



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



June 1, 2009

ConocoPhillips Company
Attn: Ms. Patsy Clugston
3401 E. 30th Street
Farmington, NM 87402

Administrative Order NSL-6036

**Re: San Juan 29-6 Unit Well No. 101N
API No. 30-039-30721
2625 feet FNL and 160 feet FEL
Lot 2, Section 36-29N-6W
Rio Arriba County, New Mexico**

Dear Ms. Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-12550305**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 5, 2009, and

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

ConocoPhillips Company (ConocoPhillips) has requested to drill the above-referenced well at an unorthodox gas well location, described above in the caption of this letter. The E/2 of Section 36 will be dedicated to this well in order to form non-standard 234.16-acre, more or less, spacing units in the Blanco Mesaverde Gas Pool (72319) and the Basin Dakota Gas Pool (71599). Spacing in the Blanco Mesaverde Gas Pool is governed by Rules I.A and I.C of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, as amended by Order No. R-10987-A(1), effective December 2, 2002, which generally provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary. Spacing in the Basin Dakota Gas Pool is governed by Rules II.A and II.C of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as most recently amended by Order No. R-10987-B(2), which generally provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary.

This location is less than 660 feet from the eastern unit boundary, and is therefore unorthodox in both pools.



Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location because of the irregular shape of this governmental section which precludes drilling a well in the NE/4 at a standard location.

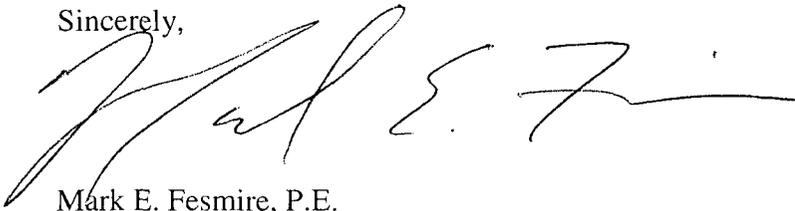
It is also understood that notice of this application to offsetting operators or owners is unnecessary because the only offsetting owner entitled to notice has executed a written waiver.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9

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