



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 30, 2005

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

Attention: Deborah Marberry
Deborah.Marberry@conocophillips.com

Administrative Order NSL-5175

Dear Ms. Marberry:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on February 25, 2005 (*administrative application reference No. pSEM0-505646854*); and (ii) your e-mail on Tuesday morning, March 29, 2005 checking on the status of this application: all concerning ConocoPhillips Company's request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for its proposed San Juan "32" Federal "15" Well No. 1A to be drilled 2434 feet from the South line and 120 feet from the East line (Lot 9/Unit I) of Section 15, Township 32 North, Range 9 West, NMPM, San Juan County, New Mexico.

Lots 1, 2, 7, 8, 9, 10, 15, and 16 (E/2 equivalent) of Section 15 is to be dedicated to this well in order to form a standard 317.55-acre stand-up gas spacing unit within the Basin-Fruitland Coal (Gas) Pool (71629).

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*;" (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

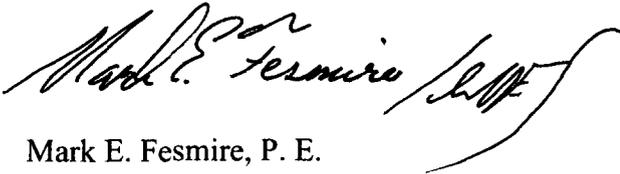
It is the Division's understanding that ConocoPhillips Company seeks this location exception based on both geologic and topographic reasons.

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By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire" with a stylized flourish at the end.

Mark E. Fesmire, P. E.
Director

MEF/ms

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