



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

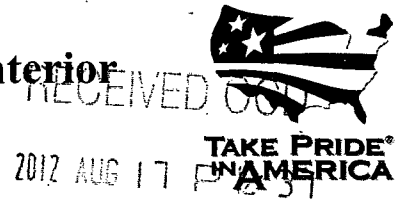
Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

[www.blm.gov/nm](http://www.blm.gov/nm)



In Reply Refer to

NMNM71052H  
3180 (P0220)

**JUL 17 2012**

Reference:

Warren Unit Area (NM71052X)

Application for First Expansion of the Blinebry-Tubb-Drinkard  
Waterflood Participating Area (NM71052H)

Lea County, New Mexico

CERTIFIED—RETURN RECEIPT REQUESTED  
7008 3230 0002 0987 5523

ConocoPhillips  
Permian Basin  
600 N. Dairy Ashford, 2 WL-15058  
Houston, Texas 77079

Gentlemen:

Your application dated July 3, 2012 with Exhibit "A" and "B", requesting approval for the First Revision/Expansion of the Blinebry-Tubb-Drinkard Waterflood Participating Area, is hereby approved and is effective December 1, 2011 pursuant to Section 11 of the Warren Unit Agreement, Lea County, New Mexico.

The First Expansion of the Blinebry-Tubb-Drinkard Waterflood Participating Area results in the addition of 160.00 acres to the participating area, for a total of 4400.00 acres. This is based upon the following:

- Current producing wells on the acreage and the attached supporting geological data
- New Mexico Oil Conservation Division order No. R-13480 which combines the Blinebry-Tubb-Drinkard oil and gas pool under one pool code number 62965.
- Due to low reservoir pressure within the area it is economical to develop and produce all three formations within the area and take advantage of a future waterflood expansion

The First Revision of the Initial Bone Springs Participating Area now includes the following described lands:

Township 20 South, Range 38 East, Lea County, New Mexico

Section 20: SE/4

Section 21: SW/4, S/2SE/4

Section 22: S/2S/2

Section 25: N/2NW/4; SW/4SW/4

Section 29: NE/4, N/2SE/4, N/2SW/4

Section 35: N/2NW/4; NE/4NE/4; SW/4NE/4; NW/4NE/4

Section 26, 27, 28, 33, 34: All

Containing 4,240.00 acres, more or less

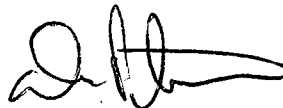
Underline indicates additional acreage in Tract 3

This First Expansion of the Blinebry-Tubb-Drinkard Waterflood Participating Area has been assigned number NMNM71052H (891000601H) for production and accounting reporting purposes. The operator shall provide an updated Exhibit "A" without the cross section line. If you have any questions regarding this letter, please contact Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at (575) 234-2220.

Copies of this approval letter are being distributed to the appropriate Federal agencies and one copy is returned herewith. Please advise all interested parties of the First Expansion of the Blinebry-Tubb-Drinkard Waterflood Participating Area, NMNM71052H (891000601H), Warren Unit, and the effective date of December 1, 2012.

Since there is a well currently producing, this approval requires the submission of a Payor Information Form MMS-4025 to the Office of Natural Resource Revenue (ONRR) within 30 days (30 CFR 210.51). Please notify the designated payor or payors as soon as possible regarding this requirement. Any producing royalties that are due must be reported and paid within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (See 30 CFR 218.54). If you need assistance or clarification, please contact the Office of Natural Resource Revenue at 1-800-525-9167 or 303-231-3504.

Sincerely,



Don Peterson  
Assistant Field Manager,  
Lands and Minerals

Enclosure

cc: ONRR, Denver (MS357B-1)  
New Mexico Taxation & Revenue Dept.  
Revenue Processing Division  
NMOCD  
NM9210  
NMP0220 (CFO I&E)



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

[www.blm.gov/nm](http://www.blm.gov/nm)



In Reply Refer to

NMNM71052H

3180 (P0220)

JUL 27 2012

Reference:

Amendment Letter for Warren Unit Area (NM71052X)

Application for First Expansion of the Blinebry-Tubb-Drinkard  
Waterflood Participating Area (NM71052H)

Lea County, New Mexico

CERTIFIED—RETURN RECEIPT REQUESTED

7008 3230 0002 0987 5585

ConocoPhillips

Permian Basin

600 N. Dairy Ashford, 2 WL-15058

Houston, Texas 77079

Gentlemen:

This amendment letter is for acreage corrections. Your application dated July 3, 2012 with Exhibit "A" and "B", requesting approval for the First Revision/Expansion of the Blinebry-Tubb-Drinkard Waterflood Participating Area, is hereby approved and is effective December 1, 2011 pursuant to Section 11 of the Warren Unit Agreement, Lea County, New Mexico.

