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Gianni Esparza
Associate Landman
Mid-America – Permian Basin
600 N. Dairy Ashford, P10-5-5045
Houston, TX 77079
Tel: 281-206-5480
Cell: 281-630-6851

March 6, 2014

Bureau of Land Management
Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

RE: Grayburg Deep Unit
14-08-001-1602, Serial No. NMNM-070954X
2014 Plan of Development
Eddy County, New Mexico
ConocoPhillips Contract 052412

ConocoPhillips Company, as Unit Operator of the Grayburg Deep Unit, hereby submits for your approval, our 2014 Plan of Development.

Items are included as follows: Planned 2014 operations; previous year operations; current status of all wells within the unit; production graphs for each productive reservoir. Also attached are three current maps, each showing respectively the units: structural and geologic interpretations; participating area boundaries; wells, tank batteries, natural gas sales meters, flow-lines, and roads.

It is understood that approval of this plan does not approve the work covered by the plan. Individual approval is still required for such items as APDs/ROWs/etc.

Any modifications or additions to this Plan of Development will be filed as supplements to the plan.

Sincerely,


Gianni Esparza
Associate Landman

2014 Planned Operations:

Drilling

None

Plug Back/Recompletion

WELL NAME & NUMBER	API NUMBER	COMP DATE	CURRENT ZONE	NEW ZONE	STATUS
GRAYBURG DEEP UNIT 17	300153421400	37554	PENN	YESO (BLINEBRY)	FLOWING
GRAYBURG DEEP UNIT 22	300153559800	39314	WOLFCAMP	YESO (BLINEBRY)	SHUT-IN
GRAYBURG DEEP UNIT 25 #5	300150308300	31162	ABO /SH/	YESO (BLINEBRY)	FLOWING

Conversion, Abandonment, Other surface disturbing operations

Abandonment

WELL NAME & NUMBER	API NUMBER	COMP DATE	OLD ZONE	NEW ZONE	STATUS
GRAYBURG DEEP UNIT 17	300153421400	37554	PENN	Yeso (Contingent)	Flowing

Staking operations for 2014:

Well Name	Footages	Quarter Call	Section	Township	Range	Formation	TD (MD')
Grayburg Deep Unit 2425	990' FSL 330' FWL	SWSW	24	17S	29E	Yeso (Blinebry)	5850
Grayburg Deep Unit 2426	330' FSL 990' FWL	SWSW	24	17S	29E	Yeso (Blinebry)	6050
Grayburg Deep Unit 2427	990' FSL 1650' FWL	SESW	24	17S	29E	Yeso (Blinebry)	6000
Grayburg Deep Unit 2501	150' FNL 330' FWL	NWNW	25	17S	29E	Yeso (Blinebry)	6175
Grayburg Deep Unit 2503	330' FNL 1650' FWL	NENW	25	17S	29E	Yeso (Blinebry)	6300
Grayburg Deep Unit 2509	1500' FNL 210' FWL	SWNW	25	17S	29E	Yeso (Blinebry)	6400
Grayburg Deep Unit 2510	2310' FNL 990' FWL	SWNW	25	17S	29E	Yeso (Blinebry)	6475
Grayburg Deep Unit 2511	1650' FNL 1685' FWL	SENW	25	17S	29E	Yeso (Blinebry)	6550

Previous Year Operations (2013):

Plugback/Recompletions

Well Name	API	Comp. Date	Old Zone	New Zone	Status
Grayburg Deep Unit 1	30-015-04187	7/13/1954	Morrow	Yeso	Plugged
Grayburg Deep Unit 14	30-015-29766	4/30/2008	Morrow	Yeso	Pumping

Abandonment

WELL NAME & NUMBER	API NUMBER	COMP DATE	OLD ZONE	CURRENT ZONE	STATUS
GRAYBURG DEEP UNIT 1	300150418700	19918	PENN	NONE	PLUGGED

Drilling, Conversion, Other surface disturbing operations

None

Status of all Wells within the Unit:

