



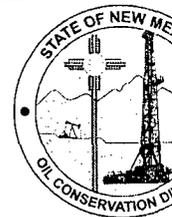
New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division



April 6, 2011

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

Administrative Order NSL-6361

Re: San Juan 28-7 Unit Well No. 159M
API No. 30-039-25572
1650 feet FSL & 330 feet FEL
Unit I, Section 22-28N-27W
Rio Arriba County, New Mexico

Dear Ms. Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-06957518**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 10, 2011, and

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

ConocoPhillips Company (ConocoPhillips) [OGRID 217817] has requested to drill the above-referenced well at an unorthodox gas well location, as described above in the caption of this letter. The SE/4 of Section 22 will be dedicated to this well in order to form a standard 160-acre spacing unit in the Blanco Pictured-Cliffs Gas Pool (72359). Spacing in this pool is governed by Order R-46, issued in Case No. 237 on December 29, 1950, which provides for 160-acre units with wells located at least 660 feet from a unit outer boundary and at least 330 feet from a quarter section boundary. This location is less than 660 feet from the eastern unit boundary.



CononcoPhillips also plans to complete this well in the Blanco Mesaverde Gas Pool and the Fruitland Coal Gas Pool, but the location is orthodox in those pools because this tract and the adjacent land in Section 23 are included in participating areas in those formations.

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 in order to utilize an existing wellbore.

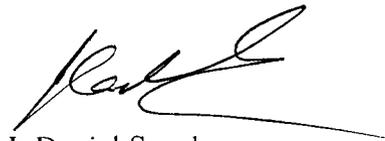
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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 'J. Daniel Sanchez', with a long horizontal flourish extending to the right.

J. Daniel Sanchez
Acting Director

JDS/db

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