

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



March 15, 2012

ConocoPhillips Company
Attn: Ms. Patsy Clugston

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6571
Administrative Application Reference No. pTWG12-05543970

ConocoPhillips Company
OGRID 217817
San Juan 30-5 Unit Well No. 47N
API No. 30-039-30933

Proposed Location:

| | <u>Footages</u> | <u>Unit</u> | <u>Sec.</u> | <u>Township</u> | <u>Range</u> | <u>County</u> |
|----------|---------------------|-------------|-------------|-----------------|--------------|---------------|
| Surface | 1376 FSL & 1148 FWL | L | 17 | 30N | 5W | Rio Arriba |
| Terminus | 1350 FSL & 2370 FWL | K | 17 | 30N | 5W | Rio Arriba |

Proposed Project Area:

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------|--------------|------------------|------------------|
| W/2 of Section 17 | 320 | Basin Mancos Gas | 97232 |

Reference is made to your application received on March 24, 2012.

You have requested to complete this directional well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by the Special Rules for the Basin-Mancos Gas Pool which provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are less than 660 feet from an outer boundary of the project area.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location in order to utilize an existing wellbore completed in other formations.

March 15, 2012

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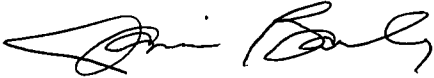
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Aztec
United States Bureau of Land Management