WELL NAME & NUMBER	API NUMBER	COMP DATE	ZONE	STATUS	Last Test
GRAYBURG DEEP UNIT 14	300152976600	1/20/2014	YESO (BLINEBRY)	PUMPING	Testing
GRAYBURG DEEP 25 FEDERAL 5	300150308300	4/25/1985	ABO /SH/	FLOWING	5 bopd, 15 Mcfd
GRAYBURG DEEP UNIT 17	300153421400	10/25/2002	PENN	FLOWING	5 Mcfd
GRAYBURG DEEP UNIT 22	300153559800	8/20/2007	WOLFCAMP	SHUT-IN, Frontier (1st week in February)	2 bopd, 38 Mcfd
GRAYBURG DEEP UNIT 1	300150418700	7/13/1954	PENN	PERM ABAN	-
GRAYBURG DEEP 30 FEDERAL 1	300153195800	11/5/2001	MORROW	PERM ABAN	-
GRAYBURG DEEP 30 FEDERAL 1	300153195800	11/15/2005	ATOKA	PERM ABAN	-
GRAYBURG DEEP UNIT 10	300152579600	12/18/1987	PENN	PERM ABAN	-
GRAYBURG DEEP UNIT 14	300152976600	10/14/1997	WOLFCAMP	PERM ABAN	-
GRAYBURG DEEP UNIT 14	300152976600	4/30/2008	MORROW	PERM ABAN	-
GRAYBURG DEEP UNIT 15	300153030000	9/27/1998	MORROW	PERM ABAN	-
GRAYBURG DEEP UNIT 16	300153414100	6/30/2006	PENN	PERM ABAN	-
GRAYBURG DEEP UNIT 18	300153490500	8/15/2006	ABO /SH/	PERM ABAN	-

Production Graphs:

See attachments

Map of structural and geologic interpretations:

See attachments

Map of Participating area boundaries:

See attachments

Map of Wells, tank batteries, natural gas sales meters, flow-lines, and roads:

See attachments

The GDU is comprised of two distinct participating areas, as set forth in the table below. A map of the participating area, along with a reservoir performance graph for the participating area is attached hereto.

Grayburg Deep	Lower Penn 3rd PA Expansion	11/1/1998	NMNM-07095A	AFS-8910016020
Grayburg Deep	Wolfcamp Initial Participating Area	8/1/2007	NMNM-070954B	AFS-891001602A

The working interest owners have been provided a copy of this 2014 Plan of Development. ConocoPhillips Company and the working interest owners believe that all current Grayburg Deep Unit obligations have been satisfied.

In accordance with Article 10 of the Grayburg Deep Unit Agreement, please signify your approval of the 2014 Plan of Development by executing in the signature block below. Please return one approved copy to the undersigned.

Should you have any questions or comments in this regard, please contact me at 281-206-5480.

Respectfully submitted,

Bureau of Land Management

Date

New Mexico Oil Conservation Division

Date

The foregoing approvals are for the 2014 Plan of Development for the Grayburg Deep Unit, 14-08-001-1602, Eddy County, New Mexico.

