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Thomas J. Scarbrough
Staff Landman
Mid-America – Permian Basin
600 N. Dairy Ashford, 2 WL - 15058
Houston, TX 77079
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April 30, 2013

Bureau of Land Management
Carlsbad Field Office
620 East Green Street
Carlsbad, New Mexico 88220

New Mexico Oil Conservation Division
Energy Minerals & Natural Resources
1220 S. Saint Francis Drive
Santa Fe, NM 87504

RE: **Southeast Monument Unit – I-Sec. No. 321, Serial No. NMNM-071041X**
Approved Consolidation of Blinebry-Tubb-Drinkard Participating Area A and Area B
Effective November 1, 2012
Lea County, New Mexico
ConocoPhillips Contract 100197

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2013 MAY -2 P 12:17

Gentlemen:

Under ConocoPhillips Company letter dated March 12, 2013, a request was made to consolidate various Participating Area's within the Southeast Monument Unit. By BLM letter dated April 15, 2013, approval was granted for the Consolidated Brinebry-Tubb-Drinkard Participating Areas A and B.

The well listing provided under letter dated March 12, 2013 has been updated. A revised well listing is attached which shows all wells drilled by ConocoPhillips Company within the Southeast Monument Consolidated participating areas boundaries.

The working interest owners have been provided a copy of this letter.

Please contact the undersigned at 832-486-2238 if there are any questions.

Respectfully,

Thomas J. Scarbrough, CPL
Staff Landman

Cc: Apache Corporation
Attn: Michelle Hanson
303 Veterans Airpark Lane
Midland, TX 79705

Chevron North America E&P
Attn: Land Dept
11111 S. Wilcrest, Room N-1111
Houston, Texas 77099

Well Name and Number	API No.	Legal Description	Formation Name	BLM Approved Consolidated PA Name	Producer or Injector
SEM U 071	3002507797	T20S-R38E, Sec. 18 Unit O	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Inactive
SEM U 128	3002534313	T20S-R37E, Sec. 24 Unit I	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 070	3002506115	T20S-R37E, Sec. 15 Unit I	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 096	3002525100	T20S-R37E, Sec. 23 Unit I	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Inactive
SEM U 097	3002525419	T20S-R37E, Sec. 23 Unit K	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 165	3002535835	T20S-R37E, Sec. 14 Unit M	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
	3002525100	T20S-R37E, Sec. 23 Unit I	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Inactive
SEM U 125	3002534126	T20S-R38E, Sec. 18 Unit M	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 126	3002534127	T20S-R38E, Sec. 19 Unit M	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 134	3002534382	T20S-R38E, Sec. 30 Unit L	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 136	3002534667	T20S-R37E, Sec. 25 Unit L	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 145	3002534976	T20S-R37E, Sec. 25 Unit E	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 146	3002534977	T20S-R37E, Sec. 25 Unit F	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 147	3002534978	T20S-R37E, Sec. 26 Unit I	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Inactive
SEM U 150	3002535115	T20S-R38E, Sec. 30 Unit K	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 156	3002535537	T20S-R37E, Sec. 25 Unit C	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 157	3002535538	T20S-R38E, Sec. 30 Unit A	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 157	3002535538	T20S-R38E, Sec. 30 Unit A	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 158	3002535539	T20S-R37E, Sec. 24 Unit M	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 158	3002535539	T20S-R37E, Sec. 24 Unit M	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 088	3002521860	T20S-R37E, Sec. 14 Unit F	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 002	3002506241	T20S-R37E, Sec. 23 Unit E	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Inactive
SEM U 070	3002506115	T20S-R37E, Sec. 15 Unit I	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 088	3002521860	T20S-R37E, Sec. 14 Unit F	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 122	3002530429	T20S-R37E, Sec. 23 Unit D	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 174	3002538105	T20S-R37E, Sec. 14 Unit E	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 097	3002525419	T20S-R37E, Sec. 23 Unit K	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 115	3002526641	T20S-R37E, Sec. 23 Unit L	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 115	3002526641	T20S-R37E, Sec. 23 Unit L	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 123	3002531178	T20S-R37E, Sec. 22 Unit H	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 179	3002539188	T20S-R37E, Sec. 23 Unit N	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 179	3002539188	T20S-R37E, Sec. 23 Unit N	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 086	3002520656	T20S-R37E, Sec. 14 Unit D	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 087	3002521232	T20S-R37E, Sec. 14 Unit M	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 174	3002538105	T20S-R37E, Sec. 14 Unit E	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 174	3002538105	T20S-R37E, Sec. 14 Unit E	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Producer
SEM U 061	3002506114	T20S-R37E, Sec. 15 Unit P	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Inactive
SEM U 082	3002506261	T20S-R37E, Sec. 25 Unit I	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Inactive
SEM U 085	3002520655	T20S-R37E, Sec. 15 Unit H	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area A	Inactive
SEM U 113	3002527090	T20S-R38E, Sec. 20 Unit E	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 010	3002507849	T20S-R38E, Sec. 29 Unit F	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 059	3002507834	T20S-R38E, Sec. 20 Unit M	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 100	3002526182	T20S-R38E, Sec. 20 Unit N	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 103	3002526277	T20S-R38E, Sec. 29 Unit E	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 104	3002526268	T20S-R38E, Sec. 20 Unit K	Blinebry	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 100	3002526182	T20S-R38E, Sec. 20 Unit N	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 104	3002526268	T20S-R38E, Sec. 20 Unit K	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 113	3002527090	T20S-R38E, Sec. 20 Unit E	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 011	3002507846	T20S-R38E, Sec. 29 Unit D	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 011	3002507846	T20S-R38E, Sec. 29 Unit D	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 010	3002507849	T20S-R38E, Sec. 29 Unit F	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 010	3002507849	T20S-R38E, Sec. 29 Unit F	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 059	3002507834	T20S-R38E, Sec. 20 Unit M	Tubb	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 060	3002507857	T20S-R38E, Sec. 29 Unit E	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer
SEM U 104	3002526268	T20S-R38E, Sec. 20 Unit K	Drinkard	Consolidated Blinebry-Tubb-Drinkard Participating Area B	Producer



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



In Reply Refer to
NMNM71041X
3180 (P0220)

Reference:

Southeast Monument Unit (NM71041X)

Application for Consolidation of 7 different Blinebry, Tubb, & Drinkard

Participating Areas

Lea County, New Mexico

APR 15 2013

CERTIFIED—RETURN RECEIPT REQUESTED
7012 2210 0001 2089 3271

ConocoPhillips
Permian Basin
600 N. Dairy Ashford, 2 WL-15058
Houston, Texas 77079

Gentlemen:

Your application dated April 8, 2013 with Exhibit "A" and "B", requesting approval to Consolidate the Drinkard PA C (NM71041C), Tubb PA F (NM71041F), Drinkard A PA I (NM71041I), Blinebry A PA J (NM71041J) and Tubb-Drinkard B PA L (NM71041L), in to a new Consolidated Blinebry-Tubb-Drinkard PA A (NM71041M) is hereby approved and is effective November 1, 2012, pursuant to Section 11 of the Southeast Monument Unit Agreement, Lea County, New Mexico.

