

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



April 4, 2008

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

Administrative Order NSL-5806

Re: Hamner Well No. 9S
API No. 30-045-34497
Unit P, Section 20-29N-9W
San Juan County

RCVD APR 18 '08

OIL CONS. DIV.

DIST. 3

Dear Ms. Clugston:

Reference is made to the following:

(a) your application (administrative application reference No. **pKVR08-06751104**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 7, 2008, and

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

ConocoPhillips Company (ConocoPhillips) has requested to drill the above-referenced well at an unorthodox well location, 310 feet from the South line and 1222 feet from the East line (Unit P) of Section 20, Township 29 North, Range 9 West, N.M.P.M., in San Juan County, New Mexico. The E/2 of Section 20 will be dedicated to this well in order to form a standard 320-acre spacing unit in the Basin Fruitland Gas Pool (71599). This location is governed by Rule 7.A(1) of 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 provides generally that a well shall be located at least 660 feet from any unit boundary. This location is less than 660 feet from the southern 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 in order to comply with United States Bureau of Land Management surface siting requirements.



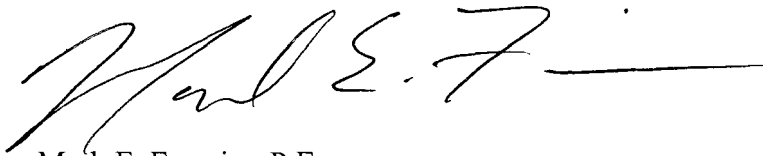
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

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 dark ink, appearing to read 'Mark E. Fesmire', followed by a horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/db

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