The First Expansion of the Blinebry-Tubb-Drinkard Waterflood Participating Area results in the addition of 160.00 acres to the participating area, for a total of 4400.00 acres. This is based upon the following:

- Current producing wells on the acreage and the attached supporting geological data.
- New Mexico Oil Conservation Division order No. R-13480 which combines the Blinebry-Tubb-Drinkard oil and gas pool under one pool code number 62965.
- Due to low reservoir pressure within the area it is economical to develop and produce all three formations within the area and take advantage of a future waterflood expansion.

The First Expansion of the Blinebry-Tubb-Drinkard Waterflood Participating Area now includes the following described lands:

Township 20 South, Range 38 East, Lea County, New Mexico

Section 20: SE/4

Section 21: SW/4, S/2SE/4

Section 22: S/2S/2

Section 25: N/2NW/4; SW/4SW/4

Section 29: NE/4, N/2SE/4, N/2SW/4

Section 35: N/2NW/4; NE/4NE/4; SW/4NE/4; NW/4NE/4

Section 26, 27, 28, 33, 34: All

Containing 4,400.00 acres, more or less

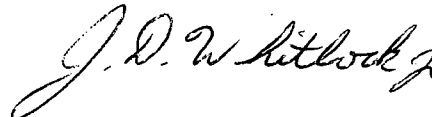
Underline indicates additional acreage in Tract 3

This First Expansion of the Blinebry-Tubb-Drinkard Waterflood Participating Area has been assigned number NMNM71052H (891000601H) for production and accounting reporting purposes. If you have any questions regarding this letter, please contact Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at (575) 234-2220.

Copies of this approval letter are being distributed to the appropriate Federal agencies and one copy is returned herewith. Please advise all interested parties of the First Expansion of the Blinebry-Tubb-Drinkard Waterflood Participating Area, NMNM71052H (891000601H), Warren Unit, and the effective date of December 1, 2012.

Since there is a well currently producing any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

Sincerely,



For Don Peterson  
Assistant Field Manager,  
Lands and Minerals

Enclosure

cc: ONRR, Denver (MS357B-1)  
New Mexico Taxation & Revenue Dept.  
Revenue Processing Division  
NMOCD  
NM9210  
NMP0220 (CFO I&E)



Betty Dimiterchik  
Sr. Land Analyst  
Mid-America – Permian Basin  
600 N. Dairy Ashford, 2 WL - 15073  
Houston, TX 77079  
Tel: 832-486-2498  
Fax: 832-486-2674

May 16, 2012

Bureau of Land Management  
Carlsbad Field Office  
620 East Green Street  
Carlsbad, New Mexico 88220

New Mexico Oil Conservation Division  
Energy Minerals & Natural Resources  
1220 S. Saint Francis Drive  
Santa Fe, NM 87504

RE: **Warren Unit – I-Sec. No. 601, Serial No. NMNM-071052X**  
Amended Exhibit "B" to Blinbry-Tubb-Drinkard Waterflood Participating Area  
(NMNM71052H; 891000601H)  
Effective December 1, 2011  
Lea County, New Mexico  
ConocoPhillips Contract 100460

Gentlemen:

Pursuant to Bureau of Land Management request and in follow-up to ConocoPhillips Company letters dated February 28, 2011 and March 14, 2011, please find attached hereto an amended Exhibit "B" to Blinbry-Tubb-Drinkard Waterflood Participating Area (NMNM-071052H).

Amended Exhibit "B" attached hereto, represents the Participating Area Schedule, depicting the five (5) Federal Oil and Gas Leases contributed thereto, the ownership of each lease and their respective participation factors. Tract 4 has been amended to correct the lease serial number from LC 031695 (b) to LC 031695 (a).