Your application dated March 12, 2013 with Exhibit "A" and "B", requesting approval to Consolidate the Blinebry PA G (NM71041G) and Tubb A PA H (NM71041H), in to a new Consolidated Blinebry-Tubb-Drinkard PA B (NM71041N) is hereby approved and is effective November 1, 2012, pursuant to Section 11 of the Southeast Monument Unit Agreement, Lea County, New Mexico

The consolidation of the five Participating Areas results in a new Consolidated Blinebry-Tubb-Drinkard Participating Area A with a total acreage of 3,083.58 acres. This is based upon the following:

- New Mexico Oil Conservation Division order No. R-13642 which combines the Blinebry-Tubb-Drinkard oil and gas pool under one pool code number 63080.
- Due to low reservoir pressure within the area it is economical to develop and produce all three formations within the area.

The consolidation results in a new Consolidated Blinebry-Tubb-Drinkard Participating Area A which now includes the following described lands:

Township 20 South, Range 37 East, Lea County, New Mexico

Section 13: SE/4

Section 14: NW, W/2SW

Section 15: E/2SE, E/2NE

Section 22: E/2NE

Section 23: SE/4, S/2NW, NWNW, N/2SW, SESW

Section 24: NE/4, S/2

Section 25: N/2, N/2S/2

Section 26: E/2E/2, NWNE, NENW

Township 20 South, Range 38 East, Lea County, New Mexico

Section 18: Lots 3, 4 and SESW, SWSE

Section 19: Lots 1, 2, 3, 4 and E/2W/2, NWNE

Section 30: Lots 1, 2, 3 and N/2NE, E/2NW, NESW

Containing 3,083.58 acres, more or less

This new Consolidated Blinebry-Tubb-Drinkard Participating Area A has been assigned number NMNM71041M (891000321O) for production and accounting reporting purposes. If you have any questions regarding this letter, please contact Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at (575) 234-2220.

The consolidation of the two Participating Areas results in a new Consolidated Blinebry-Tubb-Drinkard Participating Area B with a total acreage of 320.00 acres. This is based upon the following:

- New Mexico Oil Conservation Division order No. R-13642 which combines the Blinebry-Tubb-Drinkard oil and gas pool under one pool code number 63080.
- Due to low reservoir pressure within the area it is economical to develop and produce all three formations within the area.

The consolidation results in a new Consolidated Blinebry-Tubb-Drinkard Participating Area B which now includes the following described lands:

Township 20 South, Range 38 East, Lea County, New Mexico

Section 20: S/2SW, NESW, SWNW

Section 29: NW/4

Containing 320.00 acres, more or less

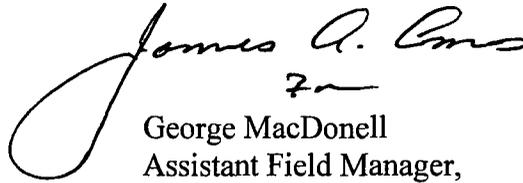
This new Consolidated Blinebry-Tubb-Drinkard Participating Area B has been assigned number NMNM71041N (891000321P) for production and accounting reporting purposes. If you have any questions regarding this letter, please contact Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at (575) 234-2220.

Copies of this approval letter are being distributed to the appropriate Federal agencies and one copy is returned herewith. Please advise all interested parties of the new Consolidated Blinebry-Tubb-Drinkard Participating Area A, NMNM71041M, and the new Consolidated Blinebry-Tubb-Drinkard Participating Area B, NMNM71041N within the Southeast Monument Unit, and the effective date of November 1, 2012.

In view of this consolidation, the Drinkard PA C (NM71041C), Tubb PA F (NM71041F), Drinkard A PA I (NM71041I), Blinebry A PA J (NM71041J), Tubb-Drinkard B PA L (NM71041L), Blinebry PA G (NM71041G) and Tubb A PA H (NM71041H) are hereby terminated effective November 1, 2012.

Since there are wells currently producing, this approval requires the operator to submit all required forms and report all royalties according to regulations set up by the Office of Natural Resources Revenue (ONRR) at 1-800-525-9167 or 303-231-3504.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Lumsden" with a large flourish at the end.

George MacDonell
Assistant Field Manager,
Lands and Minerals

Enclosure

cc: ONRR, Denver (MS357B-1)
New Mexico Taxation & Revenue Dept.
Revenue Processing Division
NMOCD
NM9210
NMP0220 (CFO I&E)



Thomas J. Scarbrough
Staff Landman
Mid-America – Permian Basin
600 N. Dairy Ashford, 2 WL - 15058
Houston, TX 77079
Tel: 832-486-2338
Fax: 832-486-2674

April 8, 2013

Bureau of Land Management
Carlsbad Field Office
620 East Green Street
Carlsbad, New Mexico 88220

New Mexico Oil Conservation Division
Energy Minerals & Natural Resources
1220 S. Saint Francis Drive
Santa Fe, NM 87504

RE: Southeast Monument Unit – I-Sec. No. 321, Serial No. NMNM-071041X
Revised Proposed for Consolidation of Blinebry-Tubb-Drinkard Participating Area A and Area B
Effective November 1, 2012
Lea County, New Mexico
ConocoPhillips Contract 100197

Gentlemen:

Pursuant to State of New Mexico Oil Conservation Division Order No. R-13642, the Blinebry Oil and Gas Pool, North Hardy-Tubb Drinkard Pool, Monument-Tubb Pool, West Nadine-Tubb Pool, Skaggs-Drinkard Pool, Warren-Tubb Gas Pool, Weir-Blinebry Pool, East Weir Blinebry Pool and Weir-Drinkard Pools within the Southeast Monument Unit were redesignated as the SEMU-Blinebry-Tubb-Drinkard Pool (Pool Code 63080), effective November 1, 2012.

ConocoPhillips Company's drilling program within the Southeast Monument Unit has been primarily focused on Blinebry-Tubb-Drinkard commingling projects. Because of the low reservoir pressure within the Southeast Monument Unit, the most efficient and economical method to produce this area is by a consolidation of the various Blinebry-Tubb-Drinkard pools and the resulting consolidation of the existing Blinebry-Tubb-Drinkard Participating Areas. Production accountability will also be enhanced.

Therefore, ConocoPhillips Company, as Unit Operator of the Southeast Monument Unit, hereby submits for your approval the following proposed consolidations.

