



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

April 22, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

ConocoPhillips Company

P. O. Box 2197

Houston, Texas 77252

Attention: Deborah Marberry

Deborah.Marberry@conocophillips.com

Administrative Order NSL-5198

Dear Ms. Marberry:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 1, 2005 (***administrative application reference No. pSEM0-509530855***); and (ii) the Division's records in Aztec and Santa Fe: all concerning ConocoPhillips Company's request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for a non-standard infill gas well location within an existing 330.37-acre stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (**71629**) comprising Lots 5 through 8 and 11 through 14 (W/2 equivalent) of Section 19, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*;" (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

This unit is currently dedicated to ConocoPhillips Company's San Juan "32-7" Unit Well No. 243 (**API No. 30-045-29931**), located at a standard coal gas well location 974 feet from the South line and 1030 feet from the West line (Lot 13/Unit M) of Section 19.

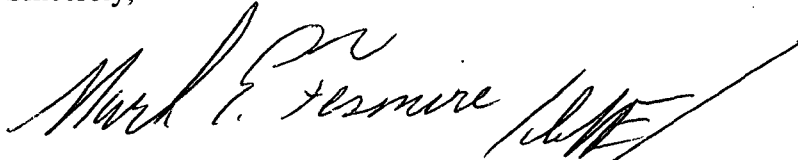
By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the following described unorthodox infill coal gas well location to be drilled within this 330.37-acre gas spacing unit is hereby approved:

San Juan "32-7" Unit Well No. 243A
610' FNL & 2391' FWL (Lot 5/Unit C)
(API No. 30-045-32732).

Further, ConocoPhillips Company is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from its existing San Juan "32-7" Unit Well No. 243 with the proposed San Juan "32-7" Unit Well No. 243A.

Jurisdiction of this cause 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", followed by a long, sweeping diagonal line that extends towards the bottom right of the page.

Mark E. Fesmire, P. E.
Director

MEF/ms

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