



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 13, 2006

Ms. Patsy Clugston
Sr. Regulatory Specialist
ConocoPhillips
P.O. Box 4289
Farmington, NM 87499

Administrative Order NSL-5484

Re: Conoco Phillips Company
Burlington LS Well No. 4M
API No. 30-045-33877
Unit J, Section 6 Twsp 30N, Range 11W
San Juan County

Dear Ms. Clugston:

Reference is made to the following:

- (a) your application (**administrative application reference No. pDRC06-28950429**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 16, 2006,
- (b) your electronic mail communication dated November 10, 2006, and
- (c) the Division's records pertinent to your request.

ConocoPhillips has requested to drill its Burlington LS Well No. 4M (API No. 30-045-33877) at an unorthodox Mesaverde and Dakota gas well location, 2075 feet from the North line and 2155 feet from the East line (Unit J) of Section 6, Township 30 North, Range 11 West, N.M.P.M., in San Juan County, New Mexico. The E/2 of Section 6 will be dedicated to this well in the Mesaverde to form a standard 320-acre stand-up gas spacing and proration unit, and the S/2 of Section 6 will be dedicated to this well in the Dakota to form a standard 320-acre lay-down gas spacing and proration unit.

This location is governed, as to the Mesaverde, by Rule I.C(1) of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, as amended by Order No. R-10987-A(1) effective December 2, 2002, and as to the Dakota by Rule I.C(1) of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as provided in Order R-10981-B(1), effective January 29, 2002. Both of these rules provide that a well shall be located at least 660 feet from any unit boundary. The proposed location is only 510 feet from the northern boundary of the Mesaverde unit and 450 feet from the eastern unit boundary of the Dakota unit.

ConocoPhillips' application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that ConocoPhillips is seeking this location primarily because of surface topography and to avoid interference with existing surface uses.

We also understand that ConocoPhillips owns 100% of the working interest in the Dakota in the N/2, and in the Mesaverde in the W/2 of Section 6, Township 30N, Range 11W, the units toward which this location encroaches. Accordingly, no notice of this application is required.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox well location is hereby approved.

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

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

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