

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



March 11, 2014

ConocoPhillips
Attn: Ms. Susan Maunder

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7038
Administrative Application Reference No. pMAM1404235291

ConocoPhillips Company
OGRID 217817
Amethyst Federal Well No. 3
API No. 30-025-pending

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
Surface	180 FSL & 560 FWL	M	15	17S	32E	Lea
Bottom Hole	293 FSL & 371 FWL	M	15	17S	32E	Lea

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 SW/4 of Section 15	40	Maljamar; Yeso, West	44500

Reference is made to your application received on February 10, 2014.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location 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 or lot outer boundary. This location is less than 330 feet from a unit outer 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.

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It is our understanding that you are seeking this location to recover additional oil and gas reserves and minimize surface disturbance.

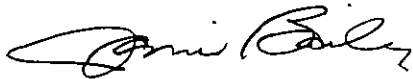
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12.A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

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

This approval is 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.

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