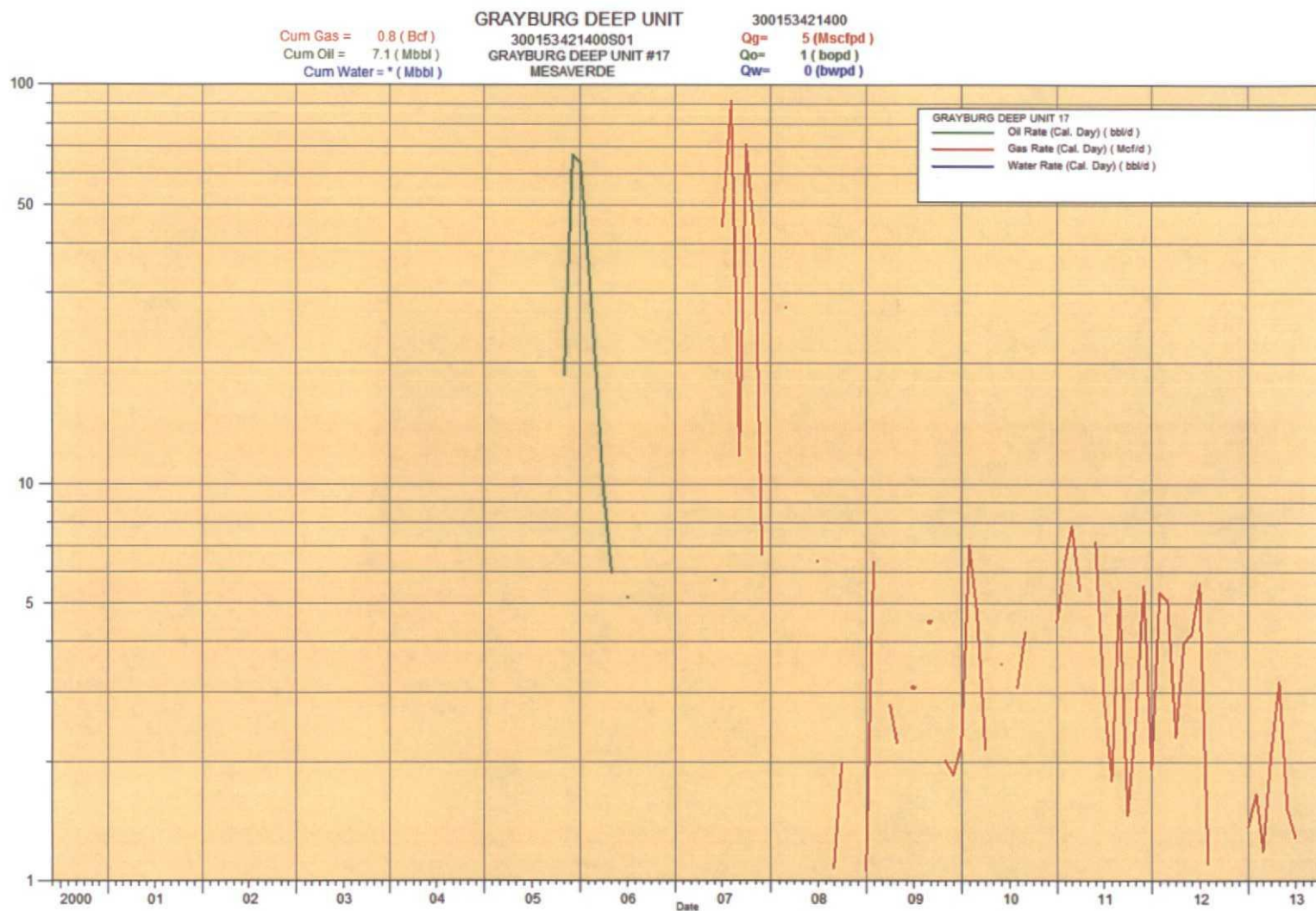
Cc: Mr. Doug Hurlbut
EOG Resources Inc.
4000 N. Big Spring
Midland, TX 79705

Ms. Debbie Singleton
Davoil, Inc.
6300 Ridglea Place, Suite 1208
Fort Worth, TX 76116

