PEH1416232085 PEH 14157 40654

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



		A	DMINISTRATIVE APPLICATION CHECKLIST
TH	IIS CHECKL	IST IS MAI	DATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applic	-	on-Stand	ard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] ole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] IFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] The definition of the Control of the Cont
[1]	TYPE (OF APP [A]	LICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD Conocofhilips Company Puby FEDERAL #2 30-025-40394
		Check ([B]	In a Conly for [B] or [C] Commingling - Storage - Measurement Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD IPI EOR PPR Mayanar: Grant PPR Other: Specify N REQUIRED TO: - Check Those Which Apply, or Does Not Apply Working, Royalty or Overriding Royalty Interest Owners
		[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD IPI EOR PPR Mayanar: bushing
		[D]	Other: Specify
[2]	NOTIF	ICATIO [A]	N REQUIRED TO: - Check Those Which Apply, or □ Does Not Apply Working, Royalty or Overriding Royalty Interest Owners
		[B]	Offset Operators, Leaseholders or Surface Owner
		[C]	Application is One Which Requires Published Legal Notice
		[D]	Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
		[E]	For all of the above, Proof of Notification or Publication is Attached, and/or,
		[F]	Waivers are Attached
[3]			URATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE ION INDICATED ABOVE.
	al is acc u	irate an	ON: I hereby certify that the information submitted with this application for administrative complete to the best of my knowledge. I also understand that no action will be taken on this ired information and notifications are submitted to the Division.
		Note:	tatement must be completed by an individual with managerial and/or supervisory capacity.
	B. Maur r Type Nan		Signature Sr. Regulatory Specialist 6/3/19 Date
			Susan.B.Maunder@conocophillips.com

e-mail Address

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

¹ API Number 30-025-40394

4 Property Code

OGRID No.

217817

38653

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

⁶ Well Number

⁹ Elevation

4004

³ Pool Name

WELL	LOCATION	AND ACREAGE	DEDICATION PLAT
		ANDACKEACH	

⁵ Property Name

⁸ Operator Name ConocoPhillips Company

Ruby Federal

Maljamar; Yeso West

² Pool Code

44500

					[™] Surface l	Location			
UL or lot no.	Section		Range	Lot Idn		North/South line	Feet from the	East/West line	County
0	17	17S	32E		1140'	South	2310'	East	Lea
			и Bot	tom Ho	le Location If	Different From	Surface	-	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres	13 Joint o	r Infill	Consolidation (rder No.				
40		ĺ			DHC-Pen	ding			
No allowable w livision.	vill be ass	signed to t	this completi	on until a	ll interests have	been consolidated o	r a non-standard	unit has been appr	oved by the
16		Leas	e Bour	dary	Lease Boundary		I hereby certify the to the best of my to the best of my owns a working in the proposed bott location pursuant interest, or to a worder heretofore. Signature Susan B Printed Name Susan B. E-mail Address	ERATOR CERTIL that the information contained he knowledge and belief, and that interest or unleased mineral inte toom hole location or has a right to a contract with an owner of oliuntary poolling agreement or entered by the division. B. Maunder Maunder Maunder	erein is true and comple this organization either trest in the land includin, to drill this well at this 'such a mineral or worki a compulsory pooling Date phillips.com
				,061		2310°	I hereby cert plat was plot made by me same is true Date of Survey	EYOR CERTIF ify that the well location ted from field notes of or under my supervision and correct to the best seal of Professional Survey	on shown on this actual surveys m, and that the of my belief.
Leo	ase	Boun	dary				Certificate Num	ber	

District 1
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1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV.
1220 S. St. Francis Dr., Santa Fe, NM 87505

Lease Boundary

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

Susan B. Maunder

E-mail Address

Date of Survey

Certificate Number

Susan.B.Maunder@conocophillips.com

¹⁸SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this
plat was plotted from field notes of actual surveys
made by me or under my supervision, and that the
same is true and correct to the best of my belief.

Signature and Seal of Professional Surveyor:

Phone: (505) 476-3460	Fax: (505) 476								
					TION AND ACREAGE DEDICATION PLAT Code Maljamar; Grayburg, San Andres			me	
4 Property (Code				5 Property Ruby Fed			6	Well Number
⁷ OGRID 21781					⁸ Operator ConocoPhillips	Name Company			⁹ Elevation 4004'
					¹⁰ Surface l	Location			
UL or lot no.	Section 17	Township 17S	Range 32E	Lot Idn	Feet from the 1140'	North/South line South	Feet from the 2310'	East/West line East	County Lea
			11 Bot	ttom Hol	le Location If	Different Fron	n Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres			nsolidation (der No. DHC-Pen				
No allowable v division.	will be ass	signed to this	s completi	ion until al	l interests have	been consolidated	or a non-standa	rd unit has been a	oproved by the
16		L ease	- Boun	idary	7		I hereby certifi to the best of n owns a workin, the proposed b location pursu interest, or to to	ny knowledge and belief, and g interest or unleased minera. ottom hole location or has a	ed herein is true and complete that this organization either l interest in the land including right to drill this well at this er of such a mineral or working

2310

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240

District II 811 S. First St., Artesia, NM 88210

District III

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

TYPE OR PRINT NAME Susan B. Maunder

E-MAIL ADDRESS Susan.B.Maunder@conocophillips.com

State of New Mexico Energy, Minerals and Natural Resources Department

Oil Conservation Division

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-107A
Revised August 1, 2011

X APPLICATION TYPE Single Well

Single Well
Establish Pre-Approved Pool
EXISTING WELLBORE
X Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

