

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 23, 2013

ConocoPhillips Company
Attn: Ms. Susan Maunder

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6986
Administrative Application Reference No. pMAM1335458452

ConocoPhillips Company
OGRID 217817
Ruby Federal Well No. 10
API No. 30-025-40507

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
Surface	1140 FSL & 2310 FEL	O	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 June 1, 2012, the well has produced from the previously mentioned pools.

This well is already subject to DHC Order 4628, which was issued administratively on June 21, 2013.

December 23, 2013

Page 2

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.

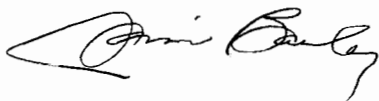
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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

HOBB'S OCD
Form 3160-3
(August 2007)
MAR 23 2012

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

ATS-11-890
FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC029405B
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator ConocoPhillips Company		7. If Unit or CA Agreement, Name and No.
3a. Address 3300 N "A" St, Bldg 6 Midland, TX 79705		8. Lease Name and Well No. <386537> Ruby Federal #10
3b. Phone No. (include area code) (432)688-6913		9. API Well No. 30-025-40507
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface UL O, Sec 18, T 17S, R 32 E 1140 FSL 2310 FEL At proposed prod. zone		10. Field and Pool, or Exploratory Maljamar, Yeso, West <445007>
14. Distance in miles and direction from nearest town or post office* 4.5 Miles south of Maljamar, NM		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 18, T 17S, R 32E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1140' FSL	16. No. of acres in lease 1601.9	12. County or Parish Lea
17. Spacing Unit dedicated to this well 40	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 451' from Mitchell B #20	13. State NM
19. Proposed Depth 6928'	20. BLM/BIA Bond No. on file ES0085	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3961' Gr	22. Approximate date work will start* 05/22/2012	23. Estimated duration 10 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature B. D. Maiorino	Name (Printed/Typed) Brian D Maiorino	Date 11/16/2011
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Title

Regulatory Specialist

Approved by (Signature)

James A. Amos

Name (Printed/Typed)

Office

CARLSBAD FIELD OFFICE

Date

MAR 21 2012

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

Roswell Controlled Water Basin

Ka 07/21/12

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached