

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



August 4, 2014

ConocoPhillips Company
Attn: Ms. Deborah Upson

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL7126
Administrative Application Reference No. pEH1419833064

ConocoPhillips Company
OGRID 217817
SEMU Well No. 266
API No. 30-025-pending

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
1488 FSL & 160 FEL	I	19	20S	38E	Lea

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 SE/4 of Section 19	40	Skaggs; Grayburg	57380

Reference is made to your application received on July 14, 2014.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit outer boundary.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location due to engineering concerns about reservoir drainage.

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It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 9.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on August 4, 2014.

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jami Bailey
Director

JB/mam

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