The working interest owners have been provided a copy of this amended Exhibit "B".

Please contact the undersigned at 832-486-2498 if there are any questions regarding this matter.

Respectfully,

Betty Dimiterchik  
Sr. Land Analyst

Cc: Apache Corporation  
Attn: Michelle Hanson  
303 Veterans Airpark Lane  
Midland, TX 79705

RECEIVED OGD  
2012 MAY 21 P 12:52

**Amended Exhibit "B" to Blinebry-Tubb-Drinkard Waterflood Participating Area (NMNM-071052H), Effective December 1, 2011**  
**Warren Unit Area (I-Sec. No. 601), Lea County, New Mexico**

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
LC 031670 (b)	<u><b>T20S-R38E</b></u> Section 20: SE/4 Section 21: SW/4 & SW/4SE/4 Section 22: S/2S/2 Section 27: N/2N/2 Section 28: N/2N/2 Section 29: N/2NE/4	920.00	<u><b>Tract 1</b></u>		12.500000 %  32.812500 % 32.812500 % 21.875000 % 0.000000 % <hr/> 100.000000 %	21.698113 %
			Royalty:	12.500000 %		
			Working Interest:			
			ConocoPhillips Company	32.812500 %		
			Apache Corporation	32.812500 %		
			ZPZ Delaware	21.875000 %		
			ORRI:	0.000000 %		
			Total	100.000000 %		
LC 061983	<u><b>T20S-R38E</b></u> Section 21: SE/4SE/4	40.00	<u><b>Tract 2</b></u>		12.500000 %  30.937500 % 30.937500 % 20.625000 % 5.000000 % <hr/> 100.000000 %	0.943396 %
			Royalty:	12.500000 %		
			Working Interest:			
			ConocoPhillips Company	30.937500 %		
			Apache Corporation	30.937500 %		
			ZPZ Delaware	20.625000 %		
			ORRI:	5.000000 %		
			Total	100.000000 %		
LC 063458	<u><b>T20S-R38E</b></u> Section 25: N/2NW/4 Section 26: All Section 34: All Section 35: N/2NW/4	1440.00	<u><b>Tract 3</b></u>		12.500000 %  32.109375 % 32.109375 % 21.406250 % 1.875000 % <hr/> 100.000000 %	33.962264 %
			Royalty:	12.500000 %		
			Working Interest:			
			ConocoPhillips Company	32.109375 %		
			Apache Corporation	32.109375 %		
			ZPZ Delaware	21.406250 %		
			ORRI:	1.875000 %		
			Total	100.000000 %		

**Amended Exhibit "B" to Blinebry-Tubb-Drinkard Waterflood Participating Area (NMNM-071052H), Effective December 1, 2011**  
**Warren Unit Area (I-Sec. No. 601), Lea County, New Mexico**

LC 031695 (a)	<u>T20S-R38E</u>  Section 29: NW4/SW4	40.00	<u>Tract 4</u>		0.943396 %
			Royalty:	5.000000 %	
			ConocoPhillips Company	32.812500 %	
			Apache Corporation	32.812500 %	
			ZPZ Delaware	21.875000 %	
			ORRI:	7.500000 %	
			<i>Total</i>	100.000000 %	
LC 031695 (b)	<u>T20S-R38E</u> Section 27: S/2 & S/2N/2 Section 28: S/2 & S/2N/2 Section 29: S/2NE/4, N/2SE/4 & NE4/SW4 Section 33: All	1800.00	<u>Tract 5</u>		42.452830 %
			Royalty:	12.500000 %	
			Working Interest:		
			ConocoPhillips Company	32.812500 %	
			Apache Corporation	32.812500 %	
			ZPZ Delaware	21.875000 %	
			ORRI:	0.000000 %	
			<i>Total</i>	100.000000 %	

**Amended Exhibit "B" to Blinebry-Tubb-Drinkard Waterflood Participating Area (NMNM-071052H), Effective December 1, 2011  
Warren Unit Area (I-Sec. No. 601), Lea County, New Mexico**

**Recapitulation**

100.00000 %

Description of Lands in Participating Area:

Township 20 South, Range 38 East, N.M.P.M.

