

DATE IN 12/05/13	SUSPENSE	ENGINEER JG MM	LOGGED IN 12/05/13	TYPE NSL	PPAG APP NO. 133394 8854
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication Ruby Federal #8
- NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
- DHC CTB PLC PC OLS OLM DHC-4627
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

*ConocoPhillips
30-025-40521
Ruby Fed #8*

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or \exists Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Susan B. Maunder _____ Senior Regulatory Specialist _____ 12-5-13 _____
 Print or Type Name Signature Title Date

 e-mail Address



Susan B. Maunder
Sr. Regulatory Specialist
Phone: (281) 206-5281

ConocoPhillips Company
600 N. Dairy Ashford Rd, Office P10-4-4054
Houston, TX 77079-1175

December 5, 2013

State of New Mexico
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

SUBJECT: REQUEST FOR NON-STANDARD LOCATION FOR RUBY FEDERAL #08 –
API 30-025-40521

Dear Sirs,

ConocoPhillips Company respectfully requests a non-standard location exception to produce the Ruby Federal #08 well. The lease is recorded as NM LC029405B The well located in UL P, 1000' from the south line and 620' from the east line of Section 18, Township 17S, Range 32E, Lea County, New Mexico. The bottom hole location is in UL P, 990' from the south lease line and 1099' from the east line of Section 18, Township 17S, Range 32E, The footages place the well closer than 330' from the west Qtr/Qtr Section line. The table below details the ownership of adjacent spacing units in Section 18. ConocoPhillips is 100% lessee and 100% working interest owner of the Ruby federal lease.

Spacing Unit	Adjacent Units	# of Wells	Operator(s)
UL P	UL I, J, O; Sec. 18, 17S, 32E	5	ConocoPhillips Company
UL P	UL L, M; Sec 17, 17S, 32E	5	ConocoPhillips Company
UL P	UL A, B; Sec. 19, 17S, 32E	1	ConocoPhillips Company
UL P	UL A, B; Sec 19, 17S, 32E	9	COG Operating LLC

Enclosed are the following documents in support of this request.

- Administrative Application Checklist
- Copy of the New Mexico Form C-102

A copy of this submittal is being sent to Bureau of Land Management, Carlsbad Field Office and COG Operating LLC via certified return receipt.

The granting of this exception will prevent waste and minimize surface disturbance. This well is currently shut-in pending approval of this request.

If you have questions regarding this request, I can be reached at 281-206-5281 or via email at Susan.B.Maunder@conocophillips.com.

Sincerely,


Susan B. Maunder
Senior Regulatory Specialist
ConocoPhillips Company

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
HOBBS OCD
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

JUL 05 2013

AMENDED REPORT

RECEIVED
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40521	² Pool Code 44500	³ Pool Name MALJAMAR; YESO, WEST
⁴ Property Code 38653	⁵ Property Name RUBY FEDERAL	
⁷ OGRID No. 217817	⁸ Operator Name ConocoPhillips Company	⁶ Well Number 08
⁹ Elevation 3976'		

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	17S	32E		1000	SOUTH	620	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	17S	32E		990	SOUTH	1099	EAST	LEA

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

				<p style="text-align: center;">HOBBS OCD JUL 05 2013 RECEIVED</p>
				<p>¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interests in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature: <u>Ashley Martin</u> Date: <u>05/13/2013</u> Printed Name: <u>Ashley Martin</u> E-mail Address: <u>Ashley.Martin@conocophillips.com</u></p>
				<p>¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey: _____ Signature and Seal of Professional Surveyor: _____</p>
				Certificate Number

AUG 27 2013

McMillan, Michael, EMNRD

From: Mull, Donna, EMNRD
Sent: Wednesday, December 18, 2013 1:28 PM
To: McMillan, Michael, EMNRD
Cc: Kautz, Paul, EMNRD
Subject: RE: Ruby Federal #8

Let's try this again.

Yes this well has been producing Vertical well since 07/30/2012.
Then as of 09/16/2013 they did a Horizontal drill and at that time the Bottomhole location needed a Non-Standard Location approval.

Both vertical and Horizontal are producing from the same formation / Pool.

So I would suggest that the NSL be approved for the Bottomhole Location.

Maybe Paul, do you have a suggest.

Donna

From: McMillan, Michael, EMNRD
Sent: Wednesday, December 18, 2013 10:00 AM
To: Mull, Donna, EMNRD
Subject: Ruby Federal #8

Donna:

ConocoPhillips has filed a NSL after the fact for the Ruby Federal #8, 1817S32E. API #3002540521. However, this well is actively producing.

I have spreadsheet of production in this well.

What is the best way to proceed with this well?

Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F. 505.476.3462



HOBBS OCD

JUL 05 2013

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Survey Certification Sheet

Conoco Phillips.
Company

GC-12481
Job Number

5/9/13
Date

Sec18, T17S, R32E
Lease

Ruby Federal # 8
Well Name

Lea, NM
County & State

API: 30-025-40521

Surveyed from a depth of: 757 feet to 7221 feet MD

Type of Survey: MWD

Directional Supervisor/Surveyor: Douglas Feilder

The data and calculations for this survey have been checked by me and conform to the standards and procedures set forth by **The Directional Drilling Company (DDC)**. This report represents a true and correct Directional survey of this well based on the original data obtained at the well site. Wellbore Coordinates are calculated using minimum curvature.

Digitally signed by Larry Wright
DN: cn=Larry Wright, o=The
Directional Drilling Company,
ou=GM of Guidance Services,
email=larryw@directionaldrillers.c
om, c=US
Date: 2013.05.09 10:49:31 -0500

Larry Wright
MWD General Manager

Results of Directional Survey

DD

API number: 30-025-40521			
OGRID:		Operator:	CONOCOPHILLIPS COMPANY
		Property:	RUBY FEDERAL # 8

surface	ULSTR: P	18	T 17S	R 32E
			1000 FSL	620 FEL

BH Loc	ULSTR: P	18	T 17S	R 32E
7221	MD	7199.2 TVD	990 FSL	1099 FEL

Top Perf/OH	ULSTR: P	18	T 17S	R 32E
5375	MD	5361.1 TVD	989 FSL	929 FEL

Bot Perf/OH	ULSTR: P	18	T 17S	R 32E
6570	MD	6551.1 TVD	989 FSL	1037 FEL

	MD	N/S	E/W	VD
	5272	-10.40	-300.30	5258.5
TOP PERFS/OH	5375	-10.74	-309.28	5361.10
	5452	-11.00	-316.00	5437.80
	6535	-11.30	-413.80	6516.30
BOT PERFS/OH	6570	-11.05	-417.49	6551.11
	6716	-10.00	-432.90	6696.30

NEXT TO LAST	7173	-9.60	-474.40	7151.40
LAST READING	7221	-9.60	-478.50	7199.20
TD	7221	-9.60	-478.50	7199.20

Surface Location	1000	FS	620	FE
Projected BHL	990	FS	1099	FE
Location of				
Top Perfs/OH	989	FS	929	FE
Bottom Perfs/OH	989	FS	1037	FE

SUMMARY of Subsurface Locations

Surface Location	P-18-17S-32E	1000	FS	620	FE	Vert. Depth
Top Perfs/OH	P-18-17S-32E	989	FS	929	FE	5361.10
Bottom Perfs/OH	P-18-17S-32E	989	FS	1037	FE	6551.11
Projected TD	P-18-17S-32E	990	FS	1099	FE	7199.20

AUG 27 2013

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised August 1, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to appropriate District Office

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address ConocoPhillips Company P. O. Box 51810 Midland, TX 79710		² OGRID Number 217817
		³ Reason for Filing Code/ Effective Date ND
⁴ API Number 30-025-40521	⁵ Pool Name MALJAMAR; YESO WEST	⁶ Pool Code 44500
⁷ Property Code 38653	⁸ Property Name RUBY FEDERAL	⁹ Well Number 08

II. ¹⁰ Surface Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
P	18	17S	32E		1000	SOUTH	620	EAST	LEA

¹¹ Bottom Hole Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Lse Code F	¹³ Producing Method Code F	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
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III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
34053	PLAINS MARKETING L.P 500 DALLAS, STE 700 HOUSTON, TX 77002	O

IV. Well Completion Data

²¹ Spud Date 07/04/2012	²² Ready Date 07/30/2012	²³ TD 7221'	²⁴ PBD 7165'	²⁵ Perforations 5375'6570'	²⁶ DHC, MC NA
²⁷ Hole Size		²⁸ Casing & Tubing Size		²⁹ Depth Set	³⁰ Sacks Cement
12 1/4"		8 5/8"		738'	510
7 7/8"		5 1/2"		7211'	1250
		2 7/8"		6622'	NA

V. Well Test Data

³¹ Date New Oil 07/31/2012	³² Gas Delivery Date	³³ Test Date 07/31/2012	³⁴ Test Length 24 HR	³⁵ Tbg. Pressure 250#	³⁶ Csg. Pressure 5#
³⁷ Choke Size	³⁸ Oil 7 BBLS	³⁹ Water 289 BBLS	⁴⁰ Gas 25 MCF		⁴¹ Test Method