ConocoPhillips Company	600 N. Dairy Ashford R	Rd, Off P10-3-3096; Houston,	TX 77079-1175
Operator Ruby Federal Lease	Lea		
OGRID No. 217817 Property Co		Section-Township-Range 25-40394 Lease Type:	_
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	Maljamar; Grayburg, San Andres	N/A	Maljamar; Yeso West
Pool Name	, , , ,		44500
Pool Code	43329	N/A	11300
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4779' - 5192' perforated	N/A	5415' - 6999' perforated
Method of Production (Flowing or Artificial Lift)	Artificial	N/A	Artificial
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Pi,r = 1733	N/A	Pi,r = 2600
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.1	N/A	38.2
Producing, Shut-In or New Zone	New	N/A	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: estimate Rates: 20/50/100	Date: Rates: N/A	Date: 04/08/2014 Rates: 8/4/171
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas	Oil Gas 0 %	Oil Gas 58 % 81 %
	ADDITION	NAL DATA	
Are all working, royalty and overriding If not, have all working, royalty and ove	royalty interests identical in all cor	mmingled zoncs?	Yes X No Yes No No
Are all produced fluids from all commin	ngled zones compatible with each of	other?	Yes X No
Will commingling decrease the value of	production?		YesNo_X
If this well is on, or communitized with or the United States Bureau of Land Ma			Yes_X No
NMOCD Reference Case No. applicabl Attachments: C-102 for each zone to be comming Production curve for each zone for a For zones with no production histor Data to support allocation method o Notification list of working, royalty Any additional statements, data or de-	led showing its spacing unit and ac at least one year. (If not available, y, estimated production rates and s r formula. and overriding royalty interests for	reage dedication. attach explanation.) Included in the att upporting data. r uncommon interest cases.	ached field study
	PRE-APPRO	VED POOLS	
		e following additional information wil	l be required:
List of other orders approving downhole List of all operators within the proposed Proof that all operators within the propo Bottomhole pressure data.	Pre-Approved Pools		
I hereby certify that the information	above is true and complete to t		f. DATE 6-3-14

TELEPHONE NO. (__281_

206-5281

Proposed Rod and Tubing Configuration RUBY FEDERAL 02

р	VERTICAL - Original Hole, 4/22/2014 4:38:06 PM Tubing Description proposed Tubing - Production						8	Set Depth (ftKB) 5,293.0		
(ft K B)	Vestical aphaesatic (actual)	Vertical schematic (proposed)	Jts	Item Des	OD Nominal (in)	Nominal ID	Wt (lb/ft)	Grade	Len (ft)	Btm (ftKB)
D)	Vertical schematic (actual) 2-3; Casing Hanger	5-1; Polished Rod SM; 1	147		2 7/8	2.441	6.50	J-55	4,643.70	4,657.7
"	r (Fluted); 8 5/8;	1/2: 0.6: 26.00 [5-2: Sucker Rod: 7/8: 26.6:]	-1	Tubing Marker Sub	2 7/8	2.441	6.50	J-55	8.00	4,665.7
***	8.097; 14.0; 2.08 3-3; Casing Hanger	2,675.00 3-1; Tubing; 2 7/8; 2.441;	2	Tubing	2 7/8	2.441	6.50	J-55	62.86	4,728.5
154	(Fluted); 5 1/2; 4.892; 14.0; 2.85	14.0; 4,643.70 5-3; Sucker Rod; 3/4; 2,701.6; 2,175.00	1	Anchor 5 1/2 X 2 7/8	4.89	2.441			2.75	4,731.3
244	2-4; Casing Pup	3-2; Tubing Marker Sub; 2 7/8; 2.441; 4,657.7; 8.00	14		2 7/8	2.441		J-55	450.00	5,181.3
-	- Joint; 8 5/8; 8.097; 16.1; 3.38	3-3; Tubing; 2 7/8; 2.441; 4,665.7; 62.86			2 7/8	2.441	6.50	J-55	31.50	5,212.8
	3-4; Casing Pup	3-4; Anchor 5 1/2 X 2 7/8; 4.89; 2.441; 4.728.5; 2.75	1	Tubing TK-99				1-55		TO MAKE THE PARTY OF THE PARTY
	Joint; 5 1/2; 4.892; 16.8; 3.85	Perforated; 4,779.0- 4,795.0; 4/11/2014	1		2 7/8	2.280			1.10	5,213.9
	1-1; Casing Joints; 16; 15.250; 14.0; — 81.00	Perforated; 4,818.0- 4,830.0; 4/11/2014 Perforated; 4,857.0- 4,865.0; 4/11/2014	1	Cavin Desander D2711-G	2 7/8				19.50	5,233.4
2.7000 2.7000	2-5; Casing Joints; -8 5/8; 8.097; 19.5;	Perforated; 4,880.0- [4,888.0; 4/11/2014] 5-4; Sicker Bar; 1 1/2;	2	2 7/8 Fiberglass tubing	2 7/8	2.280			59.00	5,292.4
Aller	724.98 2-6; Float Collar; 8	4.876.6; 50,00 5-5; Pony Rod Guided; 7/8;	1	Bull Plug	2 7/8			-	0.60	5,293.0
4,9079	5/8; 8.097; 744.4; 1.51	4,926.6; 2.00 Perforated; 4,923.0- V4,940.0; 4/11/2014								
1,014	2-7; Casing Joints; -8 5/8; 8.097; 746.0;	5-6; Sinker Bar, 1 1/2; 4.928.6; 50.00								
4.004	43.15	3-5; Tubing; 2 //8; 2.441; 4,731.3; 450.00								
	2-8; Guide Shoe; 8 -5/8; 8.097; 789.1;	5-7; Pony Rod Guided; 7/8; 4,978.6; 2.00								
6,000.4	0.70 3-5; Casing Joints;	Perforated; 4,990.0- 4,994.0: 4/11/2014								
L0027	· L5 1/2; 4.892; 20.7;	\(5-8; \text{ Sinker Bar; 1 1/2; } \\ 4.980.6: 50.00 \\ 5-9; \text{ Pony Rod Guided; 7/8; } \\ \end{array}								
1,000	5,226.59 3-6; Double Marker	5,030,6; 2.00 Perforated: 5,027,0-								
0.1064	Joint; 5 1/2; 4.892; 5,247.3; 43.66	5.040,0; 4/11/2014 5-10; Sinker Bar; 1 1/2;	Rod D	escription					Set Depth (ft	KB)
2.001	Perforated; 5,415.0	5,032,6; 50.00 5-11; Pony Rod Guided;		sed Rod					oot Doptii (ii	5,213.0
6.003	-5,435.0; 6/12/2012 Perforated; 5,456.0	7/8: 5,082.6: 2.00 Perforated; 5,080.0- 5,089.0: 4/11/2014	Jts	Item Des		OD (in)	API Grad	е	Len (ft)	Btm (ftKB)
Line	-5,466.0; 6/12/2012 Perforated; 5,510.0	Perforated; 5,096.0- 5.102.0: 4/11/2014		Polished Rod SM Sucker Rod		1 1/2	SPCL		26.00	26.6 2,701.6
1.000	-5,520.0; 6/12/2012 Perforated; 6,109.0	5-12; Sinker Bar; 1 1/2; 5,084.6; 50.00 Perforated; 5,112.0-	107	Oucker Mod			APP			2,101.0
1,000	-6,129.0; 6/11/2012 3-7; Casing Joints; -5 1/2; 4.892;	5.125.0; 4/11/2014 5-13; Pony Rod Guided; 7/8; 5.134.6; 2.00 Perforated; 5,145.0-	87	Sucker Rod			SPCL APP		2,175.00	4,876.6
1.000	5,290.9; 1,885.10	5, 158.0; 4/11/2014 5-14; Sinker Bar; 1 1/2;	2	Sinker Bar		1 1/2	С		50.00	4,926.6
4.000	Perforated; 6,288.0 = -6,308.0; 6/11/2012	5,136.6; 50.00 Perforated; 5,172.0-	1	Pony Rod Guided		7/8	D		2.00	4,928.6
	Perforated; 6,504.0	5,192.0; 4/11/2014 5-15; Pony Rod Guided;		Sinker Bar		1 1/2	С	-	50.00	4,978.6
6,7004	-6,524.0; 5/25/2012	7/8; 5,186.6; 2,00 5-16; Rod back off		Pony Rod Guided			D	-	2.00	4,980.6
6,766.6		3-6; Tubing TK-99; 2 7/8;		Sinker Bar	_	1 1/2		-	50.00	5,030.6
1701		2.441; 5.181.3; 31.50 5-17; Rod Insert Pump; 1 3/4; 5,189.0; 24.00		Pony Rod Guided		7/8			2.00	5,032.6
4,900		3-7; Pump Seating Nipple; 2 7/8; 2 280; 5,212.8; 1.10		Sinker Bar		1 1/2			50.00	5,082.6
		3-8; Cavin Desander D2711-G; 2 7/8; 5,213.9;						-	7 7 7	
6,0487		19.50 3-9; 2 7/8 Fiberglass tubing; 2 7/8; 2.280;		Pony Rod Guided		7/8			2.00	5,084.6
Lara		5,233.4; 59.00 3-10: Bull Plug: 2 7/8;		Sinker Bar		1 1/2			50.00	5,134.6
1,004.0	. 65	5.292.4; 0.60 Bridge Plug - Permanent; 5; 5.400.0-5.403.0	1	Pony Rod Guided		7/8			2.00	5,136.6
1,991		5; 5,400.0-5,403.0		Sinker Bar		1 1/2		334.1	50.00	5,186.6
1907	Perforated; 6,979.0			Pony Rod Guided		7/8	D		2.00	5,188.6
A	-6,999.0; 3/20/2012		1	Rod back off coupling		7/8			0.40	5,189.0
1 800 2			1	Rod Insert Pump		1 3/4			24.00	5,213.0
7 max p	3-8; Float Collar; 5									
rana	1/2; 4.892; 7,176.0;									
7.963	3-9; Casing Joints;		0							
1.574	5 1/2; 4.892; 7,177.6; 43.22									
	3-10; Float Shoe; 5	3 5								
t _{ame}	/1/2; 4.892; 7,220.8;	8 6 -								