Section 20: SE/4

Section 21: SW/4, S/2SE/4

Section 22: S/2S/2

Section 25: N/2NW/4

Section 26: All

Section 27: All

Section 28: All

Section 29: NE/4, N/2SE/4, N2SW4

Section 33: All

Section 34: All

Section 35: N/2NW/4

Total number of acres in participating area: 4,240.00

Total Federal Lands 4,240.00

Percent of working interest committed: 100.00 %

Percent of basic royalty interest committed: 100.00 %

Percent of overriding royalty interest committed: 100.00 %

**Participating Area Ownership Summary**

	WI	NRI
ConocoPhillips Company	0.37500000	0.32556014
Apache Corporation	0.37500000	0.32556014
ZPZ Delaware	0.25000000	0.21704009
<b>Total</b>	<b>1.00000000</b>	<b>0.86816038</b>



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District  
Carlsbad Field Office  
620 E. Greene

Carlsbad, New Mexico 88220-6292  
www.blm.gov/nm

RECEIVED OOD



In Reply Refer to  
NMNM71052X  
3180 (P0220)

Reference:

Warren Unit (NM71052X)  
Application for Consolidation of the Blinebry-Tubb PA NM71052E,  
Drinkard PA NM71052B and Blinebry PA NM71052C  
Lea County, New Mexico.

CERTIFIED—RETURN RECEIPT REQUESTED  
7008 3230 0002 0987 6391

ConocoPhillips  
Permian Basin  
600 N. Dairy Ashford, 2 WL-15058  
Houston, Texas 77079

MAR 21 2012

Gentlemen:

Your application dated February 28, 2012 with Exhibit "A" and "B", requesting approval to Consolidate the Blinebry-Tubb PA (NM71052E), the Drinkard PA (NM71052B) and the Blinebry PA (NM71052C), is hereby approved and is effective December 1, 2011, pursuant to Section 11 of the Warren Unit Agreement, Lea County, New Mexico.

The consolidation of the three Participating Areas results in a new Blinebry-Tubb-Drinkard Waterflood Participating Area with a total acreage of 4,240.00 acres. This is based upon the following:

- New Mexico Oil Conservation Division order No. R-13480 which combines the Blinebry-Tubb-Drinkard oil and gas pool under one pool code number 62965.
- Due to low reservoir pressure within the area it is economical to develop and produce all three formations within the area and take advantage of a future waterflood expansion.

The consolidation results in a new Blinebry-Tubb-Drinkard Waterflood Participating Area which now includes the following described lands:

Township 20 South, Range 38 East, Lea County, New Mexico

Section 20: SE/4

Section 21: SW/4, S/2SE/4

Section 22: S/2S/2

Section 25: N/2NW/4

Section 29: NE/4, N/2SE/4, N/2SW/4

Section 35: N/2NW/4

Section 26, 27, 28, 33, 34: All

Containing 4,240.00 acres, more or less

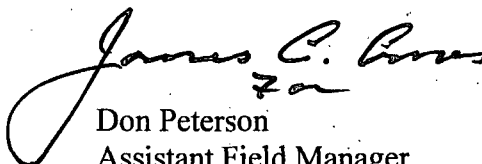
This new Blinebry-Tubb-Drinkard Waterflood Participating Area has been assigned number NMNM71052H (891000601H) for production and accounting reporting purposes. If you have any questions regarding this letter, please contact Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at (575) 234-2220.

Copies of this approval letter are being distributed to the appropriate Federal agencies and one copy is returned herewith. Please advise all interested parties of the new Blinebry-Tubb-Drinkard Waterflood Participating Area, NMNM71052H, within the Warren Unit, and the effective date of December 1, 2011.

In view of this consolidation, the Blinebry-Tubb PA (NM71052E) , the Drinkard PA (NM71052B) and the Blinebry PA (NM71052C), is hereby terminated effective December 1, 2011.

Since there is a well currently producing, this approval requires the operator to submit all required forms and report all royalties to the Office of Natural Resource Revenue (ONRR) within 30 days.

Sincerely,

A handwritten signature in black ink, appearing to read "James C. Peters" with a stylized flourish at the end.