Consolidated Blinebry-Tubb-Drinkard Participating Area A, consisting of 3,083.58 acres, effective November 1, 2012. This proposed consolidated participating area consists of the existing participating areas as described below:

UNIT	PA EXP	EFF DATE	BLM REFERENCE	MMS REFERENCE
SEMU	Blinebry A PA	5/11/1998	NMNM-071041J	AFS-892000321M
SEMU	Drinkard 1 st PA Expansion	1/3/1985	NMNM-071041C	AFS-892000321F
SEMU	Tubb 4 th PA Expansion	10/1/1966	NMNM-071041F	AFS-892000321I
SEMU	Tubb-Drinkard B 3 rd PA Expansion	8/1/2001	NMNM-071041L	AFS-892000321N
SEMU	Drinkard A PA I	01/02/1985	NMNM-071041I	AFS-892000321O

Exhibit "A-I" consists of a comprehensive map of the proposed consolidated area. Exhibit "B-I" represents the PA Schedule, depicting the Nine (9) Federal Oil and Gas leases contributed thereto, the ownership of each lease and their respective participation factors. Exhibit "C-I" contains a listing of all Blinebry-Tubb-Drinkard producers within the proposed PA.

Consolidated Blinebry-Tubb-Drinkard Participating Area B, consisting of 320.00 acres, effective November 1, 2012. This proposed consolidated participating area consists of the existing participating areas as described below:

UNIT	PA EXP	EFF DATE	BLM REFERENCE	MMS REFERENCE
SEMU	Blinebry 1st PA Expansion	6/1/1979	NMNM-071041G	AFS-892000321K
SEMU	Tubb A 1st PA Expansion	5/29/1981	NMNM-071041H	AFS-892000321H

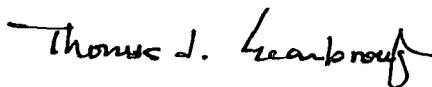
Exhibit "A-II" consists of a comprehensive map of the proposed consolidated area. Exhibit "B-II" represents the PA Schedule, depicting the Two (2) Federal Oil and Gas leases contributed thereto, the ownership of each lease and their respective participation factors. Exhibit "C-II" contains a listing of all Blinebry-Tubb-Drinkard producers within the proposed PA.

Upon your review, please provide ConocoPhillips Company written approval of the Blinebry Tubb Drinkard Participating Areas.

The working interest owners have been provided a copy of this letter..

Please contact the undersigned at 832-486-2238 if there are any questions.

Respectfully,



Thomas J. Scarbrough, CPL
Staff Landman

Cc: Apache Corporation
Attn: Michelle Hanson
303 Veterans Airpark Lane
Midland, TX 79705

Chevron North America Exploration and Production
Attn: Land Dept.
11111 S. Wilcrest, Room N-1111
Houston, Texas 77099

EXHIBIT B-1 TO DRILLERY-TUBB-DRINKARD Participating Area I, Effective November 1, 2012
 Southeast Monument Unit Area (I-SEC. No. 321), Lea County, New Mexico

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
LC-031621 (b)	<u>T-20-S, R-37-E</u> Section 15: E/2SE/4, E/2NE/4	160.00	<u>Tract 2</u>			<u>5.188774 %</u>
			Royalty:	12.500000 %	12.500000 %	
			Working Interest:			
			ConocoPhillips Company	43.750000	43.750000	
			ZPZ Delaware I LLC	21.875000 %	21.875000 %	
			Chevron U.S.A. Inc.	21.875000	21.875000	
			ORRI:	0.000000 %	0.000000 %	
			<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	
LC 031620 (a)	<u>T-20-S, R-37-E</u> Section 24: S/2, S/2NE/4 Section 25: N/2N/2	560.00	<u>Tract 3</u>			<u>18.160709 %</u>
			Royalty:	5.000000 %	5.000000 %	
			Working Interest:			
			ConocoPhillips Company	43.750000	43.750000	
			ZPZ Delaware I LLC	21.875000 %	21.875000 %	
			Chevron U.S.A. Inc.	21.875000	21.875000	
			ORRI:	7.500000 %	7.500000 %	
			<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	
NM 0557686	<u>T-20-S, R-37-E</u> Section 13: SE/4 Section 14: E/2NW/4, SW/4SW/4, W/2NW/4, NW/4SW/4 Section 22: E/2NE/4 Section 23: E/2SE/4, S/2NW/4, NW/4NW/4, N/2SW/4, SE/4SW/4, W/2SE/4 Section 24: N/2NE/4	960.00	<u>Tract 4</u>			<u>31.132645 %</u>
			Royalty:	12.500000 %	12.500000 %	
			Working Interest:			
			ConocoPhillips Company	43.750000	43.750000	
			ZPZ Delaware I LLC	21.875000 %	21.875000 %	
			Chevron U.S.A. Inc.	21.875000	21.875000	
			ORRI:	0.000000 %	0.000000 %	
			<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	
NM 09161	<u>T-20S, R38-E</u> Section 30: Lot 1	40.38	<u>Tract 5</u>			<u>1.309517 %</u>
			Royalty:	12.500000 %	12.500000 %	
			Working Interest:			
			ConocoPhillips Company	43.750000	43.750000	
			ZPZ Delaware I LLC	21.875000 %	21.875000 %	
			Chevron U.S.A. Inc.	21.875000	21.875000	
			ORRI:	0.000000 %	0.000000 %	
			<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	

