mailed you a copy of this letter along with a plat showing the area around the spacing units. However, when I returned from vacation this morning, the copy mailed to your attention had been returned due to an incorrect address (it was sent by my secretary to 2040 South Pacheco, Santa Fe, NM). This morning I am resending you the copy of the letter and the plat to your attention at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505.

Please let me know if I need to take any other action regarding this application.

Regards,

Jim Penney

-----Original Message-----

From: Stogner, Michael [mailto:MSTOGNER@state.nm.us]
Sent: Tuesday, December 28, 2004 3:30 PM
To: Penney, Jim E.
Subject: RE: Request for Administrative Approval of Non-Standard Spacing
Units - San Juan 32-7 Unit, San Juan County, New Mexico

In reviewing your application for the three non-standard coal gas spacing units, you did not reference or identify any of the wells to be drilled or recompleted in which these units would eventually be dedicated. Also you did not provide me with a list of the person(s) notified of this application.

-----Original Message-----

From: Penney, Jim E. [mailto:jim.e.penney@conocophillips.com]
Sent: Friday, December 03, 2004 8:41 AM
To: mstogner@state.nm.us
Cc: Penney, Jim E.
Subject: Request for Administrative Approval of Non-Standard Spacing
Units - San Juan 32-7 Unit, San Juan County, New Mexico

Mr. Stogner - Here is an electronic copy of the letter I faxed you (note that I've changed the number of days to object from 30 to 20) along with my contact information. I will forward you a plat of the area and a letter once I've provided notification to the affected persons.

Thanks for your assistance in this matter.

Regards,

Jim Penney

<<Non-Standard Units 32-7 Unit.doc>>

Jim Penney
ConocoPhillips
Staff Landman
Coalbed Methane Team
(832) 486-2355
(832) 486-2674 fax
jim.e.penney@conocophillips.com

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