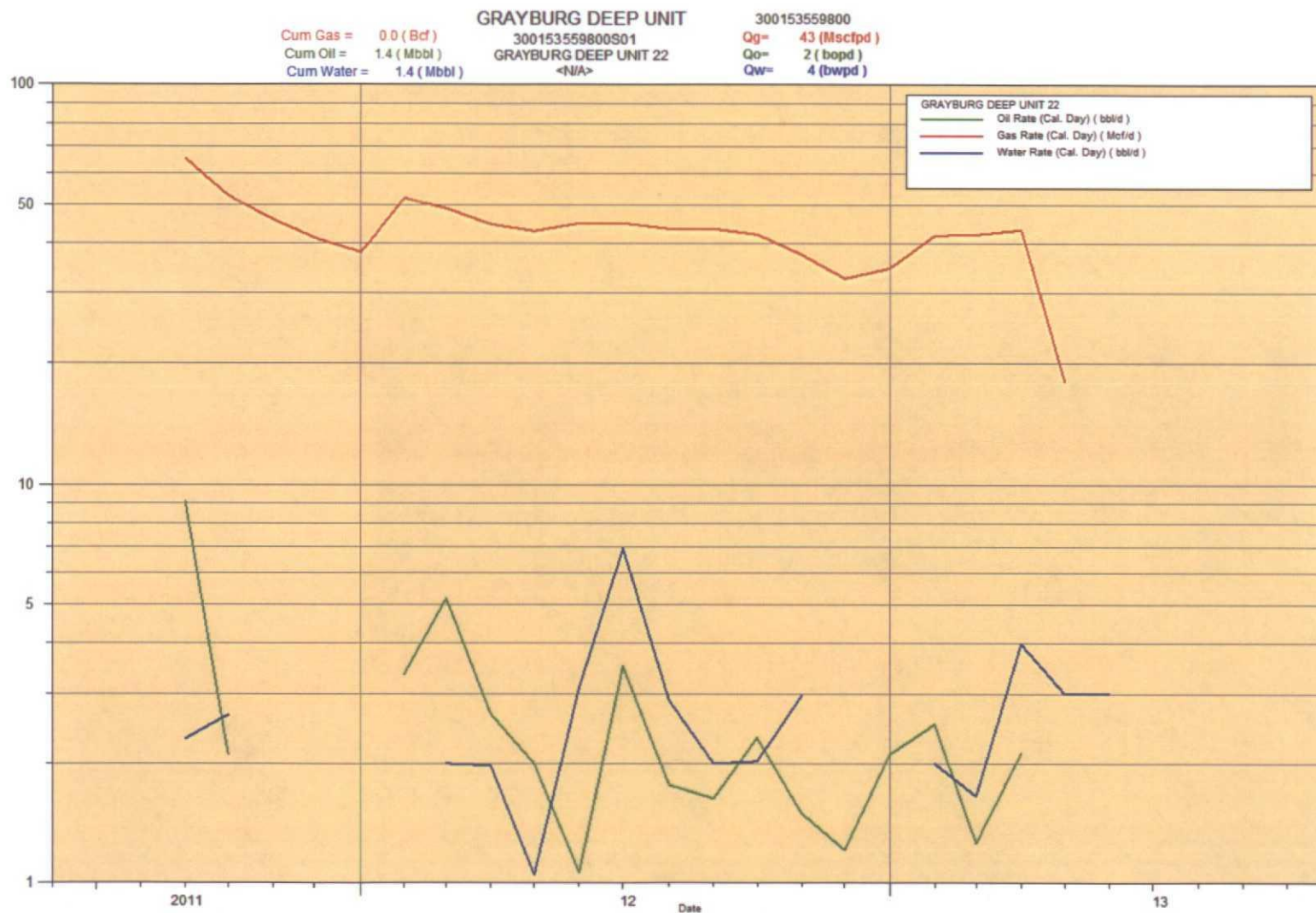
Mr. Carter Muir
Great Western Drilling Company
700 W. Louisiana
Midland, TX 79701

Mr. Jeff Gotcher
Cimarex Energy Co.
600 N. Marienfeld St., Suite 600
Midland, TX 79701

