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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

RECEIVED OGD
2013 APR -9 A 11: 14

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

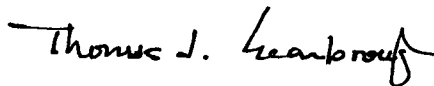
Exhibit "A-II" consists of a comprehensive map of the proposed consolidated area. Exhibit "B-II" represents the PA Schedule, depicting the Two (2) Federal Oil and Gas leases contributed thereto, the ownership of each lease and their respective participation factors. Exhibit "C-II" contains a listing 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-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>			5.188774 %
			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 %		
			Total	100.000000 %	100.000000 %	
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>			18.160709 %
			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 %	100.000000 %	
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>			31.132645 %
			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 %		
			Total	100.000000 %	100.000000 %	
NM 09161	<u>T-20S, R38-E</u> Section 30: Lot 1	40.38	<u>Tract 5</u>			1.309517 %
			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 %		
			Total	100.000000 %	100.000000 %	

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	<u>Tract 6</u> 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 %	16.863516 %
NM 2511	<u>T-20S, R37-E</u> Section 26: NE/4NW/4	40.00	<u>Tract 7</u> 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 % Total 100.000000 %	12.500000 % 43.750000 21.875000 % 21.875000 0.000000 % 100.000000 %	1.297194 %
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	<u>Tract8</u> 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 %	14.323611 %
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	<u>Tract 9</u> 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 % Total 100.000000 %	12.500000 % 43.750000 21.875000 21.875000 % 0.000000 % 100.000000 %	6.515803 %

LC 031695 (a)	<u>T-20S, R38-E</u> Section 30: Lots 2 & 3, SE/4NW/4, NE/4SW/4	160.60	<u>Tract 10</u> 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			<u>Recapitulation</u> 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: Total Federal Acres Percent of basic royalty interest committed: Percent of working interest committed: Percent of overriding royalty interest committed: <u>Participating Area Ownership Summary</u> 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%	100.000000 % 3,083.58 3,083.58 100.00 % 100.00 % 100.00 %	100.000000 %