



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 2, 2006

ConocoPhillips
Attn: Ms. Patsy Clugston
Senior Regulatory Specialist
P.O. Box 4289
Farmington, NM 87499-4289

Administrative Order NSL-5476

Re: Conoco Phillips Company
San Juan 29-5 Unit Well No. 69F
API No. 30-039-29727
Unit A, Section 21, Twsp 29N, Range 5W
Rio Arriba County

Dear Ms. Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS 0627646287**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 2, 2006, and

(b) the Division's records pertinent to your request.

ConocoPhillips has requested to complete its San Juan 29-5 Unit Well No. 69F (API No. 30-039-29727) at an unorthodox Dakota gas well location, 145 feet from the North line and 460 feet from the East line (Unit A) of Section 21, Township 29 North, Range 5 West, N.M.P.M., in Rio Arriba County, New Mexico. The E/2 of Section 21 will be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit in the Basin-Dakota Gas Pool (**71599**). This location is governed by the Special Rules and Regulations for the Basin-Dakota Gas Pool, as provided in Order R-10981-B(1), adopted January 29, 2002, which provide that a well located within a federal exploratory unit, but not in an existing participating area, shall be located at least 660 feet from any unit boundary. The proposed location is only 145 feet and 460 feet, respectively from the northern and eastern unit boundaries.

ConocoPhillips' application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2) and the Special Rules and Regulations for the Basin-Dakota Gas Pool, as provided in Order R-10981-B(1).

It is our understanding that ConocoPhillips is seeking this location due to topographical considerations and in order to accommodate the preferences of the surface owner.

We also understand that the persons listed on the certificate of service attached to your application are all of the working interest owners in all units towards which the proposed location encroaches.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2) and the Special Rules and Regulations for the Basin-Dakota Gas Pool, 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,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.
Director

MEF/db

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