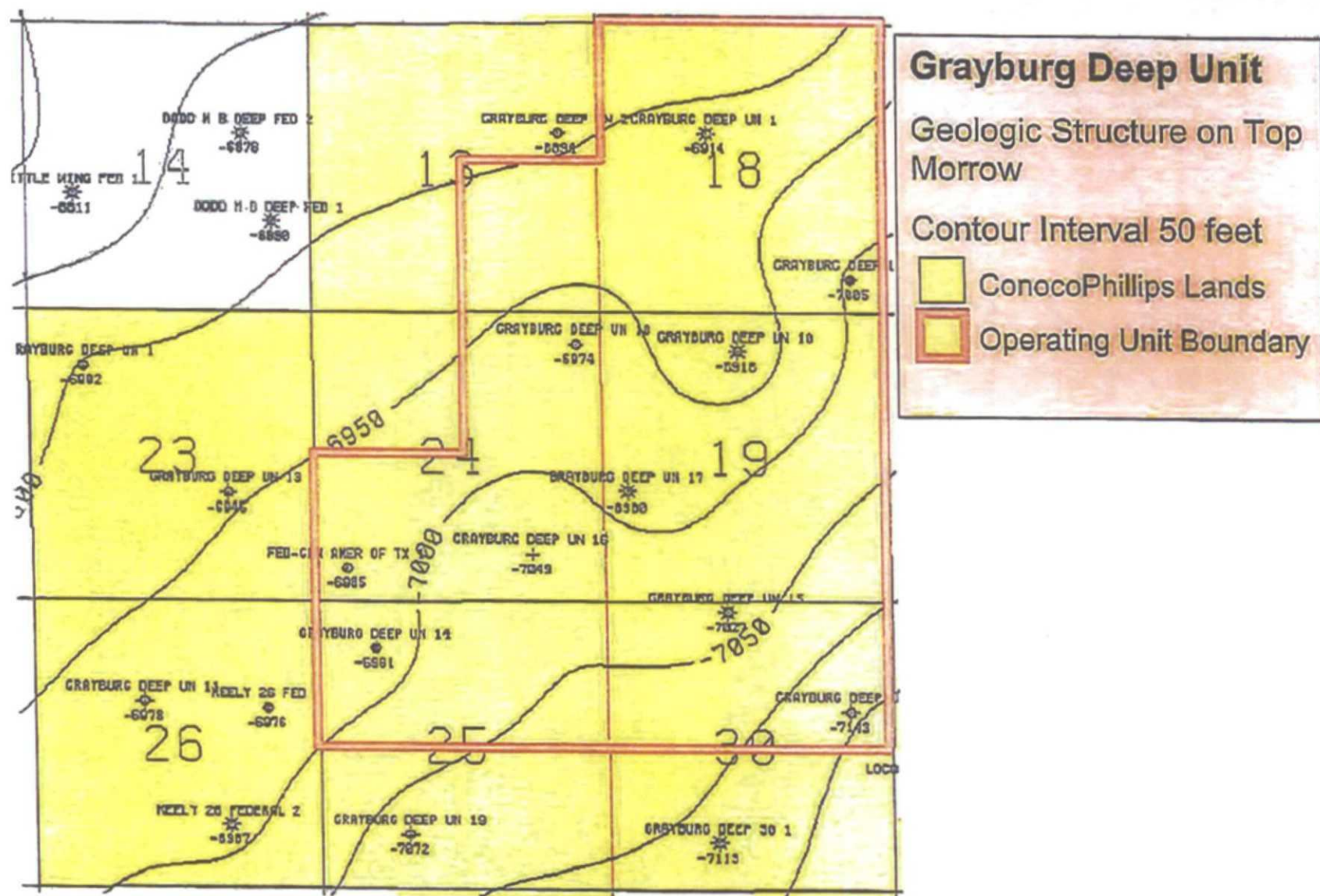
Lower Penn 3rd PA Expansion Production Graph