Field Study

Maljamar-Yeso West and Grayburg-San Andres Pools Commingle

Date: April 23, 2014



Maljamar-Yeso West and Grayburg-San Andres Pool Commingle

Commingle Application

Summary

It is proposed to commingle the Maljamar-Yeso West and Grayburg-San Andres pools in ConocoPhillips Company's (COP) Yeso development program in Sections 17 and 18, T17S, R32E, Lea County, New Mexico. The working, net revenue, and royalty interest are the same for both pools on most of COP's Ruby Federal and Mitchell B lease. The fluids from both zones are compatible. The following fixed allocation will be used for production: Oil: Yeso 58%, GB/SA 42%, Gas: Yeso 81%, GB/SA 19%.

Purpose

COP requests to commingle both pools in order to access reserves that would otherwise be stranded. Development of the Grayburg-San Andres with dedicated wells is not economic as initial production rates and recoveries are very low (see Figure 7). Yeso development is economic independently. The commingling of these two pools is expected to enhance production and boost ultimate recovery from the field. This will result in increased income for both the BLM and COP.

With commingling, the total recoverable resource in the GB/SA pool overlying COP's Ruby Federal lease is estimated to be ~3 MMBO and 5 BCFG or an incremental 67 MBO and 133 MMcf per well.

History

ConocoPhillips operates the Mitchell B lease in Sections 17 and 18, T17S R32E. This lease has produced from the GB/SA since the 1950's. Historically, the GB/SA has not been very productive in Mitchell B due to low reservoir permeability and the use of outdated completion techniques. As a result of low productivity, a significant amount of oil has been bypassed. It is believed this resource can be economically produced by modern completions and commingling with Yeso production.

Development of the Maljamar-Yeso West pool in began in 2008 targeting the Paddock and Blinebry formations of the Yeso. The Yeso has proven to be a very successful, high rate of return play. The productive potential of these zones has been unlocked with improvements in completion practice, namely larger frac's. ConocoPhillips plans to continue its Yeso development program throughout Sections 18 and 19, T17S R32E over the next few years.

Reservoir Details

With commingling, Yeso and GB/SA will be developed on 20-acre spacing. Oil gravity between the Yeso and GB/SA reservoirs are similar, 38 and 37 degrees API respectively.

The Yeso is a normally pressured reservoir (~0.465 psi/ft). The Grayburg/San Andres is expected to be normally pressured to slightly under-pressured due to historical production. If the GB/SA reservoir pressure is found to be under-pressured, cross-flow will be mitigated by ensuring the commingled wells are pumped off or producing fluid level is at least below the GB/SA perforations. However, if there is temporary cross-flow into the GB/SA due to a high fluid level, it is expected production will be recovered once the fluid level is pumped back down.

Allocation Method

The production allocation method for both zones is based on a fixed allocation. This allocation is based on the type curves for both the Yeso and GB/SA formations. These type curves were generated using wells which only produce from Yeso or GB/SA within the same geologic area as the commingle candidates, Figure 1. Due to the close proximity of these wells, it is believed existing production provides sufficient insight for commingling allocation.

