



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

Jami Bailey
Division Director
Oil Conservation Division



June 14, 2011

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

Administrative Order NSL-6398

Re: Michener Well No. 100
API No. 30-045-35191
2193 feet FNL and 438 feet FWL
Unit E, Section 33-28N-9W
San Juan County, New Mexico

Dear Ms Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-14041311**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 20, 2011, 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, as described above in the caption of this letter. The N/2 of Section 33 will be dedicated to this well in order to a form standard 320-acre gas spacing unit in the Basin Fruitland Coal Gas Pool (71629). The NW/4 of Section 33 will be dedicated to this well in order to form a standard 160-acre gas spacing unit in the South Blanco Pictured Cliffs Gas Pool (72439) and a wildcat gas spacing unit in the Fruitland Sand formation. Spacing in the Basin Fruitland Coal Gas Pool is governed by the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as amended by Order No. R-8768-F, effective July 17, 2003, which generally provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary. Spacing in the South Blanco Pictured Cliffs Gas Pool and wildcat spacing in the Fruitland Sand formation are governed by statewide Rule

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15.10.C [19.15.15.10.C NMAC], which provides for 160-acre units with the same setbacks. This location is less than 660 feet from the western unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location for topographic reasons.

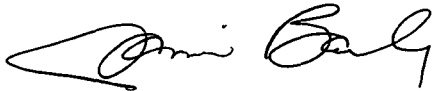
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2) [19.15.4.12.A(2) NMAC], in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B [19.15.13.B NMAC], 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 [19.15.5.9 NMAC].

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 "Jami Bailey", with a stylized, cursive script.

Jami Bailey
Director

JB/db

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