



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



In Reply Refer to
NMNM71041X
3180 (P0220)

Reference:

Southeast Monument Unit (NM71041X)

Application for Consolidation of 7 different Blinebry, Tubb, & Drinkard

Participating Areas

Lea County, New Mexico

APR 15 2013

CERTIFIED—RETURN RECEIPT REQUESTED

7012 2210 0001 2089 3271

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

Gentlemen:

Your application dated April 8, 2013 with Exhibit "A" and "B", requesting approval to Consolidate the Drinkard PA C (NM71041C), Tubb PA F (NM71041F), Drinkard A PA I (NM71041I), Blinebry A PA J (NM71041J) and Tubb-Drinkard B PA L (NM71041L), in to a new Consolidated Blinebry-Tubb-Drinkard PA A (NM71041M) is hereby approved and is effective November 1, 2012, pursuant to Section 11 of the Southeast Monument Unit Agreement, Lea County, New Mexico.

Your application dated March 12, 2013 with Exhibit "A" and "B", requesting approval to Consolidate the Blinebry PA G (NM71041G) and Tubb A PA H (NM71041H), in to a new Consolidated Blinebry-Tubb-Drinkard PA B (NM71041N) is hereby approved and is effective November 1, 2012, pursuant to Section 11 of the Southeast Monument Unit Agreement, Lea County, New Mexico

The consolidation of the five Participating Areas results in a new Consolidated Blinebry-Tubb-Drinkard Participating Area A with a total acreage of 3,083.58 acres. This is based upon the following:

- New Mexico Oil Conservation Division order No. R-13642 which combines the Blinebry-Tubb-Drinkard oil and gas pool under one pool code number 63080.
- Due to low reservoir pressure within the area it is economical to develop and produce all three formations within the area.

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

Township 20 South, Range 37 East, Lea County, New Mexico

Section 13: SE/4

Section 14: NW, W/2SW

Section 15: E/2SE, E/2NE

Section 22: E/2NE

Section 23: SE/4, S/2NW, NWNW, N/2SW, SESW

Section 24: NE/4, S/2

Section 25: N/2, N/2S/2

Section 26: E/2E/2, NWNE, NENW

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

Section 18: Lots 3, 4 and SESW, SWSE

Section 19: Lots 1, 2, 3, 4 and E/2W/2, NWNE

Section 30: Lots 1, 2, 3 and N/2NE, E/2NW, NESW

Containing 3,083.58 acres, more or less

This new Consolidated Blinebry-Tubb-Drinkard Participating Area A has been assigned number NMNM71041M (891000321O) 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.

The consolidation of the two Participating Areas results in a new Consolidated Blinebry-Tubb-Drinkard Participating Area B with a total acreage of 320.00 acres. This is based upon the following:

- New Mexico Oil Conservation Division order No. R-13642 which combines the Blinebry-Tubb-Drinkard oil and gas pool under one pool code number 63080.
- Due to low reservoir pressure within the area it is economical to develop and produce all three formations within the area.

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

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

Section 20: S/2SW, NESW, SWNW

Section 29: NW/4

Containing 320.00 acres, more or less

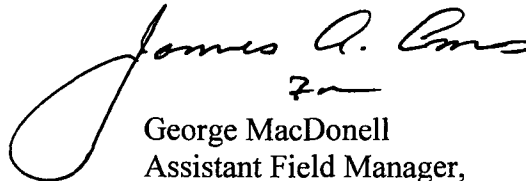
This new Consolidated Blinebry-Tubb-Drinkard Participating Area B has been assigned number NMNM71041N (891000321P) for production and accounting reporting purposes. If you have any questions regarding this letter, please contact Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals 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 Consolidated Blinebry-Tubb-Drinkard Participating Area A, NMNM71041M, and the new Consolidated Blinebry-Tubb-Drinkard Participating Area B, NMNM71041N within the Southeast Monument Unit, and the effective date of November 1, 2012.

In view of this consolidation, the Drinkard PA C (NM71041C), Tubb PA F (NM71041F), Drinkard A PA I (NM71041I), Blinebry A PA J (NM71041J), Tubb-Drinkard B PA L (NM71041L), Blinebry PA G (NM71041G) and Tubb A PA H (NM71041H) are hereby terminated effective November 1, 2012.

Since there are wells currently producing, this approval requires the operator to submit all required forms and report all royalties according to regulations set up by the Office of Natural Resources Revenue (ONRR) at 1-800-525-9167 or 303-231-3504.

Sincerely,



George MacDonell
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)

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