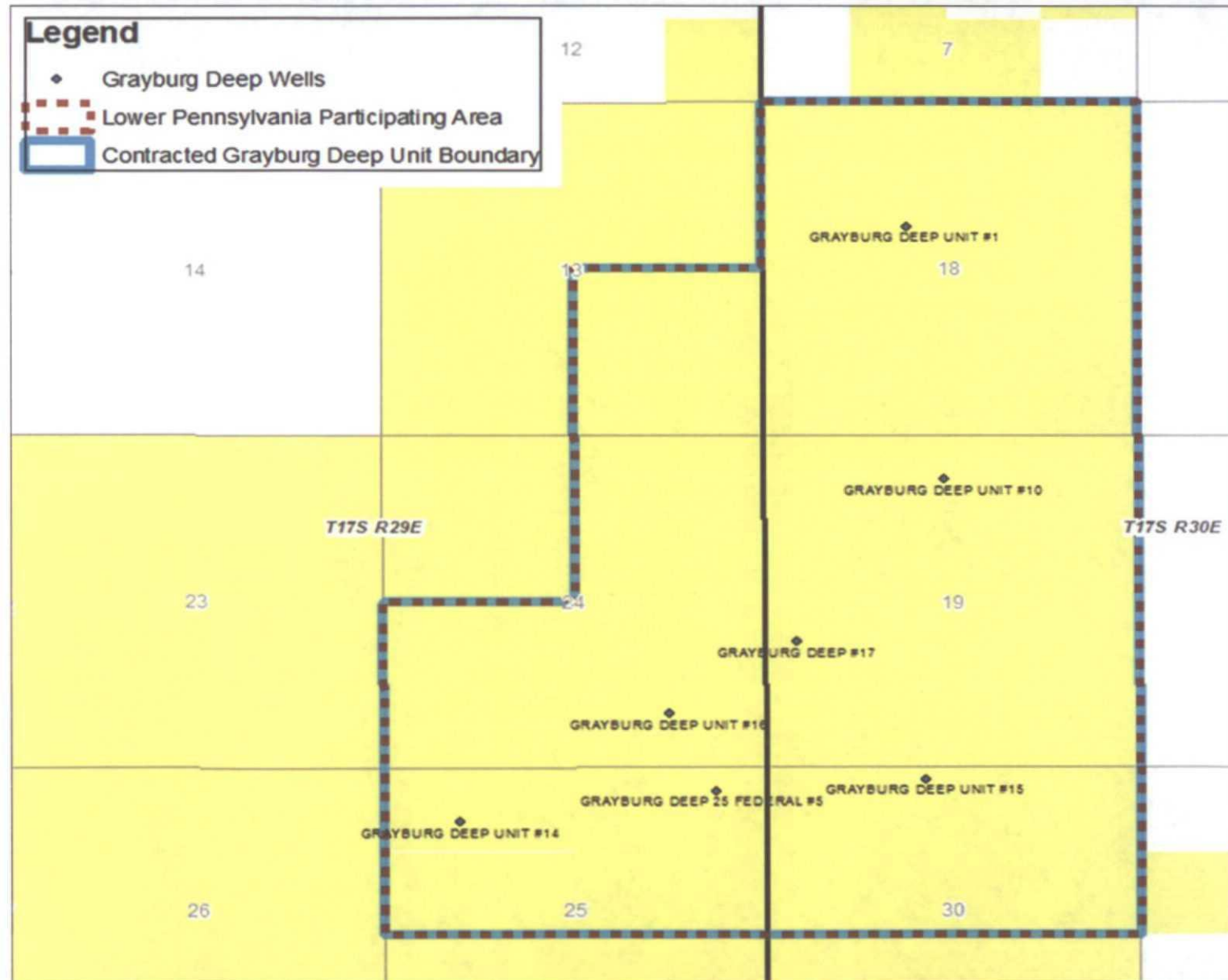
Wolfcamp Participating Area Production Graph