Don Peterson  
Assistant Field Manager,  
Lands and Minerals

Enclosure

cc: ONRR, Denver (MS357B-1)  
New Mexico Taxation & Revenue Dept.  
Revenue Processing Division  
NMOCD  
NM9210  
NMP0220 (CFO I&E)



Thomas J. Scarbrough  
Staff Landman  
Mid-America - Permian Basin  
600 N. Dairy Ashford, 2 WL - 15058  
Houston, TX 77079  
Tel: 832-486-2338  
Fax: 832-486-2674

February 28, 2012

Bureau of Land Management  
Carlsbad Field Office  
620 East Green Street  
Carlsbad, New Mexico 88220

New Mexico Oil Conservation Division  
Energy Minerals & Natural Resources  
1220 S. Saint Francis Drive  
Santa Fe, NM 87504

RECEIVED  
BUREAU OF LAND MGMT  
CARLSBAD FIELD OFFICE  
FEB 28 2012

RE: **Warren Unit - I-Sec. No. 601, Serial No. NMNM-071052X**  
Proposed Consolidation of Blinebry-Tubb-Drinkard Participating Areas  
Effective December 1, 2011  
Lea County, New Mexico  
ConocoPhillips Contract 100460

Gentlemen:

Pursuant to State of New Mexico Oil Conservation Division Order No. R-13480, the Blinebry, Tubb and Drinkard pools were redesignated as the Warren-Blinebry-Tubb-Drinkard Oil and Gas Pool (Pool Code 62965), effective December 1, 2011.

ConocoPhillips Company's drilling program within the Warren Unit has been primarily focused on Blinebry-Tubb-Drinkard commingling projects. Because of the low reservoir pressure within the Warren Unit, the most efficient and economical method to produce this area is by a consolidation of the Blinebry-Tubb-Drinkard pools and the resulting consolidation of the existing Blinebry-Tubb-Drinkard Participating Areas. Production accountability will also be enhanced

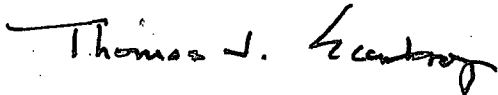
Therefore, ConocoPhillips Company, as Unit Operator of the Warren Unit, hereby submits for your approval the Proposed Consolidation of the Blinebry-Tubb-Drinkard Participating Areas, effective December 1, 2011. The enclosed expansion schedule consolidates the 3<sup>rd</sup> Expansion of the Drinkard Participating Area, the 2<sup>nd</sup> Expansion of the Blinebry-Tubb Participating Area and the 25<sup>th</sup> Expansion of the Blinebry Participating Area.

Upon your review, please provide ConocoPhillips written approval of the subject consolidation.

The working interest owners have been provided a copy of this proposed consolidation.

Please contact the undersigned at 832-486-2238 if there are any questions regarding this matter.

