



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 5, 2008


ConocoPhillips Company
Attn: Ms. Patsy Clugston
3401 E. 30th St
Farmington, NM 87401

RCVD MAR 11 '08

OIL CONS. DIV.

DIST. 3

Administrative Order NSL-5795

 **Re: Hamner Well No. 2M**
API No. 30-045-33995
Unit E, Section 28-29N-9W
San Juan County

Dear Ms Clugston:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-03632683**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 5, 2008, and

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

ConocoPhillips Company (ConocoPhillips) has requested to produce the above-referenced well at an unorthodox Basin-Dakota and Blanco-Mesaverde gas well location, 1695 feet from the North line and 636 feet from the West line (Unit E) of Section 28, Township 29 North, Range 9 West, N.M.P.M., in San Juan County, New Mexico. The W/2 of irregular Section 28 will be dedicated to this well in order to form a standard 320-acre, more or less, spacing unit in the Basin-Dakota Gas Pool (71599), and the Blanco-Mesa Verde Gas Pool (72319). 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. 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-acres units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the western unit boundary.



Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

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

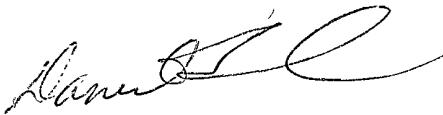
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), 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 40.

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', with a stylized flourish at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

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