Preliminary Supporting Details

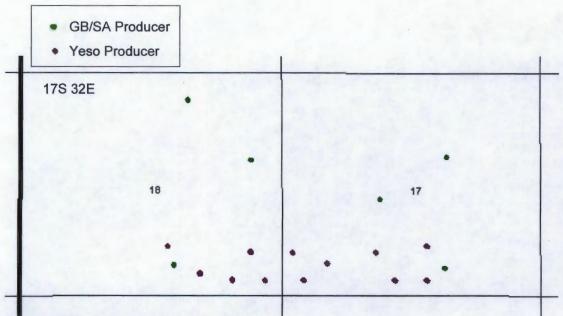


Figure 1: Map of all wells used in the analysis

17S 32E		
7	8	9
MITCHELLB#1		
МПСНЕЦВ 18 МПСНЕЦВ#20	MITCHELLB#3 MITCHELLB#19 17 MITCHELLB#9	16
19	20	21

Figure 2: Map of GB/SA wells used in type curve analysis (Mitchell B Lease).

17S 32E
7 8 9

18 17 16

19 20 21

Figure 3: Map of Yeso wells used in type curve analysis (Ruby Federal lease).

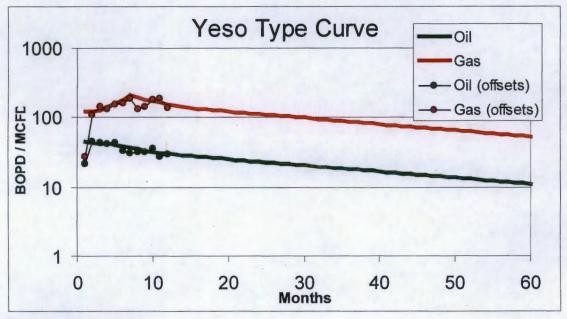


Figure 4: Yeso type curve.

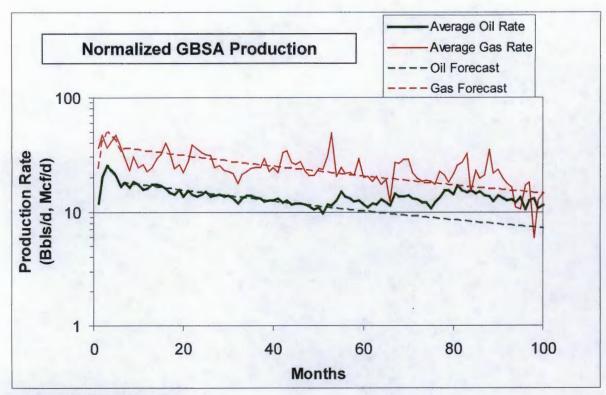


Figure 5: GB/SA type curve

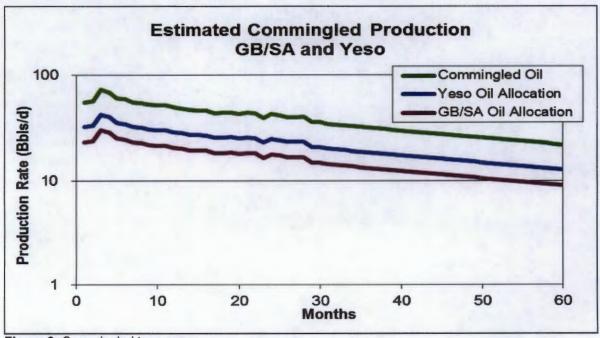


Figure 6: Commingled type curve

Inputs						Outputs				
Start Da	ate	1/1/2014	Capital	\$2,200		Discount Rate	Pretax NPV [M\$]	After Tax NPV [M\$]	Pretax IRR	After Tax
Workin	g Interest	100%	Tax Rate	35%		0%	946	(15)	9%	0%
	Interest	87.5%	Gas Tax	7.5%		8%	60	(544)		
	e [\$/bbl]	\$85	Oil Tax	4.6%		10%	(74)	(620)		
	ce [\$/mcf]	\$4.00	Ad Val Rate	2%		12%	(186)	(683)		
OpEx [\$		\$15	12.			15%	(321)	(756)		
	Gros	s Production		Net Produ	iction		P	rice	Revenue	-
	Oil	Gas		Oil	Gas		Oil	Gas	\$M	
	Bbls	Mcf		Bbls	Mcf		\$/bbl	\$/Mcf	Total	
2014	6.5	11.6		5.7	10.2		85.0	4.0	522	
2015	6.5	11.7		5.7	10.2		85.0	4.0	524	
2016	5.8	10.4		5.0	9.1		85.0	4.0	466	
2017	4.7	8.4		4.1	7.4		85.0	4.0	378	
2018	4.2	7.5		3.6	6.6		85.0	4.0	336	
2019	3.7	6.7		3.3	5.9		85.0	4.0	300	
2020	3.3	6.0		2.9	5.2		85.0	4.0	268	
2021	3.0	5.4		2.6	4.7		85.0	4.0	240	
2022	2.7	4.8		2.3	4.2		85.0	4.0	214	
2023	2.4	4.3		2.1	3.7		85.0	4.0	190	
2024	2.1	3.8		1.8	3.3		85.0	4.0	170	
2025	1.9	3.4		1.7	3.0		85.0	4.0	152	
2026	1.7	3.0		1.5	2.6		85.0	4.0	136	
2027	1.5	2.7		1.3	2.4		85.0	4.0	121	
2028	0.9	1.6		0.8	1.4		85.0	4.0	73	
Total	50.7	91.3		44.4	79.9				4,091	
									Cum Ca	sh Flow
	Prod Tax [M\$]	Ad Val Tax [M\$]	Operating Costs [M\$]	Operating CF [M\$]	CapEx	Pre Tax CF [M\$]	Taxes [M\$]	After Tax CF [M\$]	Pre Tax [M\$]	After Tax [M\$]
2014	25	10	85	401	2,200	-1,799	0	-1799	-1799	-1799
2015	25	10	85	403	0	403	141	262	-1395	-1536
2016	22	9	76	358	0	358	125	233	-1037	-1304
2017	18	8	62	291	0	291	102	189	-746	-1115
2018	16	7	55	259	0	259	91	168	-488	-946
2019	14	6	49	231	0	231	81	150	-257	-796
2020	13	5	44	206	0	206	72	134	-51	-663
2021	12	5	39	184	0	184	64	120	133	-543
2022	10	4	35	164	0	164	58	107	298	-436
2023	9	4	31	146	0	146	51	95	444	-341
2024	8	3	28	131	0	131	46	85	575	-256
2025	7	3	25	117	0	117	41	76	692	-179
2026	7	3	22	104	0	104	36	68	797	-112
2027	6	2	20	93	0	93	33	60	890	-51
2027	Ü	-			10		20			