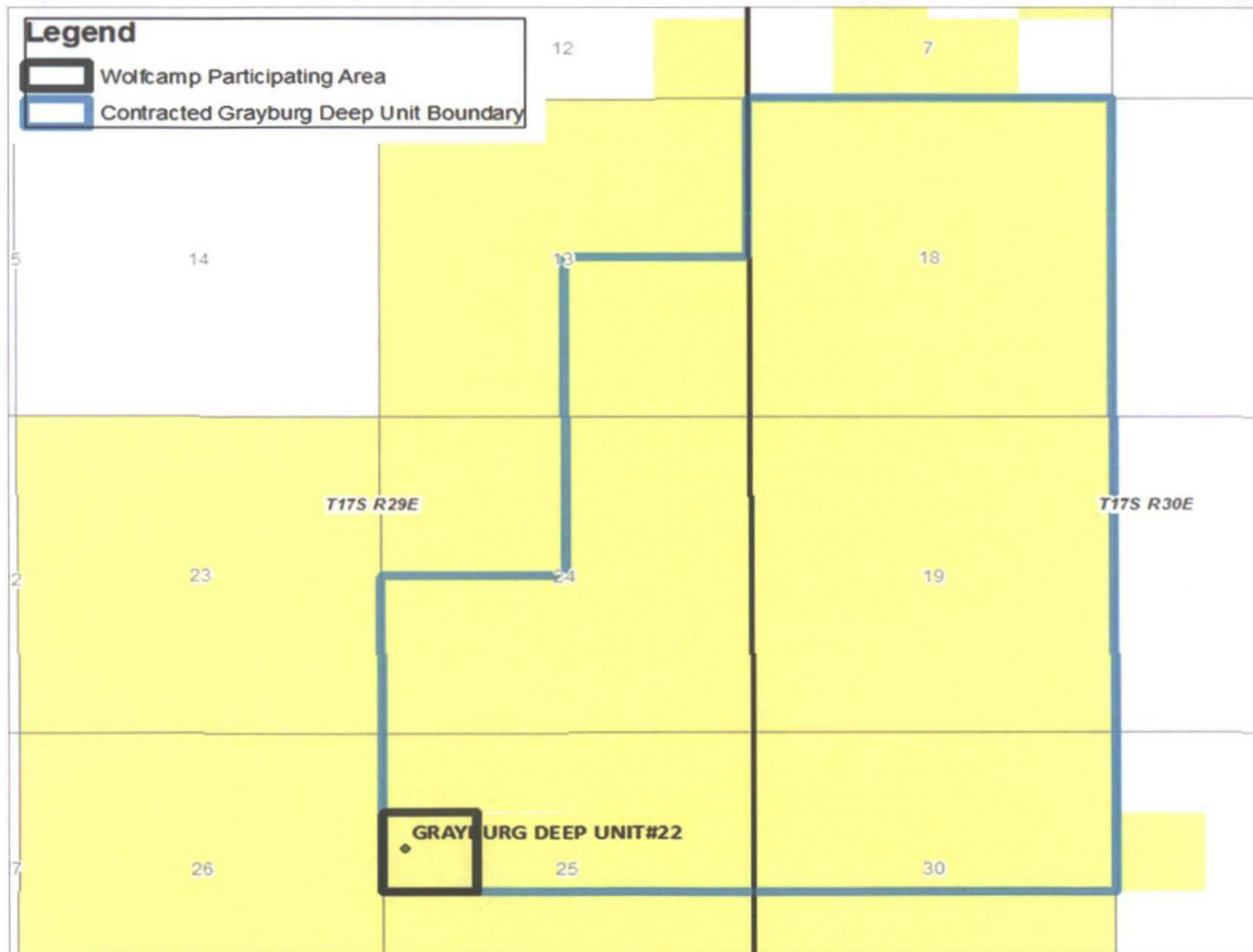
Grayburg Deep Unit Geologic Structure

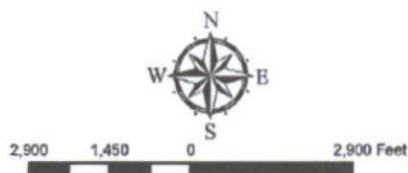
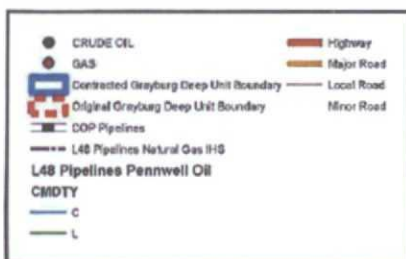
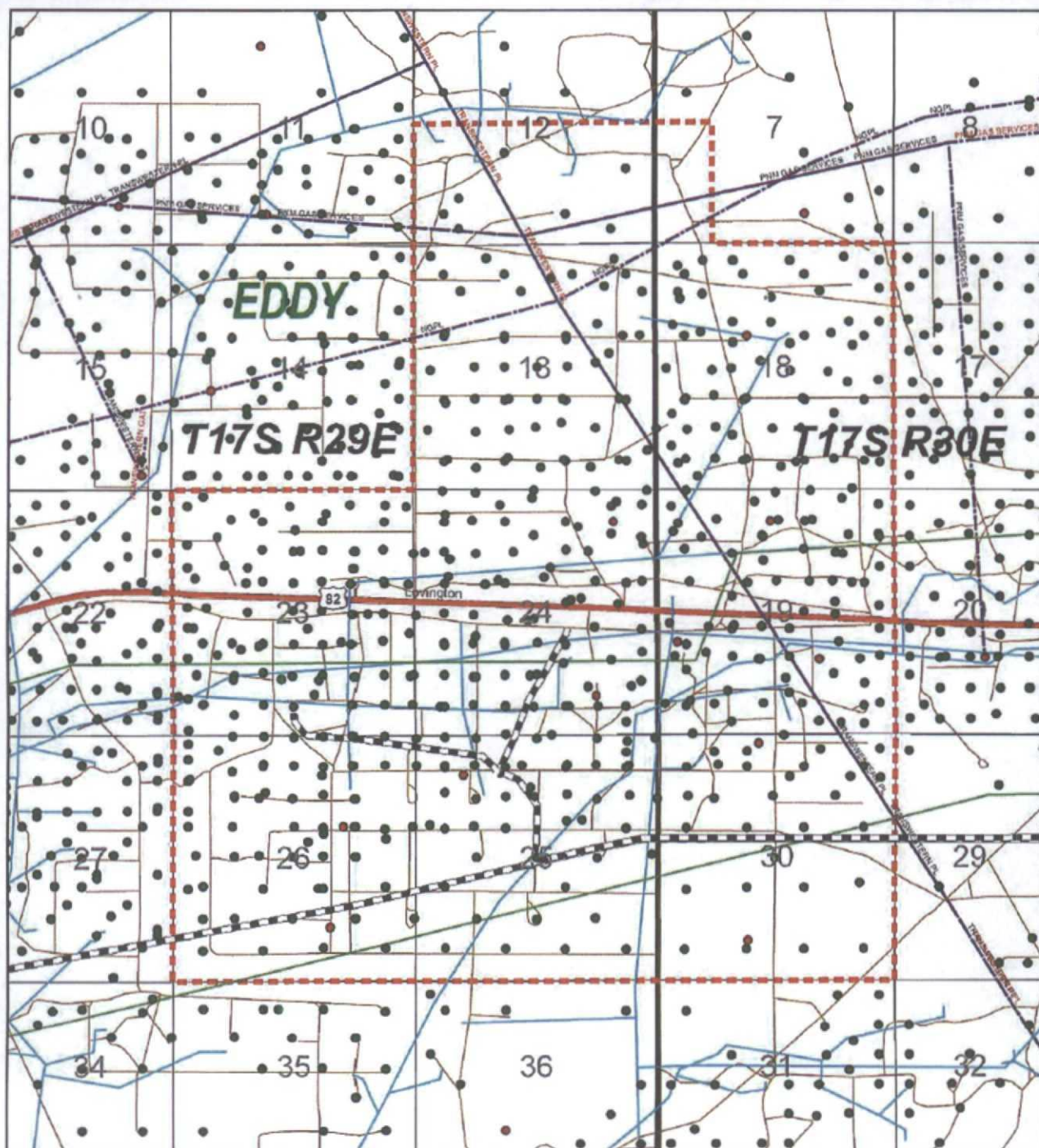


Lower Penn 3rd PA Expansion



Wolfcamp Initial Participating Area



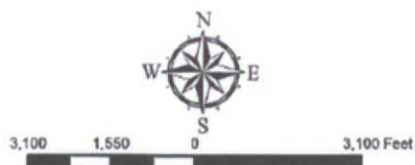
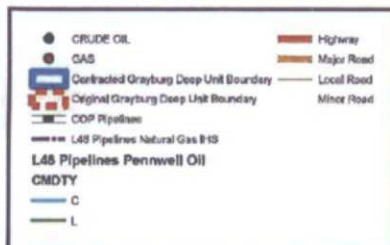


ConocoPhillips

Mid-Continent Land

**Southeast New Mexico
Grayburg Deep Unit**

Author: Aubrey Manning, DOW
 Compiler: Aubrey Manning, DOW
 Date: 10/20/03
 Scale: 1"=10,000'



ConocoPhillips

Mid-Continent Land

Southeast New Mexico Grayburg Deep Unit

Author: <i>Angela Macgregor-Edwards</i>	Date: <i>2/20/2013</i>
Geographer: <i>Angela Macgregor-Edwards</i>	Scale: <i>1:50,000</i>
Project Name: <i>Structure and Well map</i>	