

State of New Mexico
Energy, Minerals and Natural Resources Department

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David Martin
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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



August 13, 2015

ConocoPhillips Company
Attn: Ms. Ashley Bergen

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

Administrative Order NSL-7331
Administrative Application Reference No. pJAG1520839288

Administrative Order NSP-2038
Administrative Application Reference No. pJAG1520839398

ConocoPhillips Company
OGRID 217817
War Hammer 25 Federal Com. Well No. 6H
API No. 30-025-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	396` FNL & 603` FEL	A	25	26S	32E	Lea
Penetration Point	330` FNL & 1040` FEL	A	25	26S	32E	Lea
Final perforation	330` FSL & 1040` FEL	1	36	26S	32E	Lea
Terminus	50` FSL & 1040` FEL	1	36	26S	32E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Lot 1 of Section 36, NE/4 NE/4 Section 36, and E/2 E/2 of Section 25	224.99	WC-025 G-09 S263225A; Wolfcamp	98081

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. However, the affected party had signed a waiver.

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 1 of Section 36	24.99	WC-025 G-09 S263225A; Wolfcamp	98081
NE/4 NE/4 of Section 36	40	WC-025 G-09 S263225A; Wolfcamp	98081
E/2 E/2 of Section 25	160	WC-025 G-09 S263225A; Wolfcamp	98081

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 1 of Section 36. Lot 1 of Section 36 is comprised of 24.99-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 24.99-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 13, 2015



DAVID R. CATANACH
Director

DRC/mam

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