LC 031696 (a)	<u>T-20-S, R-37-E</u> Section 25: S/2N/2, N/2S/2 Section 26: E/2E/2, NW/4NE/4	520.00	<p style="text-align: right;"><u>Tract 6</u></p> Royalty: 5.000000 % Working Interest: ConocoPhillips Company 43.750000 ZPZ Delaware I LLC 21.875000 % Chevron U.S.A. Inc. 21.875000 ORRI: 7.500000 % <div style="text-align: right;"><i>Total</i> 100.000000 %</div>	5.000000 % 43.750000 21.875000 % 21.875000 % 7.500000 % <hr/> 100.000000 %	<div style="text-align: right;">16.803516 %</div>
NM 2511	<u>T-20S, R37-E</u> Section 26: NE/4NW/4	40.00	<p style="text-align: right;"><u>Tract 7</u></p> Royalty: 12.500000 % Working Interest: ConocoPhillips Company 43.750000 ZPZ Delaware I LLC 21.875000 % Chevron U.S.A. Inc. 21.875000 ORRI: 0.000000 % <div style="text-align: right;"><i>Total</i> 100.000000 %</div>	12.500000 % 43.750000 21.875000 % 21.875000 % 0.000000 % <hr/> 100.000000 %	<div style="text-align: right;">1.297194 %</div>
LC 031670 (a)	<u>T-20S, R38-E</u> Section 19: Lots 1,2,3 & 4, E/2W/2 Section 30: NE/4NW/4, N/2NE/4	441.68	<p style="text-align: right;"><u>Tract 8</u></p> Royalty: 5.000000 % Working Interest: ConocoPhillips Company 43.750000 ZPZ Delaware I LLC 21.875000 % Chevron U.S.A. Inc. 21.875000 ORRI: 7.500000 % <div style="text-align: right;"><i>Total</i> 100.000000 %</div>	5.000000 % 43.750000 21.875000 % 21.875000 % 7.500000 % <hr/> 100.000000 %	<div style="text-align: right;">14.323611 %</div>
LC 031670 (b)	<u>T-20S, R38-E</u> Section 18: Lots 3 & 4, SE/4SW/4, SW/4SE/4 Section 19: NW/4NE/4	200.92	<p style="text-align: right;"><u>Tract 9</u></p> Royalty: 12.500000 % Working Interest: ConocoPhillips Company 43.750000 ZPZ Delaware I LLC 21.875000 % Chevron U.S.A. Inc. 21.875000 ORRI: 0.000000 % <div style="text-align: right;"><i>Total</i> 100.000000 %</div>	12.500000 % 43.750000 21.875000 % 21.875000 % 0.000000 % <hr/> 100.000000 %	<div style="text-align: right;">6.515803 %</div>

LC 031695 (a)	<u>T-20S, R38-E</u> Section 30: Lots 2 & 3, SE/4NW/4, NE/4SW/4	160.60	<p style="text-align: right;"><u>Tract 10</u></p> Royalty: 5.000000 % Working Interest: ConocoPhillips Company 43.750000 ZPZ Delaware I LLC 21.875000 % Chevron U.S.A. Inc. 21.875000 ORRI: 7.500000 % Total 100.000000 %	5.000000 % 43.750000 21.875000 21.875000 % 7.500000 % 100.000000 %	5.208232 %															
TJS 03/12/2012			<p><u>Recapitulation</u></p> Description of Lands in Participating Area: <u>T20S-R37E, N.M.P.M.</u> Section 13: SE/4 Section 14: E/2NW/4, SW/4SW/4, W/2NW/4, NW/4SW/4 Section 15: E/2SE/4, E/2NE/4 Section 22: E/2NE/4 Section 23: E/2SE/4, S/2NW/4, NW/4NW/4, N/2SW/4, SE/4SW/4, W/2SE/4 Section 24: NE/4 and S/2 Section 25: N/2 and N/2S/2 Section 26: E/2E/2, NW/4NE/4, NE/4NW/4 <u>T20S-R38E, N.M.P.M.</u> Section 18: Lots 3 & 4, SE/4SW/4, SW/4SE/4 Section 19: Lots 1,2,3 & 4, E/2W/2, NW/4NE/4 Section 30: Lots 1,2 & 3, N/2NE/4, E/2NW/4, NE/4SW/4 Total number of acres in participating area: 3,083.58 Total Federal Acres 3,083.58 Percent of basic royalty interest committed: 100.00 % Percent of working interest committed: 100.00 % Percent of overriding royalty interest committed: 100.00 % <u>Participating Area Ownership Summary</u> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">WI</th> <th style="width: 20%; text-align: center;">NRI</th> </tr> </thead> <tbody> <tr> <td>ConocoPhillips Company</td> <td style="text-align: center;">50.0000%</td> <td style="text-align: center;">43.7500%</td> </tr> <tr> <td>ZPZ Delaware I LLC</td> <td style="text-align: center;">25.0000%</td> <td style="text-align: center;">21.8750%</td> </tr> <tr> <td>Chevron U.S.A. Inc.</td> <td style="text-align: center;">25.0000%</td> <td style="text-align: center;">21.8750%</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: center;">100.0000%</td> <td style="text-align: center;">87.5000%</td> </tr> </tbody> </table>		WI	NRI	ConocoPhillips Company	50.0000%	43.7500%	ZPZ Delaware I LLC	25.0000%	21.8750%	Chevron U.S.A. Inc.	25.0000%	21.8750%	Total	100.0000%	87.5000%	3,083.58 3,083.58 100.00 % 100.00 % 100.00 %	100.0000 %
	WI	NRI																		
ConocoPhillips Company	50.0000%	43.7500%																		
ZPZ Delaware I LLC	25.0000%	21.8750%																		
Chevron U.S.A. Inc.	25.0000%	21.8750%																		
Total	100.0000%	87.5000%																		



Thomas J. Scarbrough
Staff Landman
Mid-America – Permian Basin
600 N. Dairy Ashford, 2 WL - 15058
Houston, TX 77079
Tel: 832-486-2338
Fax: 832-486-2674

March 12, 2013

Bureau of Land Management
Carlsbad Field Office
620 East Green Street
Carlsbad, New Mexico 88220

New Mexico Oil Conservation Division
Energy Minerals & Natural Resources
1220 S. Saint Francis Drive
Santa Fe, NM 87504

RE: **Southeast Monument Unit – I-Sec. No. 321, Serial No. NMNM-071041X**
Proposed Consolidation of Blinebry-Tubb-Drinkard Participating Area I and Area II
Effective November 1, 2012
Lea County, New Mexico
ConocoPhillips Contract 100197

Gentlemen:

Pursuant to State of New Mexico Oil Conservation Division Order No. R-13642, the Blinebry Oil and Gas Pool, North Hardy-Tubb Drinkard Pool, Monument-Tubb Pool, West Nadine-Tubb Pool, Skaggs-Drinkard Pool, Warren-Tubb Gas Pool, Weir-Blinebry Pool, East Weir Blinebry Pool and Weir-Drinkard Pools within the Southeast Monument Unit were redesignated as the SEMU-Blinebry-Tubb-Drinkard Pool (Pool Code 63080), effective November 1, 2012.

ConocoPhillips Company's drilling program within the Southeast Monument Unit has been primarily focused on Blinebry-Tubb-Drinkard commingling projects. Because of the low reservoir pressure within the Southeast Monument Unit, the most efficient and economical method to produce this area is by a consolidation of the various Blinebry-Tubb-Drinkard pools and the resulting consolidation of the existing Blinebry-Tubb-Drinkard Participating Areas. Production accountability will also be enhanced.

Therefore, ConocoPhillips Company, as Unit Operator of the Southeast Monument Unit, hereby submits for your approval the following proposed consolidations.