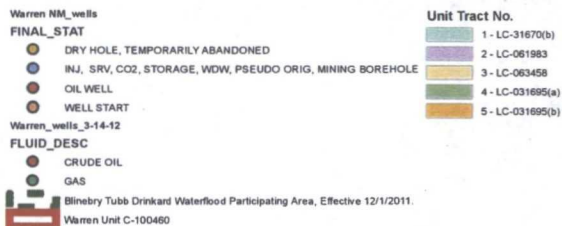
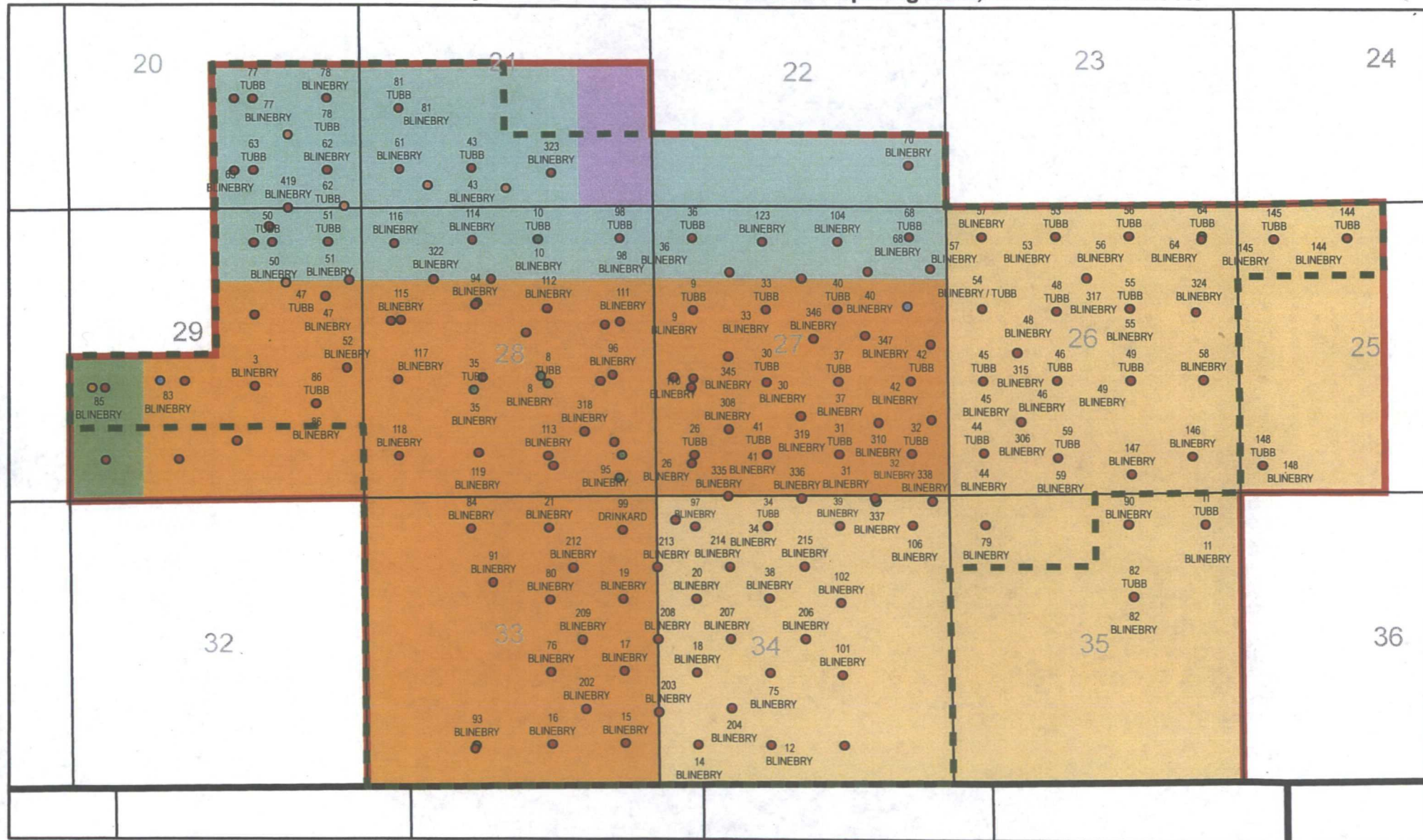
Respectfully,

A handwritten signature in black ink, appearing to read "Thomas J. Scarbrough". The signature is written in a cursive, flowing style.

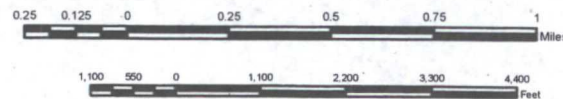
Thomas J. Scarbrough, CPL  
Staff Landman

Cc: Apache Corporation  
Attn: Michelle Hanson  
303 Veterans Airpark Lane  
Midland, TX 79705

# Exhibit "A" Blinebry Tubb Drinkard Waterflood Participating Area, Effective 12/1/2011.



**DISCLAIMER:**  
NEITHER CONOCOPHILLIPS COMPANY (COPC) NOR ANY OF COPC'S REPRESENTATIVES MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE QUALITY, ACCURACY, COMPLETENESS OF THE INFORMATION CONTAINED HEREIN. This information is being furnished by COPC and COPC's Representatives as a convenience only, and any reliance on or use of same is at the sole risk of the user.



