



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

October 13, 2004

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

ConocoPhillips Company
P. O. Box 2197
Houston, Texas 77252

Telefax No. (832) 486-2764

Attention: **Deborah Marberry**

Division Administrative Order NSL-5121

Dear Ms. Marberry:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on September 22, 2004 (*administrative application reference No. pSEM0-426649793*); and (ii) the Division's records in Aztec and Santa Fe: all concerning ConocoPhillips Company's request for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002, for a non-standard infill gas well location within an existing 232.16-acre stand-up gas spacing and proration unit ("GPU") for the Basin-Dakota Pool (71599) comprising Lots 1 through 4 and the W/2 E/2 (E/2 equivalent) of Section 13, Township 29 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

This GPU, which was the subject of Division Administrative Order NWU-551, dated April 15, 1968, is currently dedicated to ConocoPhillips Company's San Juan "29-6" Unit Well No. 33 (API No. 30-039-0736), located at a standard gas well location 800 feet from the North line and 1145 feet from the East line (Unit B) of Section 13.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill gas well location in Section 13 is hereby approved:

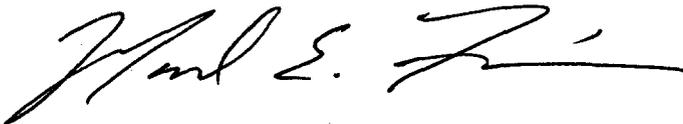
San Juan "29-6" Unit Well No. 33-M
165' FSL & 1840' FEL (Unit O).

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Further, both of the aforementioned San Juan "29-6" Unit Wells No. 33 and 33-M, and existing 232.16-acre GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Basin-Dakota Pool.

Sincerely,



Mark E. Fesmire
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington
File: NWU-551