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Ashley Martin*

Printed name: Ashley Martin

Title: Staff Regulatory Technician

E-mail Address: Ashley.Martin@conocophillips.com

Date: 08/08/2012

Phone: (432)688-6938

OIL CONSERVATION DIVISION

Approved by: *[Signature]*
Title: Petroleum Engineer

Approval Date: AUG 29 2012

*** Amended**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0137
Expires: October 31, 2014

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well Oil Well Gas Well Dry Other

b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resrv.,
Other: _____

2. Name of Operator ConocoPhillips Company

3. Address P. O. Box 51810 Midland TX 79710 3a. Phone No. (include area code) (432)688-6938

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface UL P, 1000' FSL & 620' FEL
At top prod. interval reported below UL P, 989' FSL & 928' FEL
At total depth UL P, 990' FSL & 1099' FEL

5. Lease Serial No. NMLC029405B

6. If Indian, Allottee or Tribe Name _____

7. Unit or CA Agreement Name and No. _____

8. Lease Name and Well No. RUBY FEDERAL 08

9. API Well No. 30-025-40521

10. Field and Pool or Exploratory MALJAMAR: YESO WEST

11. Sec., T., R., M., on Block and Survey or Area 18, 17S, 32E

12. County or Parish LEA 13. State NM

14. Date Spudded 07/04/2012 15. Date T.D. Reached 07/11/2012 16. Date Completed 07/30/2012
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)* 3976'

18. Total Depth: MD 7221' 19. Plug Back T.D.: MD 7165' 20. Depth Bridge Plug Set: MD TVD7199' TVD7165'

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
BOREHOLE VOLUME/SPECTRAL GAMMA
RAY/DUAL LATEROLOG/BOREHOLE SONIC

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit report)
Directional Survey? No Yes (Submit copy)

HOBBS OCD
JUL 05 2013

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Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4"	8 5/8"	24#	0	738'		510	142	0'	SURF
7 7/8"	5 1/2"	17#	0	7211'		1250	442	0'	50 BBLs

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8"	6622'							

25. Producing Intervals

Formation	Top	Bottom	26. Perforation Record	Size	No. Holes	Perf. Status
A) Paddock	5364'	5702'	5375'-5490'			PRODUCING
B) BLINEBRY	5702'	6767'	5880'-6570'			PRODUCING
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
5375'-5490'	TOTAL PROPPANTS= 130,840#
5880'-6570'	TOTAL PROPPANTS= 332,470#

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
7/31/12	7/31/12	24	→	7	25	289	36.6		
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
	250#	5#	→						

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD
JUL 2 2013
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

*(See instructions and spaces for additional data on page 2)

Kao

AUG 27 2013

Production Summary Report**API: 30-025-40521****[38653] RUBY FEDERAL #008****Printed On: Monday, December 16 2013**

		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
2012	[44500] MALJAMAR;YESO, WEST	Jul	5	17	289	31
2012	[44500] MALJAMAR;YESO, WEST	Aug	1321	1517	10698	31
2012	[44500] MALJAMAR;YESO, WEST	Sep	687	1286	11310	30
2012	[44500] MALJAMAR;YESO, WEST	Oct	629	1237	11687	31
2012	[44500] MALJAMAR;YESO, WEST	Nov	576	1393	11310	30
2012	[44500] MALJAMAR;YESO, WEST	Dec	543	1549	11687	31
2013	[44500] MALJAMAR;YESO, WEST	Jan	427	1507	11687	31
2013	[44500] MALJAMAR;YESO, WEST	Feb	630	2031	9663	28
2013	[44500] MALJAMAR;YESO, WEST	Mar	1714	3487	8835	31
2013	[44500] MALJAMAR;YESO, WEST	Apr	1713	3892	8550	30
2013	[44500] MALJAMAR;YESO, WEST	May	1535	3787	8835	31
2013	[44500] MALJAMAR;YESO, WEST	Jun	1157	2439	8550	30
2013	[44500] MALJAMAR;YESO, WEST	Jul	1266	3220	8835	31
2013	[44500] MALJAMAR;YESO, WEST	Aug	1094	3091	6555	23
2013	[44500] MALJAMAR;YESO, WEST	Sep	1280	2859	8550	30
2013	[44500] MALJAMAR;YESO, WEST	Oct	493	666	10329	31

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD
DEC 03 2013

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. NMLC029405B

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No. RUBY FEDERAL 08

9. API Well No. 30-025-40521

10. Field and Pool. MALJAMAR; GRAYBURG-9A

11. Sec., T., R., M., or Block and Survey or Area Sec 18 T17S R32E Mer

12. County or Parish LEA

13. State NM

17. Elevations (DF, KB, RT, GL)* 3976 GL

14. Date Spudded 07/04/2012

15. Date T.D. Reached 07/11/2012

16. Date Completed 09/16/2013

18. Total Depth: MD 7221, TVD 7221

19. Plug Back T.D.: MD 7165, TVD 7165

20. Depth Bridge Plug Set: MD, TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit analysis)
Directional Survey? No Yes (Submit analysis)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	8.625 J-55	24.0	0	738		510	142	0	
7.875	5.500 L-80	17.0	0	7211		1250	442	0	50