2,200

-15

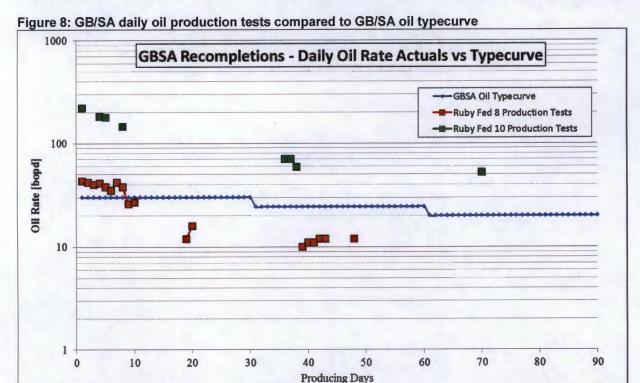
-15

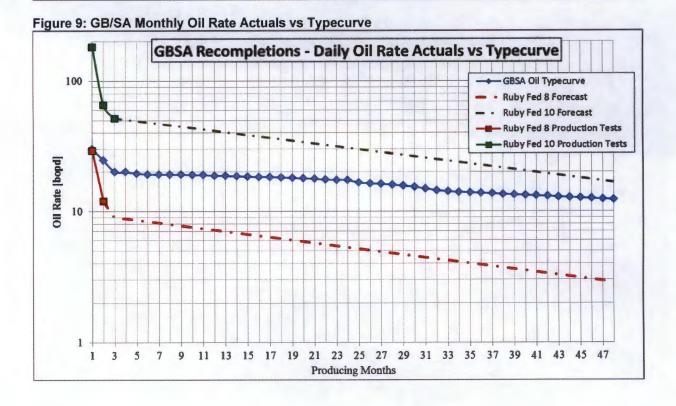
3,146

Total

Field Study Results

The results from the first 2 recompletions (Ruby Federal #8 & #10) were not conclusive in supporting the current GB/SA type-curve flowstream. The Ruby Federal #10 showed excellent production, exceeding all estimates, while the Ruby Federal #8 initially looked to follow the type curve but fell off of trend after the first month of production. Figure 8 provides production test results and indications of production curves for the two wells in our study. Figure 9 provides additional production data.





Additional Well Work for Field Study

ConocoPhillips believes addition well work is useful to provide additional data for this field study. The wells listed below will each provide useful data for the field study. Each has been selected to provide specific information.

Well Number	Timing of Commingle	Contribution to Field Study
Ruby Federal 8	Commingle GB/SA & Yeso (zone test complete)	Basis of Allocation
Ruby Federal 10	Commingled after production test of each zone	Basis of Allocation and GB/SA decline
Ruby Federal 2	Commingled after production test of each zone	Confirmation of Allocation
Ruby Federal 12	Commingled after production test of each zone	Confirmation of Allocation
Ruby Federal 20	Commingled after production test of each zone	Confirmation of Allocation
Ruby Federal 24	Commingled from Recompletion of GB/SA	Expected Production Rates (both zones)

COP proposes to commingle the Ruby Federal 8's production by drilling out all plugs over the San Andres and Yeso formations. The Ruby Federal 10 is currently producing from the Grayburg/San Andres only and has far exceeded our type curve. ConocoPhillips wishes to continue producing the Ruby Federal 10 uninterrupted in an attempt to define the decline curve characteristics. Commingling of this well is to be filed at a later date. To further validate our study COP proposes the recompletion of 4 additional, nearby Ruby Federal Yeso wells into intervals of the Grayburg/San Andres – specifically testing the lower San Andres' productivity. The goal of these data points is to provide reinforcement of the initial allocation of 58% Yeso (Paddock/Blinebry) production to 42% GB/SA production. This allocation is an average of the type curves presented in Figures 8 and 9. Once this field study is complete it will be used as the basis in determining the contribution of Grayburg/San Andres in newly commingled and drilled wells.



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ConocoPhillips

Sample:

Test Separator

Attention: Cruz Duarte 29 Vacuum Complex Lane Identification: Company:

MCA 514 ConocoPhillips

Lovington, New Mexico 88260

Lease:

Plant

Sample Data:

Date Sampled

1/9/2014 9:28 AM 1/10/2014

Analysis Date Pressure-PSIA

129.1 53.9

Sampled by: Analysis by:

Dustin Armstrong

Sample Temp F

Atmos Temp F

Vicki McDaniel

H2S =

5,000 PPM

Component Analysis

		Mol Percent	GPM
Hydrogen Sulfide	H2S	0.500	
Nitrogen	N2	2.741	
Carbon Dioxide	CO2	64.602	
Methane	C1	16.938	
Ethane	C2	7.071	1.886
Propane	C3	4.983	1.369
I-Butane	IC4	0.587	0.192
N-Butane	NC4	1.438	0.452
I-Pentane	IC5	0.338	0.123
N-Pentane	NC5	0.333	0.120
Hexanes Plus	C6+	0.469	0.203
		100.000	4.346

REAL BTU/CU.FT. At 14.65 DRY 543.2 At 14.65 WET 533.7 At 14.696 DRY 544.9 At 14.696 WET 535.6 At 14.73 DRY 546.1 At 14.73 Wet 536.7

Specific Gravity

Calculated

1.3295

Molecular Weight 38.5078



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ASTM DISTILLATION

ConocoPhillips Attention: Cruz Duarte 20 Vacuum Complex Lane Lovington, New Mexico 88260

Sampled By: Dustin Armstrong

Sample Date: 1/9/14

Sample ID: MCA 514

Percent Distilled	Temperature		
IBP	97		
5	148		
10	188		
20	250	%Recovered =	91.0
30	326	% Residue =	5.0
40	414	% Loss =	4.0
50	505		
60	563		
70	585		
80	612		
90	64 6		
EP	675		

Total Sulfur	API Gravity	Specific Gravity
0.7069 wt.%	38.1	0.8343



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ConocoPhillips

Sample:

Separator

Attention: Josh Hill

Identification: Company:

Ruby #28 ConocoPhillips

29 Vacuum Complex Lane Lovington, New Mexico 88260

Lease: Plant:

Sample Data:

Date Sampled

2/21/2014 12:00 PM 2/24/2014

Analysis Date Pressure-PSIA Sample Temp F

Sampled by: 150

Logan Mcliroy

Atmos Temp F

74 65 Analysis by:

Vicki McDaniel

H2S =

8 PPM

Component Analysis

		Mol	GPM
		Percent	
Hydrogen Sulfide	H2S	0.001	
Nitrogen	N2	5.671	
Carbon Dioxide	CO2	2.793	
Methane	C1	60.994	
Ethane	C2	16.278	4.342
Propane	C3	9.954	2.735
I-Butane	IC4	1.077	0.352
N-Butane	NC4	2.171	0.683
I-Pentane	IC5	0.368	0.134
N-Pentane	NC5	0.308	0.112
Hexanes Plus	C6+	0.385	0.167
		100.000	8.524

REAL BTU/CU.FT. At 14.65 DRY 1309.1 At 14.65 WET 1286.2 At 14.696 DRY 1313.1 At 14.696 WET 1290.8 At 14.73 DRY 1316.1 At 14.73 Wet 1293.4

Specific Gravity Calculated

0.8501

Molecular Weight 24.5218



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ASTM DISTILLATION

ConocoPhillips Attention: Josh Hill 29 Vacuum Complex Lane Lovington, New Mexico 88260

Sampled By: Logan McIlroy Sample Date: 2/21/14

Sample ID: Ruby #28

Percent Distilled	Temperature		
(BP	112		
5	160		
10	190		
20	262	%Recovered =	93.5
30	310	% Residue =	4.5
40	395	% Loss =	2.0
50	505		
60	614		
70	700		
80	745		
90	772		
EP	775		

Total Sulfur	API Gravity	Specific Gravity
0.6251 wt%	38.2	0.8338

Water Analysis Report

An Ecolab Company

Attention: Jeromie Pickering

Location Code: 23051 Sample ID: AB41358

Batch ID: 2014-02-21_MFA_SWICPWET

Collection Date: **02/10/2014**Receive Date: **02/20/2014**Report Date: **02/28/2014**

Customer: ConocoPhillips (1505033)

Region: Buckeye Field

Location: MCA Station 2 Battery System: Production System

Equipment: Transfer Pump

Lab ID: ABU-1031

Sample Point: Down Stream Valve

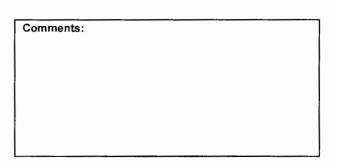
Analyses	Result	Unit
Dissolved CO2	530	mg/L
Dissolved H2S	68.4	mg/L
рН	8	
Pressure	50	psi
Temperature	65	°F

Analyses	Result	Unit
Ionic Strength	3.00	
Resistivity	0.039	ohms - m
Total Dissolved Solids	165200.6	mg/L
Conductivity	258122	µS - cm3
Specfic Gravity	1.113	
Bicarbonate	305	mg/L

Cations	Result	Unit
Iron	1.915	mg/L
Manganese	0.393	mg/L
Barium	0.069	mg/L
Strontium	216.6	mg/L
Calcium	7700	mg/L
Magnesium	2121	mg/L
Sodium	52878.21	mg/L

Anions	Result	Unit
CHLORIDE	99977.46	mg/L
SULFATE	2000	mg/L

Scale Type	Result	
Anhydrite CaSO4 SI	-0.02	
Barite BaSO4 SI	-0.34	
Calcite CaCO3 PTB	127.3	
Calcite CaCO3 \$I	1.13	
Celestite SrSO4 PTB	100.0	
Celestite SrSO4 SI	0.47	
Gypsum CaSO4 PTB	176.5	
Gypsum CaSO4 SI	0.08	
Hemihydrate CaSO4 PTB	74.4	
Hemihydrate CaSO4 SI	0.04	
Saturation Index Calculation (Tomson-Oddo Model)		



04/21/2014 Page 1 of 1

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Water Analysis Report

An Ecolab Company

Attention: Jeromie Pickering

Location Code: 23057 Sample ID: AB47037

Batch ID: 3-4-14 TG SWICPWET
Collection Date: 02/10/2014

Receive Date: 02/20/2014 Report Date: 03/05/2014 Customer: ConocoPhillips (1505033)

Region: Buckeye Field Location: Ruby Battery System: Production System Equipment: Transfer Pump

Lab ID: **ABU-1031**

Sample Point: Down Stream Valve

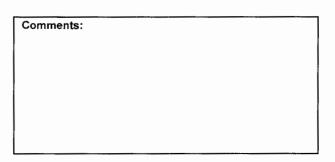
Analyses	Result	Unit
Dissolved CO2	650	mg/L
Dissolved H2S	51.3	mg/L
рН	8	
Pressure	53	psi
Temperature	55	°F

Analyses	Result	Unit
Ionic Strength	3.83	
Resistivity	0.031	ohms - m
Total Dissolved Solids	206303.2	mg/L
Conductivity	322347	μS - cm3
Specfic Gravity	1.143	
Bicarbonate	402.6	mg/L

Cations	Result	Unit
Iron	1.069	mg/L
Manganese	.111	mg/L
Barium	.059	mg/L
Strontium	348.3	mg/L
Calcium	12230	mg/L
Magnesium	2564	mg/L
Sodium	63365.50	mg/L

Anions	Result	Unit
CHLORIDE	125971.6	mg/L
SULFATE	1420	mg/L

Scale Type	Result
Anhydrite CaSO4 PTB	145.2
Anhydrite CaSO4 SI	0.12
Barite BaSO4 SI	-0.35
Calcite CaCO3 PTB	188.8
Calcite CaCO3 SI	1.48
Celestite SrSO4 PTB	180.1
Celestite SrSO4 SI	0.64
Gypsum CaSO4 PTB	244.8
Gypsum CaSO4 SI	0.17
Hemihydrate CaSO4 PTB	165.1
Hemihydrate CaSO4 SI	0.13
Saturation Index Calculation (Tomson-C	Oddo Model)



04/21/2014 Page 1 of 1

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Water Analysis Report

An Ecolab Company

Attention: Jeromie Pickering

Location Code: 22737 Sample ID: AB41355

Batch ID: 2014-02-21_MFA_SWICPWET

Collection Date: **02/11/2014**Receive Date: **02/20/2014**Report Date: **02/28/2014**