Consolidated Blinebry-Tubb-Drinkard Participating Area I, consisting of 3,163.58 acres, effective November 1, 2012. This proposed consolidated participating area consists of the existing participating areas as described below:

UNIT	PA EXP	EFF DATE	BLM REFERENCE	MMS REFERENCE
SEMU	Blinebry A PA	5/11/1998	NMNM-071041J	AFS-892000321M
SEMU	Drinkard 1st PA Expansion	1/3/1985	NMNM-071041C	AFS-892000321F
SEMU	Tubb 4th PA Expansion	10/1/1966	NMNM-071041F	AFS-892000321I
SEMU	Tubb-Drinkard B 3rd PA Expansion	8/1/2001	NMNM-071041L	AFS-892000321N

Exhibit "A-I" consists of a comprehensive map of the proposed consolidated area. Exhibit "B-I" represents the PA Schedule, depicting the Nine (9) Federal Oil and Gas leases contributed thereto, the ownership of each lease and their respective participation factors. Exhibit "C-I" contains a listing of all Blinebry-Tubb-Drinkard producers within the proposed PA.

Consolidated Blinebry-Tubb-Drinkard Participating Area II, consisting of 320.00 acres, effective November 1, 2012. This proposed consolidated participating area consists of the existing participating areas as described below:

UNIT	PA EXP	EFF DATE	BLM REFERENCE	MMS REFERENCE
SEMU	Blinebry 1st PA Expansion	6/1/1979	NMNM-071041G	AFS-892000321K
SEMU	Tubb A 1st PA Expansion	5/29/1981	NMNM-071041H	AFS-892000321H

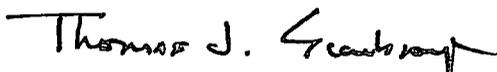
Exhibit "A-II" consists of a comprehensive map of the proposed consolidated area. Exhibit "B-II" represents the PA Schedule, depicting the Two (2) Federal Oil and Gas leases contributed thereto, the ownership of each lease and their respective participation factors. Exhibit "C-II" contains a listing of all Blinebry-Tubb-Drinkard producers within the proposed PA.

Upon your review, please provide ConocoPhillips Company written approval of the Blinebry Tubb Drinkard Participating Areas.

The working interest owners have been provided a copy of this letter..

Please contact the undersigned at 832-486-2238 if there are any questions.

Respectfully,



Thomas J. Scarbrough, CPL
Staff Landman

Cc: Apache Corporation
Attn: Michelle Hanson
303 Veterans Airpark Lane
Midland, TX 79705

Chevron North America Exploration and Production
Attn: Land Dept.
11111 S. Wilcrest, Room N-1111
Houston, Texas 77099

Exhibit "B-I" to Blinebry-Tubb-Drinkard Participating Area I, Effective November 1, 2012
 Southeast Monument Unit Area (I-SEC. No. 321), Lea County, New Mexico

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
LC-031621 (b)	<u>T-20-S, R-37-E</u> Section 15: E/2SE/4, E/2NE/4	160.00	<u>Tract 2</u>			
			Royalty:	12.500000 %	12.500000 %	
			Working Interest:			
			ConocoPhillips Company	43.750000	43.750000	
			ZPZ Delaware I LLC	21.875000 %	21.875000 %	
			Chevron U.S.A. Inc.	21.875000	21.875000	
			ORRI:	0.000000 %	0.000000 %	
<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	5.057561 %			
LC 031620 (a)	<u>T-20-S, R-37-E</u> Section 24: S/2, S/2NE/4 Section 25: N/2N/2	560.00	<u>Tract 3</u>			
			Royalty:	5.000000 %	5.000000 %	
			Working Interest:			
			ConocoPhillips Company	43.750000	43.750000	
			ZPZ Delaware I LLC	21.875000 %	21.875000 %	
			Chevron U.S.A. Inc.	21.875000	21.875000	
			ORRI:	7.500000 %	7.500000 %	
<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	17.701465 %			
NM 0557686	<u>T-20-S, R-37-E</u> Section 13: SE/4 Section 14: E/2NW/4, SW/4SW/4, W/2NW/4, NW/4SW/4 Section 22: E/2NE/4 Section 23: E/2SE/4, S/2NW/4, NW/4NW/4, N/2SW/4, SE/4SW/4, W/2SE/4 Section 24: N/2NE/4	1040.00	<u>Tract 4</u>			
			Royalty:	12.500000 %	12.500000 %	
			Working Interest:			
			ConocoPhillips Company	43.750000	43.750000	
			ZPZ Delaware I LLC	21.875000 %	21.875000 %	
			Chevron U.S.A. Inc.	21.875000	21.875000	
			ORRI:	0.000000 %	0.000000 %	
<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	32.874149 %			
NM 09161	<u>T-20S, R38-E</u> Section 30: Lot 1	40.38	<u>Tract 5</u>			
			Royalty:	12.500000 %	12.500000 %	
			Working Interest:			
			ConocoPhillips Company	43.750000	43.750000	
			ZPZ Delaware I LLC	21.875000 %	21.875000 %	
			Chevron U.S.A. Inc.	21.875000	21.875000	
			ORRI:	0.000000 %	0.000000 %	
<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	1.276402 %			

