

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



March 15, 2012

ConocoPhillips Company
Attn: Ms. Patsy Clugston

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6572
Administrative Application Reference No. pTWG12-05543022

Burlington Resources Oil & Gas Company, LP
OGRID 14538
San Juan 28-5 Unit Well No. 56N
API No. 30-039-31088

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
Surface	1883 FSL & 38 FEL	I	31	28N	5W	Rio Arriba
Terminus	2200 FSL & 215 FWL	L	32	28N	5W	Rio Arriba

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 of Section 32	320	Basin Mancos Gas	97232

Reference is made to your application received on March 24, 2012.

You have requested to complete this directional well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by the Special Rules for the Basin-Mancos Gas Pool which provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are less than 660 feet from an outer boundary of the project area.

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 in order to maximize prospects for successful production from the Mesaverde and Dakota formation, in which the well will also be completed.

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), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, 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 [19.15.15.9 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". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Director

JB/db

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