



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

March 8, 2004

Lori Wrotenbery
Director
Oil Conservation Division

ConocoPhillips Company
P. O. Box 2197 - WL3 6106
Houston, Texas 77252-2197

Attention: Yolanda Perez
yolanda.perez@conocophillips.com

Administrative Order NSL-5010

Dear Ms. Perez:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on February 6, 2004 (*administrative application reference No. pMES0-405036034*); (ii) your e-mail correspondence with Mr. Michael E. Stogner, Engineer in Santa Fe on Thursday, February 19, 2004 about the status of this application; and (iii) the Division's records in Aztec and Santa Fe: all concerning ConocoPhillips Company's request for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002. The N/2 of Section 31, Township 29 North, Range 6 West, NMPM, Rio Arriba County, New Mexico is to be dedicated to the proposed well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool (71629).

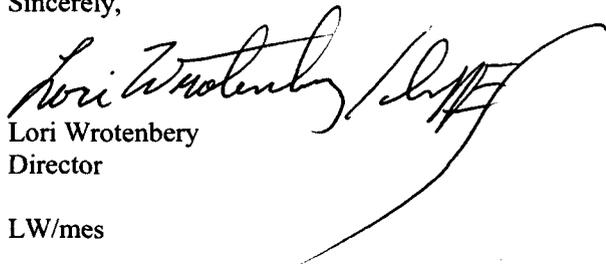
The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox Dakota gas well location in Section 31 is hereby approved:

San Juan "29-6" Unit Well No. 108
2265' FNL & 385' FEL (Unit H)
(API No. 30-039-27531).

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,



Lori Wrotenbery
Director

LW/mes

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