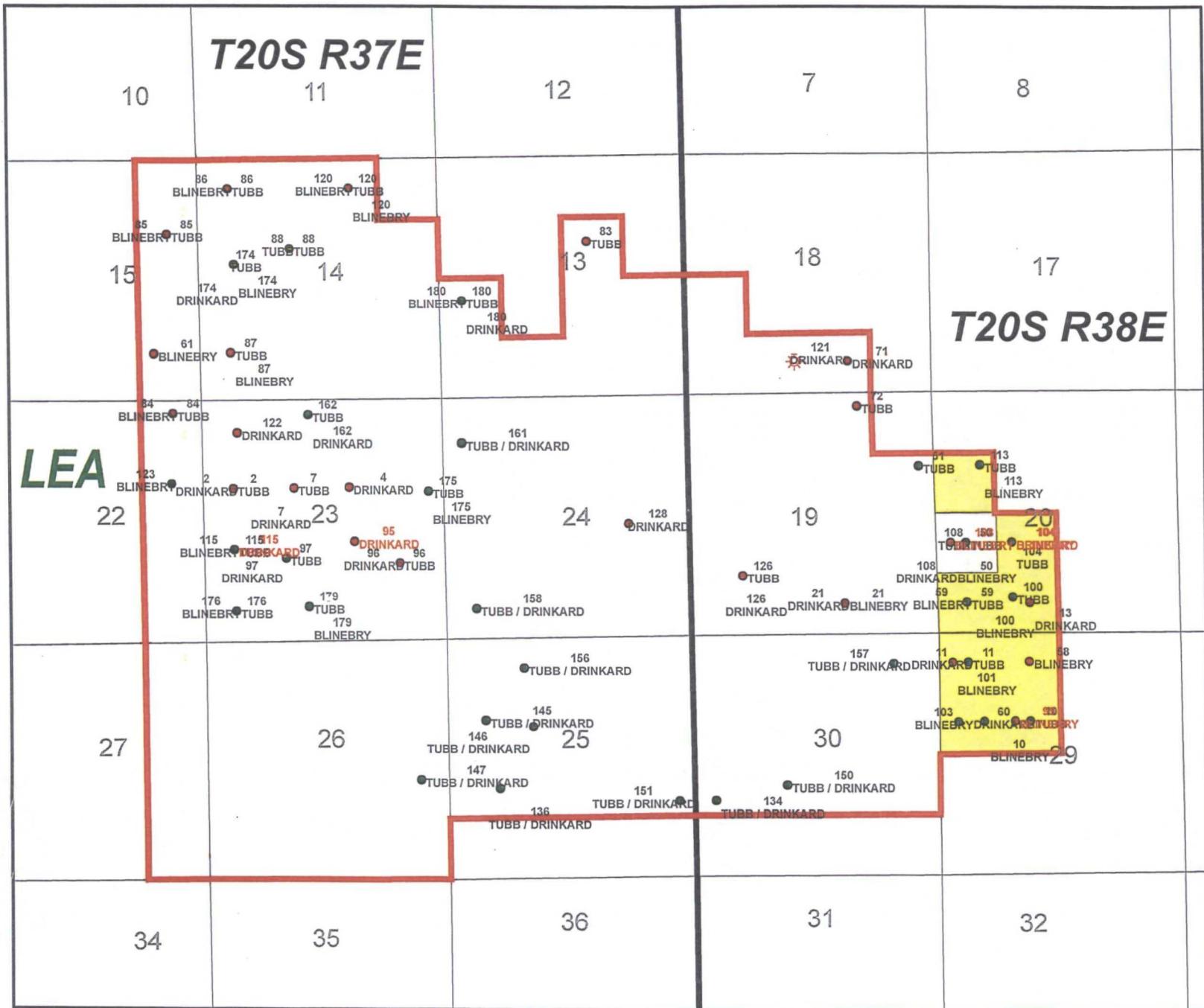
LC 031696 (a)	<u>T-20-S, R-37-E</u> Section 25: S/2N/2, N/2S/2 Section 26: E/2E/2, NW/4NE/4	520.00	<p style="text-align: right;"><u>Tract 6</u></p> Royalty: 5.000000 % Working Interest: ConocoPhillips Company 43.750000 ZPZ Delaware I LLC 21.875000 % Chevron U.S.A. Inc. 21.875000 ORRI: 7.500000 % <p style="text-align: right;"><i>Total</i> 100.000000 %</p>	5.000000 % 43.750000 21.875000 % 21.875000 % 7.500000 % 100.000000 %	<p style="text-align: right;">16.437074 %</p>
N/M 2511	<u>T-20S, R37-E</u> Section 26: NE/4NW/4	40.00	<p style="text-align: right;"><u>Tract 7</u></p> Royalty: 12.500000 % Working Interest: ConocoPhillips Company 43.750000 ZPZ Delaware I LLC 21.875000 % Chevron U.S.A. Inc. 21.875000 ORRI: 0.000000 % <p style="text-align: right;"><i>Total</i> 100.000000 %</p>	12.500000 % 43.750000 21.875000 % 21.875000 % 0.000000 % 100.000000 %	<p style="text-align: right;">1.264390 %</p>
LC 031670 (a)	<u>T-20S, R38-E</u> Section 19: Lots 1,2,3 & 4, E/2W/2 Section 30: NE/4NW/4, N/2NE/4	441.68	<p style="text-align: right;"><u>Tract 8</u></p> Royalty: 5.000000 % Working Interest: ConocoPhillips Company 43.750000 ZPZ Delaware I LLC 21.875000 % Chevron U.S.A. Inc. 21.875000 ORRI: 7.500000 % <p style="text-align: right;"><i>Total</i> 100.000000 %</p>	5.000000 % 43.750000 21.875000 % 21.875000 % 7.500000 % 100.000000 %	<p style="text-align: right;">13.961398 %</p>
LC 031670 (b)	<u>T-20S, R38-E</u> Section 18: Lots 3 & 4, SE/4SW/4, SW/4SE/4 Section 19: NW/4NE/4	200.92	<p style="text-align: right;"><u>Tract 9</u></p> Royalty: 12.500000 % Working Interest: ConocoPhillips Company 43.750000 ZPZ Delaware I LLC 21.875000 % Chevron U.S.A. Inc. 21.875000 ORRI: 0.000000 % <p style="text-align: right;"><i>Total</i> 100.000000 %</p>	12.500000 % 43.750000 21.875000 % 21.875000 % 0.000000 % 100.000000 %	<p style="text-align: right;">6.351033 %</p>

LC 031695 (a)	<u>T-20S, R38-E</u> Section 30: Lots 2 & 3, SE/4NW/4, NE/4SW/4	160.60	<p style="text-align: right;"><u>Tract 10</u></p> Royalty: 5.000000 % Working Interest: ConocoPhillips Company 43.750000 ZPZ Delaware I LLC 21.875000 % Chevron U.S.A. Inc. 21.875000 ORRI: 7.500000 % <p style="text-align: right;"><i>Total</i> 100.000000 %</p>	5.000000 % 43.750000 21.875000 % 21.875000 % 7.500000 % <hr/> 100.000000 %	<hr/> 5.076527 %															
TJS 03/12/2012			<p><u>Recapitulation</u></p> <p>Description of Lands in Participating Area:</p> <p><u>T20S-R37E, N.M.P.M.</u> Section 13: SE/4 Section 14: E/2NW/4, SW/4SW/4, W/2NW/4, NW/4SW/4 Section 15: E/2SE/4, E/2NE/4 Section 22: E/2NE/4 Section 23: E/2SE/4, S/2NW/4, NW/4NW/4, N/2SW/4, SE/4SW/4, W/2SE/4 Section 24: NE/4 and S/2 Section 25: N/2 and N/2S/2 Section 26: E/2E/2, NW/4NE/4, NE/4NW/4</p> <p><u>T20S-R38E, N.M.P.M.</u> Section 18: Lots 3 & 4, SE/4SW/4, SW/4SE/4 Section 19: Lots 1,2,3 & 4, E/2W/2, NW/4NE/4 Section 30: Lots 1,2 & 3, N/2NE/4, E/2NW/4, NE/4SW/4</p> <p>Total number of acres in participating area: 3,163.58 Total Federal Acres 3,163.58 Percent of basic royalty interest committed: 100.00 % Percent of working interest committed: 100.00 % Percent of overriding royalty interest committed: 100.00 %</p> <p><u>Participating Area Ownership Summary</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">WI</th> <th style="width: 20%; text-align: center;">NRI</th> </tr> </thead> <tbody> <tr> <td>ConocoPhillips Company</td> <td style="text-align: center;">50.0000%</td> <td style="text-align: center;">43.7500%</td> </tr> <tr> <td>ZPZ Delaware I LLC</td> <td style="text-align: center;">25.0000%</td> <td style="text-align: center;">21.8750%</td> </tr> <tr> <td>Chevron U.S.A. Inc.</td> <td style="text-align: center;">25.0000%</td> <td style="text-align: center;">21.8750%</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: center;">100.0000%</td> <td style="text-align: center;">87.5000%</td> </tr> </tbody> </table>		WI	NRI	ConocoPhillips Company	50.0000%	43.7500%	ZPZ Delaware I LLC	25.0000%	21.8750%	Chevron U.S.A. Inc.	25.0000%	21.8750%	Total	100.0000%	87.5000%		100.00000 %
	WI	NRI																		
ConocoPhillips Company	50.0000%	43.7500%																		
ZPZ Delaware I LLC	25.0000%	21.8750%																		
Chevron U.S.A. Inc.	25.0000%	21.8750%																		
Total	100.0000%	87.5000%																		