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	5306							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) SAN ANDRES	3778	5285	3835 TO 5273			PRODUCING
B)						
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
3835 TO 5273	TOTAL ACID= 4,059 GALS OF 15% NEFE HCL, TOTAL PROPPANTS= 105,745#

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/06/2013	10/06/2013	24	→	38.0	155.0	381.0	38.7		
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

(See Instructions and spaces for additional data on reverse side)
ELECTRONIC SUBMISSION #226274 VERIFIED BY THE BLM WELL INFORMATION SYSTEM
** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

DEC 04 2013

McMillan, Michael, EMNRD

From: Kautz, Paul, EMNRD
Sent: Thursday, December 19, 2013 8:25 AM
To: Mull, Donna, EMNRD; McMillan, Michael, EMNRD
Subject: RE: Ruby Federal #8

Michael & Donna

This wells unorthodox location was not caught by the BLM and should have been caught by us back in July. These NSL applications recently submitted by ConocoPhillips are the result of a phone conversation I had with Laundra with Conoco. She had transferred into Conoco's Midland office and was not familiar with all of our rules. We had a discussion about rules covering directional drill and non-standard locations and as a result she did an internal review of all APD's and directional drilled wells she submitted since moving to the Midland office and submitted any NSL applications that might be required. She also made a commitment to file future NSL applications in a timely manner. In this case since they are offsetting themselves on the same lease and the effort they made to correct the situation I recommend that it be approved.

Paul Kautz

From: Mull, Donna, EMNRD
Sent: Wednesday, December 18, 2013 1:28 PM
To: McMillan, Michael, EMNRD
Cc: Kautz, Paul, EMNRD
Subject: RE: Ruby Federal #8

Let's try this again.

Yes this well has been producing Vertical well since 07/30/2012.
Then as of 09/16/2013 they did a Horizontal drill and at that time the Bottomhole location needed a Non-Standard Location approval.

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Subject: RE: Ruby Federal #8

Michael & Donna

This wells unorthodox location was not caught by the BLM and should have been caught by us back in July. These NSL applications recently submitted by ConocoPhillips are the result of a phone conversation I had with Laundra with Conoco. She had transferred into Conoco's Midland office and was not familiar with all of our rules. We had a discussion about rules covering directional drill and non-standard locations and as a result she did an internal review of all APD's and directional drilled wells she submitted since moving to the Midland office and submitted any NSL applications that might be required. She also made a commitment to file future NSL applications in a timely manner. In this case since they are offsetting themselves on the same lease and the effort they made to correct the situation I recommend that it be approved.

Paul Kautz

From: Mull, Donna, EMNRD
Sent: Wednesday, December 18, 2013 1:28 PM
To: McMillan, Michael, EMNRD
Cc: Kautz, Paul, EMNRD
Subject: RE: Ruby Federal #8

Let's try this again.

Yes this well has been producing Vertical well since 07/30/2012.
Then as of 09/16/2013 they did a Horizontal drill and at that time the Bottomhole location needed a Non-Standard Location approval.

Both vertical and Horizontal are producing from the same formation / Pool.

So I would suggest that the NSL be approved for the Bottomhole Location.

Maybe Paul, do you have a suggest.

Donna

From: McMillan, Michael, EMNRD
Sent: Wednesday, December 18, 2013 10:00 AM
To: Mull, Donna, EMNRD
Subject: Ruby Federal #8

Donna:

ConocoPhillips has filed a NSL after the fact for the Ruby Federal #8, 1817S32E. API #3002540521. However, this well is actively producing.

I have spreadsheet of production in this well.

What is the best way to proceed with this well?

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



Administrative Order DHC-4627
Order Date: July 15, 2013
Application Reference Number: pAXK1317256670

ConocoPhillips Company
P. O. Box 51810
Midland, TX 79710-1810

Attention: Susan Maunder

Ruby Federal Well No. 8
API No: 30-025-40521
Unit P, Section 18, Township 17 South, Range 32 East, NMPM
Lea County, New Mexico
Pool MALJAMAR; YESO, WEST Oil 44500
Names: MALJAMAR; GRAYBURG-SAN ANDRES Oil 43329

Reference is made to your recent application for an exception to 19.15.12.9A NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A NMAC, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable and allocation of production from the well shall be as follows:

MALJAMAR (YESO WEST) OIL POOL	Pct Gas: 19	Pct Oil: 42
MALJAMAR (GRAYBURG-SAN ANDRES) OIL POOL	Pct Gas: 81	Pct Oil: 58

This approval is conditional upon approval by the United States Bureau of Land Management prior to commencement of commingling.

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ConocoPhillips Company
July 15, 2013
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REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs District
Bureau of Land Management – Carlsbad