**ConocoPhillips**

**Warren Unit**  
Southeast New Mexico

Author: Tom Scarbrough Date: 3/14/2012  
Compiled by: Bryan Alexander Scale: 1:30,000  
Project File: warren\_unit\_blinebry\_tubb\_mxd

**Exhibit "B" to Blinebry-Tubb-Drinkard Waterflood Participating Area, Effective December 1, 2011**  
**Warren Unit Area (I-Sec. No. 601), Lea County, New Mexico**

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
LC 031670 (b)	<u><b>T20S-R38E</b></u> Section 20: SE/4 Section 21: SW/4 & SW/4SE/4 Section 22: S/2S/2 Section 27: N/2N/2 Section 28: N/2N/2 Section 29: N/2NE/4	920.00	<u><b>Tract 1</b></u>			<u>21.698113 %</u>
			Royalty:	12.500000 %		
			Working Interest:			
			ConocoPhillips Company	32.812500 %		
			Apache Corporation	32.812500 %		
			ZPZ Delaware	21.875000 %		
			ORRI:	0.000000 %		
			<i>Total</i>	<u>100.000000 %</u>		
LC 061983	<u><b>T20S-R38E</b></u> Section 21: SE/4SE/4	40.00	<u><b>Tract 2</b></u>			<u>0.943396 %</u>
			Royalty:	12.500000 %		
			Working Interest:			
			ConocoPhillips Company	30.937500 %		
			Apache Corporation	30.937500 %		
			ZPZ Delaware	20.625000 %		
			ORRI:	5.000000 %		
			<i>Total</i>	<u>100.000000 %</u>		
LC 063458	<u><b>T20S-R38E</b></u> Section 25: N/2NW/4 Section 26: All Section 34: All Section 35: N/2NW/4	1440.00	<u><b>Tract 3</b></u>			<u>33.962264 %</u>
			Royalty:	12.500000 %		
			Working Interest:			
			ConocoPhillips Company	32.109375 %		
			Apache Corporation	32.109375 %		
			ZPZ Delaware	21.406250 %		
			ORRI:	1.875000 %		
			<i>Total</i>	<u>100.000000 %</u>		

**Exhibit "B" to Blinebry-Tubb-Drinkard Waterflood Participating Area, Effective December 1, 2011**  
**Warren Unit Area (I-Sec. No. 601), Lea County, New Mexico**

LC 031695 (b)	<u>T20S-R38E</u>	40.00	<u>Tract 4</u>			0.943396 %
	Section 29: NW4/SW4		Royalty:	5.000000 %	5.000000 %	
			ConocoPhillips Company	32.812500 %	32.812500 %	
			Apache Corporation	32.812500 %	32.812500 %	
			ZPZ Delaware	21.875000 %	21.875000 %	
			ORRI:	7.500000 %	7.500000 %	
			Total	100.000000 %	100.000000 %	
LC 031695 (b)	<u>T20S-R38E</u>	1800.00	<u>Tract 5</u>			42.452830 %
	Section 27: S/2 & S/2N/2		Royalty:	12.500000 %	12.500000 %	
	Section 28: S/2 & S/2N/2		Working Interest:			
	Section 29: S/2NE/4, N/2SE/4 & NE4/SW4		ConocoPhillips Company	32.812500 %	32.812500 %	
	Section 33: All		Apache Corporation	32.812500 %	32.812500 %	
			ZPZ Delaware	21.875000 %	21.875000 %	
			ORRI:	0.000000 %	0.000000 %	
			Total	100.000000 %	100.000000 %	

**Exhibit "B" to Blinebry-Tubb-Drinkard Waterflood Participating Area, Effective December 1, 2011**  
**Warren Unit Area (I-Sec. No. 601), Lea County, New Mexico**

Recapitulation

100.00000 %

Description of Lands in Participating Area:

Township 20 South, Range 38 East, N.M.P.M.

Section 20: SE/4

Section 21: SW/4, S/2SE/4

Section 22: S/2S/2

Section 25: N/2NW/4

Section 26: All

Section 27: All

Section 28: All

Section 29: NE/4, N/2SE/4, N2SW4

Section 33: All

Section 34: All

Section 35: N/2NW/4

Total number of acres in participating area: 4,240.00

Total Federal Lands 4,240.00

Percent of working interest committed: 100.00 %

Percent of basic royalty interest committed: 100.00 %

Percent of overriding royalty interest committed: 100.00 %

Participating Area Ownership Summary

	WI	NRI
ConocoPhillips Company	37.50000%	32.55601%
Apache Corporation	37.50000%	32.55601%
ZPZ Delaware	25.00000%	21.70401%
<b>Total</b>	<b>100.00000%</b>	<b>86.81603%</b>