Exhibit C-1
Consolidated Blinebry-Tubb-Drinkard Participating Area I

Property Code	Well Name and Number	API No.	Legal Description	Formation Name	In PA?	PA Name	Producer or Injector
A704917	SEMU 088	3002521860	T20S-R37E, Sec. 14 Unit F	Blinebry	y	Blinebry A Initial P.A. Exp.	Producer
A704863	SEMU 071	3002507797	T20S-R38E, Sec. 18 Unit N	Drinkard	y	Drinkard A.P.A.	Inactive
A704863	SEME 121	3002529089	T20S-R38E, Sec. 18 Unit N	Drinkard	y	Drinkard A.P.A.	Inactive
A704898	SEMU 097	3002525419	T20S-R37E, Sec. 23 Unit K	Drinkard	y	Drinkard C 1st P.A. Exp.	Producer
A704918	SEMU 122	3002530429	T20S-R37E, Sec. 23 Unit D	Tubb	y	Tubb 4th P.A. Exp.	Producer
A704918	SEMU 088	3002521860	T20S-R37E, Sec. 14 Unit F	Tubb	y	Tubb 4th P.A. Exp.	Producer
A704918	SEMU 174	3002538105	T20S-R37E, Sec. 14 Unit E	Tubb	y	Tubb 4th P.A. Exp.	Producer
A704905	SEMU 157	3002535538	T20S-R38E, Sec. 30 Unit A	Drinkard	y	Tubb-Drinkard B 3rd P.A. Exp.	Producer
A704905	SEMU 158	3002535539	T20S-R37E, Sec. 24 Unit M	Drinkard	y	Tubb-Drinkard B 3rd P.A. Exp.	Producer
A704905	SEMU 125	3002534126	T20S-R38E, Sec. 18 Unit M	Tubb	y	Tubb-Drinkard B 3rd P.A. Exp.	Producer
A704905	SEMU 134	3002534382	T20S-R38E, Sec. 30 Unit L	Tubb	y	Tubb-Drinkard B 3rd P.A. Exp.	Producer
A704905	SEMU 136	3002534667	T20S-R37E, Sec. 25 Unit L	Tubb	y	Tubb-Drinkard B 3rd P.A. Exp.	Producer
A704905	SEMU 145	3002534976	T20S-R37E, Sec. 25 Unit E	Tubb	y	Tubb-Drinkard B 3rd P.A. Exp.	Producer
A704905	SEMU 146	3002534977	T20S-R37E, Sec. 25 Unit F	Tubb	y	Tubb-Drinkard B 3rd P.A. Exp.	Producer
A704905	SEMU 150	3002535115	T20S-R38E, Sec. 30 Unit K	Tubb	y	Tubb-Drinkard B 3rd P.A. Exp.	Producer
A704905	SEMU 151	3002535338	T20S-R37E, Sec. 25 Unit I	Tubb	y	Tubb-Drinkard B 3rd P.A. Exp.	Producer
A704905	SEMU 156	3002535537	T20S-R37E, Sec. 25 Unit C	Tubb	y	Tubb-Drinkard B 3rd P.A. Exp.	Producer
A704905	SEMU 157	3002535538	T20S-R38E, Sec. 30 Unit A	Tubb	y	Tubb-Drinkard B 3rd P.A. Exp.	Producer
A704905	SEMU 158	3002535539	T20S-R37E, Sec. 24 Unit M	Tubb	y	Tubb-Drinkard B 3rd P.A. Exp.	Producer

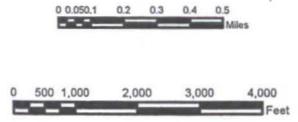
Exhibit "A-II" to Proposed Consolidated Blinebry-Tubb-Drinkard Participating Area II



LEA

Legend

- Blinebry_Drinkard_Tubb_wells
- STATUS_NAM, FLUID_DESC
- ACTIVE CRUDE OIL
- INACTIVE CRUDE OIL
- ⊗ INACTIVE GAS
- South East Monument Unit C-100197
- Consolidated Blinebry-Tubb-Drinkard Participating Area II



ConocoPhillips

Mid-Continent Land

Southeast New Mexico Proposed Consolidated Blinebry-Tubb-Drinkard Participating Area II

Author: Tom Scarborough	Date: 3/11/2013
Created by: Bryan Alexander	Scale: 1:35,000
Project File:	Consolidated Blinebry-Tubb-Drinkard Participating Area II.mxd

**Exhibit "B-II" to Blinebry-Tubb-Drinkard Participating Area II, Effective November 1, 2012
 Southeast Monument Unit Area (I-SEC. No. 321), Lea County, New Mexico**

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
LC 031670 (b)	T-20S, R38-E Section 20: S/2SW/4, NE/4SW/4 and SW/4NW/4 Section 29: N/2NW/4	240.00	<u>Tract 9</u>			75.000000 %
			Royalty:	12.500000 %	12.500000 %	
			Working Interest:			
			ConocoPhillips Company	65.625000	65.625000	
			ZPZ Delaware I LLC	21.875000 %	21.875000	
			ORRI:	0.000000 %	0.000000 %	
			<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	
LC 031695 (a)	T-20S, R38-E Section 29: S/2NW/4	80.00	<u>Tract 10</u>			25.000000 %
			Royalty:	5.000000 %	5.000000 %	
			Working Interest:			
			ConocoPhillips Company	65.625000	65.625000	
			ZPZ Delaware I LLC	21.875000 %	21.875000	
			ORRI:	7.500000 %	7.500000 %	
			<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	
			<u>Recapitulation</u>			100.000000 %
			Description of Lands in Participating Area:			
			<u>T20S-R38E, N.M.P.M.</u>			
			Section 20: S/2SW/4, NE/4SW/4, SW/4NW/4			
			Section 29: NW/4			
			Total number of acres in participating area:		320.00	
			Total Federal Acres		320.00	
			Percent of basic royalty interest committed:		100.00 %	
			Percent of working interest committed:		100.00 %	
			Percent of overriding royalty interest committed:		100.00 %	
			<u>Participating Area Ownership Summary</u>			
				WI	NRI	
			ConocoPhillips Company	75.0000%	65.6250%	
			ZPZ Delaware I LLC	25.0000%	21.8750%	
			<i>Total</i>	<u>100.0000%</u>	<u>87.5000%</u>	

