

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



December 26, 2013

ConocoPhillips Company
Attn: Ms. Susan Maunder

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6977
Administrative Application Reference No. pPRG1333948854

ConocoPhillips Company
OGRID 217817
Ruby Federal Well No. 8
API No. 30-025-40521

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
Surface	1000 FSL & 620 FEL	P	18	17S	32E	Lea
Bottom Hole	990 FSL & 1099 FEL	P	18	17S	32E	Lea

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SE/4 SE/4 of Section 18	40	Maljamar; Yeso, West	44500
SE/4 SE/4 of Section 18	40	Maljamar; Grayburg-San Andres	43329

Reference is made to your application received on December 5, 2013.

You have requested an administrative approval an unorthodox oil well location described above in the referenced pools or formations. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit outer boundary. Since July 30, 2012, the vertical well has produced from the previously mentioned pools. Then a deviated borehole was drilled on September 16, 2013. Presently, both boreholes are now producing from the pools, based on consultation with District I, and OCD records. The District I geologist has recommended approval of this non-standard location.

December 20, 2013

Page 2

This well is already subject to DHC Order 4627, which was issued administratively on July 15, 2013.

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 to recover additional oil and gas reserves.

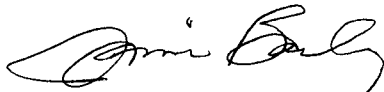
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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", with a stylized, cursive script.

Jami Bailey
Director

JB/mam

cc: New Mexico Oil Conservation Division – Hobbs
Bureau of Land Management-Carlsbad