Customer: ConocoPhillips (1505033)

Region: Maljamar Field
Location: Ruby Lease
System: Production System

Equipment: Well 8 Lab ID: ABU-1031

Sample Point: Well Head Valve Up Stream of Choke

Analyses	Result	Unit
Dissolved CO2	240	mg/L
Dissolved H2S	119.7	mg/L
рН	8	
Pressure	150	psi
Temperature	50	۰F

Analyses	Result	Unit
Ionic Strength	2.08	
Resistivity	0.053	ohms - m
Total Dissolved Solids	119765.2	mg/L
Conductivity	187129	μS - cm3
Specfic Gravity	1.08	
Bicarbonate	427	mg/L

Cations	Result	Unit
Iron	2.725	mg/L
Manganese	0.25	mg/L
Barium	0.088	mg/L
Strontium	86.44	mg/L
Calcium	2713	mg/L
Magnesium	1927	mg/L
Sodium	40734.74	mg/L

Anions	Result	Unit
CHLORIDE	70984	mg/L
SULFATE	2890	mg/L

Scale Type	Result
Anhydrite CaSO4 SI	-0.48
Barite BaSO4 SI	-0.02
Calcite CaCO3 PTB	121.7
Calcite CaCO3 \$I	0.62
Celestite SrSO4 PTB	20.5
Celestite SrSO4 SI	0.18
Gypsum CaSO4 SI	-0.19
Hemihydrate CaSO4 SI	-0.20
Saturation Index Calculation (Tomso	n-Oddo Model)

Comments:	 	

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Water Analysis Report

An Ecolab Company

Attention:Jeromie Pickering

Location Code: 22634

Sample ID: AB41356

Batch ID: 2014-02-21_MFA_SWICPWET

Collection Date: **02/10/2014**Receive Date: **02/20/2014**Report Date: **02/28/2014**

Customer: ConocoPhillips (1505033)

Region: Maljamar Field

Location: MCA Unit 3-B Header System: Production System

Equipment: Well 122 Lab ID: ABU-1031

Sample Point: Well Head Valve Up Stream of Choke

Analyses	Result	Unit
Dissolved CO2	760	mg/L
Dissolved H2S	51.3	mg/L
рН	8	
Pressure	60	psi
Temperature	40	۰F

Analyses	Result	Unit
Ionic Strength	1.26	
Resistivity	0.086	ohms - m
Total Dissolved Solids	74784.63	mg/L
Conductivity	116825	μS - cm3
Specfic Gravity	1.046	
Bicarbonate	3660	mg/L

Cations	Result	Unit
Iron	15.59	mg/L
Manganese	1.333	mg/L
Barium	0.138	mg/L
Strontium	48.65	mg/L
Calcium	2355	mg/L
Magnesium	917.2	mg/L
Sodium	24540.96	mg/L

Anions	Result	Unit
CHLORIDE	40990.76	mg/L
SULFATE	2255	mg/L

Scale Type	Result
Anhydrite CaSO4 SI	-0.74
Barite BaSO4 PTB	0.0
Barite BaSO4 SI	0.24
Calcite CaCO3 PTB	1423.8
Calcite CaCO3 SI	1.49
Celestite SrSO4 SI	-0.12
Gypsum CaSO4 SI	-0.28
Hemihydrate CaSO4 SI	-0.23

Comments:	,		

03/03/2014

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Water Analysis Report

An Ecolab Company

Attention: Jeromie Pickering

Location Code: 115385 Sample ID: AB41359

Batch ID: 2014-02-21_MFA_SWICPWET

Collection Date: **02/10/2014**Receive Date: **02/20/2014**

Report Date: 02/28/2014

Customer: ConocoPhillips (1505033)

Region: Maljamar Field
Location: Ruby Lease
System: Production System

Equipment: **Well 35**Lab ID: **ABU-1031**

Sample Point: Well Head Valve Up Stream of Choke

Analyses	Result	Unit
Dissolved CO2	640	mg/L
Dissolved H2S	34.2	mg/L
рН	8	
Pressure	150	psi
Temperature	65	۰F

Analyses	Result	Unit
Ionic Strength	3.62	
Resistivity	0.033	ohms - m
Total Dissolved Solids	195915.4	mg/L
Conductivity	306115	μS - cm3
Specfic Gravity	1.136	
Bicarbonate	122	mg/L

Cations	Result	Unit
Iron	1.953	mg/L
Manganese	0.14	mg/L
Barium	0.073	mg/L
Strontium	339.7	mg/L
Calcium	10740	mg/L
Magnesium	2250	mg/L
Sodium	61483.62	mg/L

Anions	Result	Ųnit
CHLORIDE	119972.95	mg/L
SULFATE	1005	mg/L

Scale Type	Result
Anhydrite CaSO4 SI	-0.09
Barite BaSO4 SI	-0.53
Calcite CaCO3 PTB	46.5
Calcite CaCO3 SI	0.95
Celestite SrSO4 PTB	130.2
Celestite SrSO4 SI	0.43
Gypsum CaSO4 SI	-0.07
Hemihydrate CaSO4 SI	-0.11
Saturation Index Calculation (Tomso	n-Oddo Model)

Comments:		

03/03/2014 Page 1 of 1

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Water Analysis Report

An Ecolab Company

Attention: Jeromie Pickering

Location Code: 115389 Sample ID: AB41360

Batch ID: 2014-02-21_MFA_SWICPWET

Collection Date: 02/10/2014 Receive Date: 02/20/2014

Balei ID. 2014-02-21_MIA_5WICI WEI

Report Date: **02/28/2014**

Customer: ConocoPhillips (1505033)

Region: Maljamar Field Location: MCA Unit

System: Production System

Equipment: Well 512 Lab ID: ABU-1031

Sample Point: Well Head Valve Up Stream of Choke

Analyses	Result	Unit
Dissolved CO2	420	mg/L
Dissolved H2S	85.5	mg/L
рН	8	
Pressure	200	psi
Temperature	70	۰F

Analyses Result		Unit
Ionic Strength	1.64	
Resistivity	0.066	ohms - m
Total Dissolved Solids	96435.83	mg/L
Conductivity	150677	μS - cm3
Specfic Gravity	1.061	
Bicarbonate	3416	mg/L

