



# 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-5221*

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. pSEM0-514342373*); 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 its proposed San Juan "32-8" Unit Well No. 267 to be drilled 61 feet from the North line and 391 feet from the East line (Unit A) of Section 23, Township 32 North, Range 8 West, NMPM, San Juan County, New Mexico.

The W/2 of Section 23 is to be dedicated to this well in order to form a standard 320-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*;" and (ii) Division Rules 104.F and 1207.A (2).

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

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 for the San Juan "32-8" Unit Well No. 267 to be drilled as the spacing unit's initial coal gas well is hereby approved.

Sincerely,

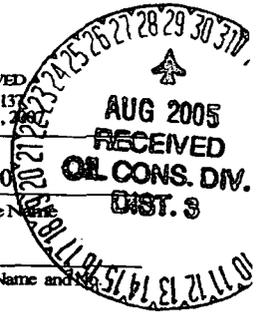
Mark E. Fesmire, P. E.  
Director

MEF/ms

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

2005 MAY 10 PM 2 11

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
GTO FARMINGTON

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. SAN JUAN 32-8 UNIT #267	
2. Name of Operator CONOCOPHILLIPS COMPANY		9. API Well No. 30-045-33075	
3a. Address 4001 PENBROOK, ODESSA, TX 79762	3b. Phone No. (Include area code) 432-368-1352	10. Field and Pool, or Exploratory BASIN FRUITLAND COAL	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NENE 61 FNL - 391 FEL At proposed prod. zone		11. Sec., T. R. M. or Blk. and Survey or Area SECTION 23, T32N, R8W A	
14. Distance in miles and direction from nearest town or post office*		12. County or Parish SAN JUAN	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease 1760	17. Spacing Unit dedicated to this well E/2 320.0 ACRES	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 3983'	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7040' GL	22. Approximate date work will start*	23. Estimated duration	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service office).
- Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature <i>Vicki Westby (pj)</i>	Name (Printed/Typed) Vicki Westby	Date 5/6/2005
---	--------------------------------------	------------------

Title Staff Agent		
----------------------	--	--

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 5/25/05
---	----------------------	-----------------

Title <i>Field Manager Minerals</i>	Office	
--	--------	--

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

HOLD C104 FOR NSL

ConocoPhillips Company proposes to drill a vertical wellbore to the Basin Fruitland Coal formation. This well will be drilled and equipped in accordance with the attachments submitted herewith. This application is for APD/ROW.

ConocoPhillips will use mudloggers to prevent us from accessing the Pictured Cliffs formation.

This well does not require HPA notification

NMOC D

State of New Mexico  
 Energy, Minerals & Natural Resources Department  
 OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Avenue, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

Form C-102  
 Revised June 10, 2003  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 71629	Pool Name BASIN FRUITLAND COAL (GAS)
Property Code 31330	Property Name SAN JUAN 32-8 UNIT	Well Number 267
GRID No. 217817	Operator Name CONOCOPHILLIPS COMPANY	Elevation 7040

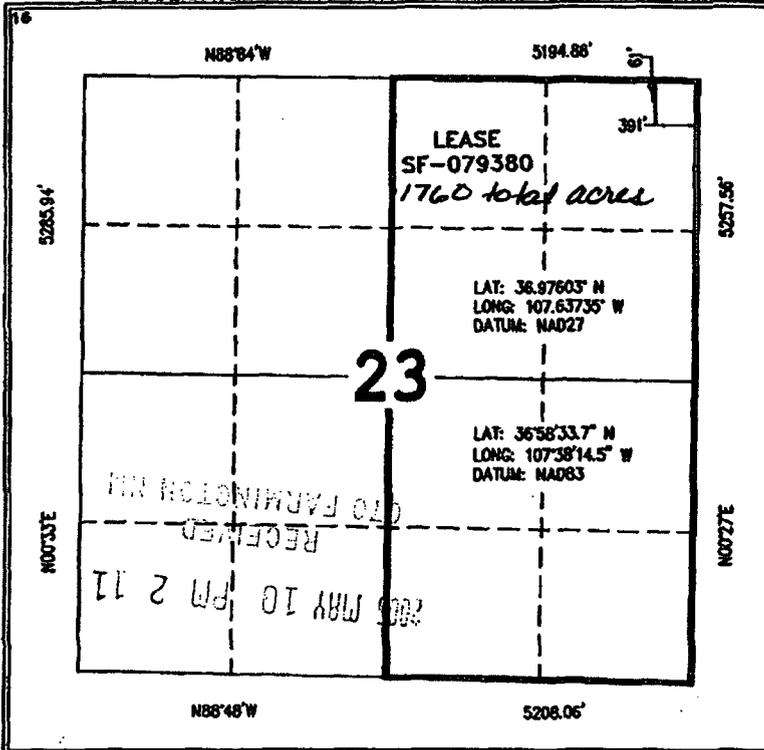


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line	Feet from the East/West line	County
A	23	32N	08W	61	NORTH	391	SAN JUAN

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line	Feet from the East/West line	County

Dedicated Acres E/2 320.0	Joint or Infill	Consolidation Code	Order No.
------------------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**17 OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  
 Signature: *Vicki Westby*  
 Printed Name: Vicki Westby  
 Title and E-mail Address: Staff Agent  
 Date: April 25, 2005

**18 SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  
 Date of Survey: 08/25/05  
 Signature and Seal: *[Signature]*  
 Seal: NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR  
 Certificate Number: 11333