Exhibit C-II
Consolidated Blinebry-Tubb- Drinkard Participating Area II

Property Code	Well Name and Number	API No.	Legal Description	Formation Name	In PA?	PA Name	Producer or Injector
A704920	SEMU 010	3002507849	T20S-R38E, Sec. 29 Unit F	Blinebry	y	Blinebry 1st P.A. Expansion	Producer
A704920	SEMU 059	3002507834	T20S-R38E, Sec. 20 Unit M	Blinebry	y	Blinebry 1st P.A. Expansion	Producer
A704920	SEMU 100	3002526182	T20S-R38E, Sec. 20 Unit N	Blinebry	y	Blinebry 1st P.A. Expansion	Producer
A704920	SEMU 104	3002526268	T20S-R38E, Sec. 20 Unit K	Blinebry	y	Blinebry 1st P.A. Expansion	Producer
A704920	SEMU 103	3002526277	T20S-R38E, Sec. 29 Unit E	Blinebry	y	Blinebry 1st P.A. Expansion	Producer
A704921	SEMU 100	3002526182	T20S-R38E, Sec. 20 Unit N	Tubb	y	Tubb A 1st P.A. Expansion.	Producer
A704921	SEMU 104	3002526268	T20S-R38E, Sec. 20 Unit K	Tubb	y	Tubb A 1st P.A. Expansion.	Producer
A704921	SEMU 113	3002527090	T20S-R38E, Sec. 20 Unit E	Tubb	y	Tubb A 1st P.A. Expansion.	Producer

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 14916
Order No. R-13642

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CONTRACTING
HORIZONTAL LIMITS, REDESIGNATING AND
EXTENDING VERTICAL LIMITS OF CERTAIN
POOLS IN LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 18, 2012, at Santa Fe, New Mexico, before Examiner David K. Brooks.

NOW, on this 23rd day of October, 2012, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.
- (2) There is need for the extension of the vertical limits of the Warren-Drinkard Pool (**pool code: 63080**) to include all of the Blinebry, Tubb and Drinkard formations and for the redesignation of the Warren-Drinkard Pool as the SEMU-Blinebry-Tubb-Drinkard Pool (**pool code: 63080**).
- (3) There is need for the contraction of the Blinebry Oil and Gas Pool, the North Hardy-Tubb-Drinkard Pool, the Monument-Tubb Pool, the West Nadine-Tubb Pool, the Skaggs-Drinkard Pool, the Warren-Tubb Oil and Gas Pool, the Weir-Blinebry Pool, the East Weir-Blinebry Pool and the Weir-Drinkard Pool, all in Lea County, New Mexico, in order to correct nomenclature. All of the deleted acreage will be placed in the SEMU-Blinebry-Tubb-Drinkard Pool in Lea County, New Mexico.

(4) There is need for the extension of the SEMU-Blinebry-Tubb-Drinkard Pool in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) The vertical limits of the Warren-Drinkard Pool (pool code: 63080) are hereby extended to include all of the Blinebry, Tubb and Drinkard formations. The Warren-Drinkard Pool is hereby redesignated as the SEMU-Blinebry-Tubb-Drinkard Pool (pool code: 63080).

(b) The Blinebry Oil and Gas Pool (pool code- Oil: 6660, Pro Gas: 72480) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 19: SE/4
Section 20: SW/4 NW/4 and SW/4
Section 29: NW/4
Section 30: NE/4 and N/2 SE/4

(c) The North Hardy-Tubb-Drinkard Pool (pool code: 96356) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 24: W/2
Section 25: NW/4 and N/2 S/2

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 30: NE/4 and N/2 S/2

(d) The Monument-Tubb Pool (pool code: 47090) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 13: SW/4 NE/4
Section 14: NW/4, W/2 NE/4, SE/4 NE/4 and W/2 SW/4
Section 15: E/2 E/2
Section 22: E/2 NE/4
Section 23: W/2

(e) The West Nadine-Tubb Pool (pool code: 47530) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 18: SW/4 SE/4
Section 19: W/2 NE/4 and SE/4 NE/4

(f) The Skaggs-Drinkard Pool (pool code: 57000) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 13: SW/4 NE/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 18: NW/4 SW/4, S/2 SW/4 and SW/4 SE/4

Section 19: NW/4 NE/4, S/2 NE/4 and S/2

Section 20: SW/4 NW/4 and SW/4

(g) The Warren-Tubb Gas Pool (pool code: Oil - 63280 Gas - 87080) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 24: SE/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 18: SW/4

Section 19: NW/4 and S/2

Section 20: SW/4 NW/4 and SW/4

Section 29: NW/4

(h) The Weir-Blinebry Pool (pool code: 63780) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 14: W/2 NW/4

Section 15: E/2 E/2

Section 22: E/2 NE/4

(i) The East Weir-Blinebry Pool (pool code: 63800) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 13: SW/4 NE/4

Section 14: E/2 NW/4, W/2 NE/4 and SE/4 NE/4

(j) The Weir-Drinkard Pool (pool code: 63840) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 14: W/2
Section 15: E/2 E/2
Section 22: E/2 NE/4
Section 23: All

(k) The SEMU-Blinebry-Tubb-Drinkard Pool (pool code: 63080) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 13: SW/4 NE/4, SE/4, W/2 SW/4 and SE/4 SW/4
Section 14: NW/4 NE/4, S/2 NE/4, NW/4 and S/2
Section 15: E/2 E/2
Section 22: E/2 E/2
Section 23: All
Section 24: All
Section 25: N/2 and N/2 S/2
Section 26: All
Section 27: E/2 E/2

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 18: NW/4 SW/4, S/2 SW/4 and SW/4 SE/4
Section 19: NW/4 NE/4, S/2 NE/4, NW/4 and S/2
Section 20: SW/4 NW/4 and SW/4
Section 30: N/2 and N/2 S/2

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that well or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within that 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all contractions of vertical limits, redesignations, and extensions included herein shall be November 1, 2012.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is written in a cursive style and is positioned above the printed name and title.

JAMI BAILEY
Director