Cations	Result	Unit
Iron	2.569	mg/L
Manganese	0.226	mg/L
Barium	0.069	mg/L
Strontium	73.67	mg/L
Calcium	2598	mg/L
Magnesium	995.2	mg/L
Sodium	32657.27	mg/L

Anions	Result	Unit
CHLORIDE	53987.83	mg/L
SULFATE	2705	mg/L

Scale Type	Result
Anhydrite CaSO4SI	-0.45
Barite BaSO4 SI	-0.25
Calcite CaCO3 PTB	1501.9
Calcite CaCO3 SI	1.73
Celestite SrSO4 PTB	9.9
Celestite SrSO4 SI	0.09
Gypsum CaSO4 SI	-0.22
Hemihydrate CaSO4 SI	-0.24
Saturation Index Calculation (Tomson-C	Oddo Model)

Comments:		

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Water Analysis Report

An Ecolab Company

Attention: Jeromie Pickering

Location Code: 118437 Sample ID: AB41361

Batch ID: 2014-02-21_MFA_SWICPWET

Collection Date: 02/10/2014 Receive Date: 02/20/2014 Report Date: 02/28/2014

Analyses Result Unit Dissolved CO2 340 mg/L Dissolved H2S 188.1 mg/L рΗ 8 Pressure 150 psi ۰F Temperature 61

Cations	Result	Unit
Iron	1.116	mg/L
Manganese	0.23	mg/L
Barium	0.082	mg/L
Strontium	48.41	mg/L
Calcium	2266	mg/L
Magnesium	816.9	mg/L
Sodium	33758.44	mg/L

Scale Type	Result	
Anhydrite CaSO4 SI	-0.57	
Barite BaSO4 SI	-0.13	
Calcite CaCO3 PTB	428.6	
Calcite CaCO3 SI	1.09	
Celestite SrSO4 SI	-0.10	
Gypsum CaSO4 SI	-0.28	
Hemihydrate CaSO4 SI	-0.29	
Saturation Index Calculation (Tomson-O	ddo Model)	

Customer: ConocoPhillips (1505033)

Region: Maljamar Field Location: MCA Unit

System: Production System

Equipment: Well 514 Lab ID: ABU-1031

Sample Point: Well Head Valve Up Stream of Choke

Analyses	Result	Unit
Ionic Strength	1.67	
Resistivity	0.066	ohms - m
Total Dissolved Solids	96571.56	mg/L
Conductivity	150891	μS - cm3
Specfic Gravity	1.063	
Bicarbonate	1098	mg/L

Anions	Result	Unit
CHLORIDE	55987.38	mg/L
SULFATE	2595	mg/L

Comments:	 	

03/03/2014 Page 1 of 1

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Susan B. Maunder Sr. Regulatory Specialist Phone: (281) 206-5281 ConocoPhillips Company 600 N. Dairy Ashford Road, Off P10-3096 Houston, TX 77079-1175

June 2, 2014

State of New Mexico
Oil Conservation Division
Attn: Mr. Phillip Goetze
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

SUBJECT: REQUEST FOR APPROVAL OF DOWNHOLE COMINGLING FOR RUBY FEDERAL #2

Dear Mr. Goetze,

ConocoPhillips Company respectfully requests an approval of our plans to Downhole Comingle the Maljamar; Yeso West Pool (44500) and the Maljamar; Grayburg, San Andres Pool (43329) in the Ruby Federal #2 well. The lease is recorded as NM LC 029405B. The well is located in UL O, 1140' from the south line and 2310' from the east line of Section 17, Township 17S, Range 32E, Lea County, New Mexico. ConocoPhillips is 100% lessee and 100% working interest owner of the Ruby federal lease in both zones proposed for Downhole Commingling. Royalty interest is the same in both pools. The lease to the south is NM LC 029405A. The operator is COG Operating LLC. The granting of this request will prevent waste by providing access to otherwise marginal production.

Enclosed are the following documents in support of this request.

- Administrative Application Checklist
- Copy of the New Mexico Form C-107A (with attachments)
- Copy of letter sent to spacing unit interest owners.

A copy of this letter is being sent to Bureau of Land Management, Carlsbad Field Office. Notification is being provided by separate letter to interest owners in the adjacent spacing unit (as per NMAC 19.15.12) via certified return receipt.

If you have questions regarding this request, I can be reached at 281-206-5281 or via email at Susan.B.Maunder@conocophillips.com.

Sincerely,

Susan B. Maunder

Senior Regulatory Specialist ConocoPhillips Company

Wan B. Mounder



Susan B. Maunder Sr. Regulatory Specialist Phone: (281) 206-5281 ConocoPhillips Company 600 N. Dairy Ashford Road, Off P10-3096 Houston, TX 77079-1175

June 2, 2014

COG Operating LLC 550 West Texas, Suite 1300 Midland, TX 79701

SUBJECT: REQUEST FOR APPROVAL OF DOWNHOLE COMINGLING FOR RUBY FEDERAL #2

Dear Sir or Madam.

ConocoPhillips Company is requesting an approval to Downhole Comingle the Maljamar; Yeso West Pool (44500) and the Maljamar; Grayburg, San Andres Pool (43329) in the Ruby Federal #2 well. The lease is recorded as NM LC 029405B. The well is located in UL O, 1140' from the south line and 2310' from the east line of Section 17, Township 17S, Range 32E, Lea County, New Mexico. ConocoPhillips is 100% lessee and 100% working interest owner of the Ruby federal lease. The lease to the south is NM LC 029405A. You are being provided notification of this action as an interest owner in the adjacent spacing unit. Any comments need to be provided to New Mexico Oil Conservation Division; 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within 20 days.

If you have questions regarding this request, I can be reached at 281-206-5281 or via email at Susan.B.Maunder@conocophillips.com.

Sincerely,

Susan B. Maunder

Senior Regulatory Specialist ConocoPhillips Company

B. Maunder

SENDER: COMPLETE THIS:	SECTION	COMPLETE	THIS SE	CTION ON DE	IVERY
Complete items 1, 2, and 3. item 4 if Restricted Delivery Print your name and address so that we can return the ca Attach this card to the back or on the front if space permanents. Article Addressed to: BLIV Carls bad Field Carls bad Fie	is desired. s on the reverse rd to you. of the mailpiece, alts.		d by (Printe	ad Name) different from ite	· [
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