

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



August 24, 2015

ConocoPhillips Company
Attn: Ms. Ashley Bergen

ADMINISTRATIVE NON-STANDARD LOCATION, AND NON-STANDARD PRORATION
UNIT

Administrative Order NSL-7343
Administrative Application Reference No. pJAG1520838571

Administrative Order NSP-2040
Administrative Application Reference No. pJAG1520838806

ConocoPhillips Company
OGRID 217817
Stampede 34 Federal Com. Well No. 5 H
API No. 30-015-pending
Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	250' FSL & 1040' FWL	4	34	26S	31E	Eddy
Penetration Point	330' FSL & 1040' FWL	4	34	26S	31E	Eddy
Final perforation	330' FNL & 1040' FWL	D	27	26S	31E	Eddy
Terminus	50' FNL & 1040' FWL	D	27	26S	31E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Lot 4 of Section 34, NW/4 NW/4 Section 34, and W/2 W/2 of Section 27	225.20	WC-015 G-08 S263125P; Wolfcamp	98012

Reference is made to your application received on July 27, 2015.

You have requested to drill this well at a non-standard oil spacing and proration unit described above in the referenced pool or formation. This proration unit is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This location is unorthodox because a portion of the project area less than 330 feet from the unit boundary.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location because of cave/karst considerations and to avoid drainage ditches.

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 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

Non-Standard Proration Unit

Units Comprising this Project Area

Unit	Acres	Pool	Code
Lot 4 of Section 34	25.20	WC-015 G-08 S263125P; Wolfcamp	98012
NW/4 NW/4 of Section 34	40	WC-015 G-08 S263125P; Wolfcamp	98012
W/2 W/2 of Section 27	160	WC-015 G-08 S263125P; Wolfcamp	98012

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(3) NMAC.

Statewide Rule 19.15.15.9.A NMAC provides for 40-acre units, which consists of the entire project area except Lot 4 of Section 34. Lot 4 of Section 34 is comprised of 25.20-acres. According to Division Rule 19.15.15.11.B(1) NMAC, an administrative approval is required for a non-standard spacing unit that is less than 70 percent of a standard spacing unit, in this case 25.20-acres.

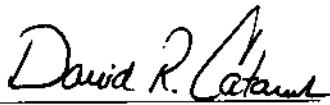
It is also understood that since no acreage is being excluded in the project area, no interest owner is affected; therefore, notification is not required.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described non-standard proration unit is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on August 24, 2015

A handwritten signature in black ink, appearing to read "David R. Catanach". The signature is written in a cursive style with a large initial "D".

DAVID R. CATANACH
Director

DRC/mam

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