

Case 16340



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Wyoming State Office Reservoir Management Group
2987 Prospector Drive
Casper, Wyoming 82604-2968



In Reply Refer To:

3186

(3186.1)

Zia Hills BS/WC Unit

NMNM138329X

JUN 21 2021

ConocoPhillips

Attn: Jeffrey S. Stout

600 W. Illinois Avenue

Midland, Texas 79701

Re: First Revision to the Bone Spring Formation Participating Area "A"
Zia Hills BS/WC Unit
Eddy and Lea Counties, New Mexico

Gentlemen:

The First Revision to the Bone Spring Formation Participating Area "A" is hereby approved effective as of June 1, 2019, pursuant to Section 11 of the Zia Hills BS/WC Unit Agreement, Eddy and Lea Counties, New Mexico.

The application enlarges the Bone Spring Formation Participating Area "A" from 449.95 acres to 674.87 acres and is based upon the completion of unit well 404H, located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ (SHL) of Section 25, T.26.S., R.32E., unit tract No. 16, Lease No. NMLC069515, and in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ (BHL) of Section 36, T.26.S., R.32E., unit tract No. 22, state lease, with an initial potential of 1,204 BOPD and 2,764 MCFPD from the Bone Spring Formation. The well was completed on June 10, 2019.

Copies of the approved request are being distributed to the appropriate agencies and one copy of Exhibits "A" and "B" is returned herewith. Please advise all interested parties of the approval of the First Revision to the Bone Spring Formation Participating Area "A" effective as of June 1, 2019.

Any production royalties that are due must be reported and paid within 30 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (30 CFR 218.54). If you need assistance or clarifications, please contact the Office of Natural Resources Revenue at <http://onrr.gov> or <https://onrr.gov/about/contact.htm>.

If you have any questions, please call the undersigned at (307) 261-7685.

