



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

June 14, 2005

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

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

Attention: **Deborah Marberry**
Deborah.Marberry@conocophillips.com

Administrative Order NSL-5219

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 May 23, 2005 (*administrative application reference No. pSEM0-514341959*); 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 [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 a non-standard infill gas well location within an existing 319.10-acre stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629) comprising Lots 7 and 8, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 1, Township 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

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*;" and (ii) Division Rules 104.F and 1207.A (2).

This unit is currently dedicated to ConocoPhillips Company's San Juan "31-6" Unit Well No. 209 (API No. 30-039-24432), located at a standard coal gas well location 2500 feet from the South line and 1120 feet from the West line (Unit L) of Section 1.

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 following described unorthodox infill coal gas well location to be drilled within this 319.10-acre gas spacing unit is hereby approved:

San Juan "31-6" Unit Well No. 209A
816' FNL & 435' FWL (Lot 8/Unit D)
(API No. 30-039-29453).

Further, ConocoPhillips Company is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from its existing San Juan "31-6" Unit Well No. 209 with the proposed San Juan "31-6" Unit Well No. 209A.

Jurisdiction of this cause 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 "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