Sincerely,

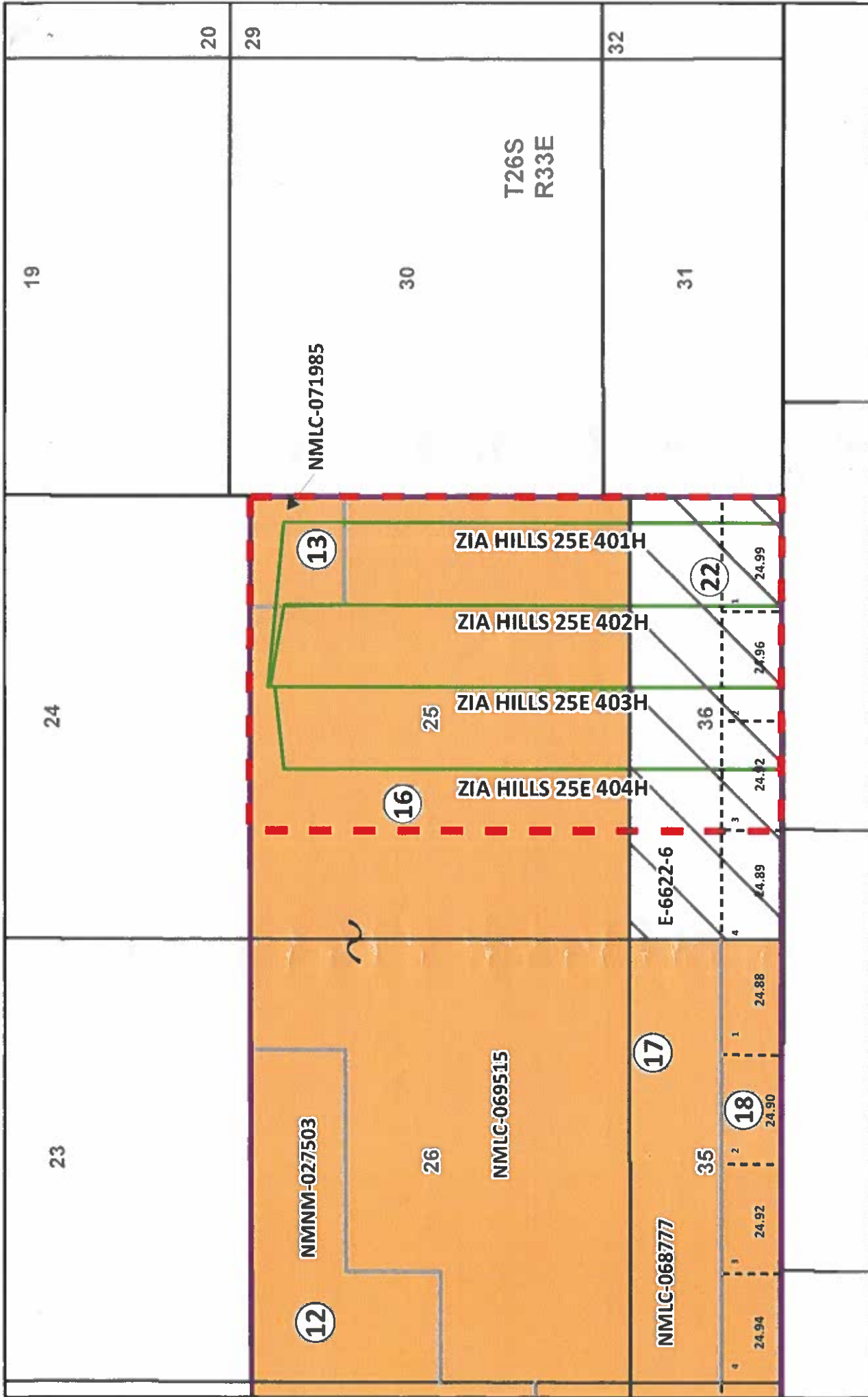
/S/ J. David Chase

J. David Chase
Chief, Reservoir Management Group

1 Enclosure

Encl. 1 - Exhibits "A" and "B"

cc: NMSO, Sheila Mallory w/exhibits A & B
ONRR-RRM (email: leases.blm@onrr.gov) w/exhibits A & B
New Mexico State Land Office, Scott Dawson w/exhibits A & B
New Mexico Oil Conservation Division, Leonard Lowe w/exhibits A & B



1 Tract Number
ConocoPhillips Zia Hills Bone Spring Wells
Proposed Participating Area
ZIA HILLS UNIT
Federal
State

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Reservoir Management Group

EXHIBIT "A"
First Revision to the Bone Spring Formation PA "A"
Zia Hills BS/WC Unit
Eddy & Lea Counties, New Mexico
Effective Date: June 1, 2019

ConocoPhillips
ZIA HILLS BS/WC UNIT AREA
LEA & EDDY COUNTIES, NEW MEXICO
Date: 6/16/2021
Author: Amanda Valdez
NOTE: THIS IS A PRELIMINARY DRAFT AND NOT FOR CONSTRUCTION.
ON THIS DATE: 6/16/2021

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Reservoir Management Group

Exhibit B

Schedule of Lands and Tract Participation

First Revision to the Bone Spring Formation PA "A"

Zia Hills BS/WC Unit (NMMN 138329X)

Eddy and Lea Counties, New Mexico

Effective June 1, 2019

TRACT NO.	LEASE NUMBER	DESCRIPTION OF LAND	ACRES	PARTICIPATING AREA PARTICIPATION
13	NMLC071985 Federal	Township 26 South-Range 32 East Section 25: NE/4NE/4	40.00	5.9271%
16	NMLC069515 Federal	Township 26 South-Range 32 East Section 25: E/2NW/4, SE/4NE/4, W/2E/2, SE/4	440.00	65.1977%
22	E-6622-6 State	Township 26 South-Range 32 East Section 36: Lots 1 (24.99), Lot 2 (24.96), Lot 3 (24.92), N/2NE/4, NE/4NW/4	194.87	28.8752%
ACREAGE TOTAL			674.87	100.00000%

LAND TYPE	COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT
Federal	480.00	0.00	71.1248%
State	194.87	0.00	28.8752%
Patented	0.00	0.00	0.00000%
Total	674.87	0.00	100.00000%