

DATE IN 1/23/2015	SUSPENSE	ENGINEER MAM	LOGGED IN 1/23/2015	TYPE PL	APP NO. PMAM1502357543
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ 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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Ashley Bergen
 Print or Type Name

Ashley Bergen
 Signature

Regulatory Specialist
 Title

01/19/2015
 Date

ashley.bergen@conocophillips.com
 e-mail Address

PL 1282
 - ConocoPhillips Company
 217817
 Wells west
 - Red Hills 16 State TGA124
 30-025-41706
 - Red Hills west state
 W1
 30-025-41707
 - Red Hills west state
 W2
 30-025-41708
 2015 JAN 23 P. 3: 59
 RECEIVED OGD
 POOL
 - Jennings
 4 PCH BOWE
 SPRING STATE
 97838
 - WL-025
 G095262169
 WORKAMP
 98065



Cody S. Travers, RPL
MCBU - West Permian

600 N. Dairy Ashford
BKC-02-2096
Houston, TX 77079

Phone: 281-206-5072
Cody.S.Travers@ConocoPhillips.com

January 21, 2015

New Mexico Oil Conservation Division
Attn: Michael McMillan
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Pool Commingle
LG-3620
Township 26 South, Range 32 East
Section 16
Lea County, NM

Dear Mr. McMillan,

Please find enclosed a summary of the interest owners. ConocoPhillips Company has verified the interest owners by procuring title opinions covering the subject lands.

Should you have any questions, please do not hesitate to contact the undersigned at (281) 206-5072.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cody S. Travers', written over a horizontal line.

Cody S. Travers, RPL
Senior Landman

Enclosures

Pool Commingle Application
Red Hills West State 16

Please see the information below regarding the interest owners and wells covering Sections 16 of T26S-R32E, Lea County, NM.

The following wells are currently being drilled/completed and all have the same interest owners: Red Hills West 16 State TC 12H, Red Hills West 16 State W1 11H, Red Hills West 16 State W2 10H and Red Hills West 16 State W3 9HH (see ownership breakdown below).

<u>Interest Owners</u>	<u>WI</u>	<u>NRI</u>
ConocoPhillips Company	100%	87.5%
State of New Mexico	0%	12.5%
Total	100%	100%

APPLICATION FOR, COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Proposal for Red Hills West 16 State W3 9H, Red Hills West 16 State W2 10H, Red Hills West 16 State W1 11H & Red Hills West 16 State TC 12H.

State Lease LG3620000

<u>Well Name</u>	<u>Location</u>	<u>API #</u>	<u>Pool</u>	<u>Oil BOPD</u>	<u>Gravities</u>	<u>MCFPD</u>	<u>Dry BTU/CF</u>	<u>Dry BTU/d</u>
Red Hills West 16 State W3 9H	Sec 16, NENE T26S, R32E	30-025-41709	98065	200*	48.3*	1600*	1290*	1240*
Red Hills West 16 State W2 10H	Sec 16, NENE T26S, R32E	30-025-41708	98065	190*	48.3*	1030*	1290*	798*
Red Hills West 16 State W1 11H	Sec 16 NENE T26S, R32E	30-025-41707	98065	390*	48.3*	1340*	1290*	1039*
Red Hills West 16 State TC 12H	Sec 16 NENE T26S, R32E	30-025-41706	97838	120*	48.7*	780*	1165*	670*

*These are proposed totals for these wells; once these wells are producing the production information will be amended. I will submit BOPD & MCFPD for the Red Hills Wells upon receipt.

Attached map shows the federal lease and well locations in Section 16, T26S 32E.

Location:

The central tank battery is located on Section 16, T26S, R32E on State Lease LG3620000 in Lea, NM. Wells served are the: Red Hills West 16 State W3 9H, Red Hills West 16 State W2 10H, Red Hills West 16 State W1 11H & Red Hills West 16 State TC 12H.

Process and Flow Descriptions:

The production through the facility will be as follows. The production for each well will flow to a dedicated 3 phase Production Separator for gas, water, and oil to be metered. Oil is metered through a Coriolis meter* and the gas is metered through a dP gas allocation meter (senior fitting). The water is metered through a turbine meter. The oil production for the Red Hills Facility has (4) 500 bbl oil tanks at the tank battery that all wells can utilize. The volume of all tanks is determined by both Guided Wave Radar and Differential Pressure Level. Produced water flows from the Production Separator and Heater Treater to the (6) 500 bbl water tanks. This water is then transferred and will be pumped into the Wilder 28 or Buck 17 SWD. Any water (in oil tank) or hydrocarbon (in water tank) that is separated during residence time in the storage tanks is pumped off the tank back to the Heater for reprocessing. The oil will be hauled by trucks that are loaded through the LACT unit.

Oil and Gas Metering:

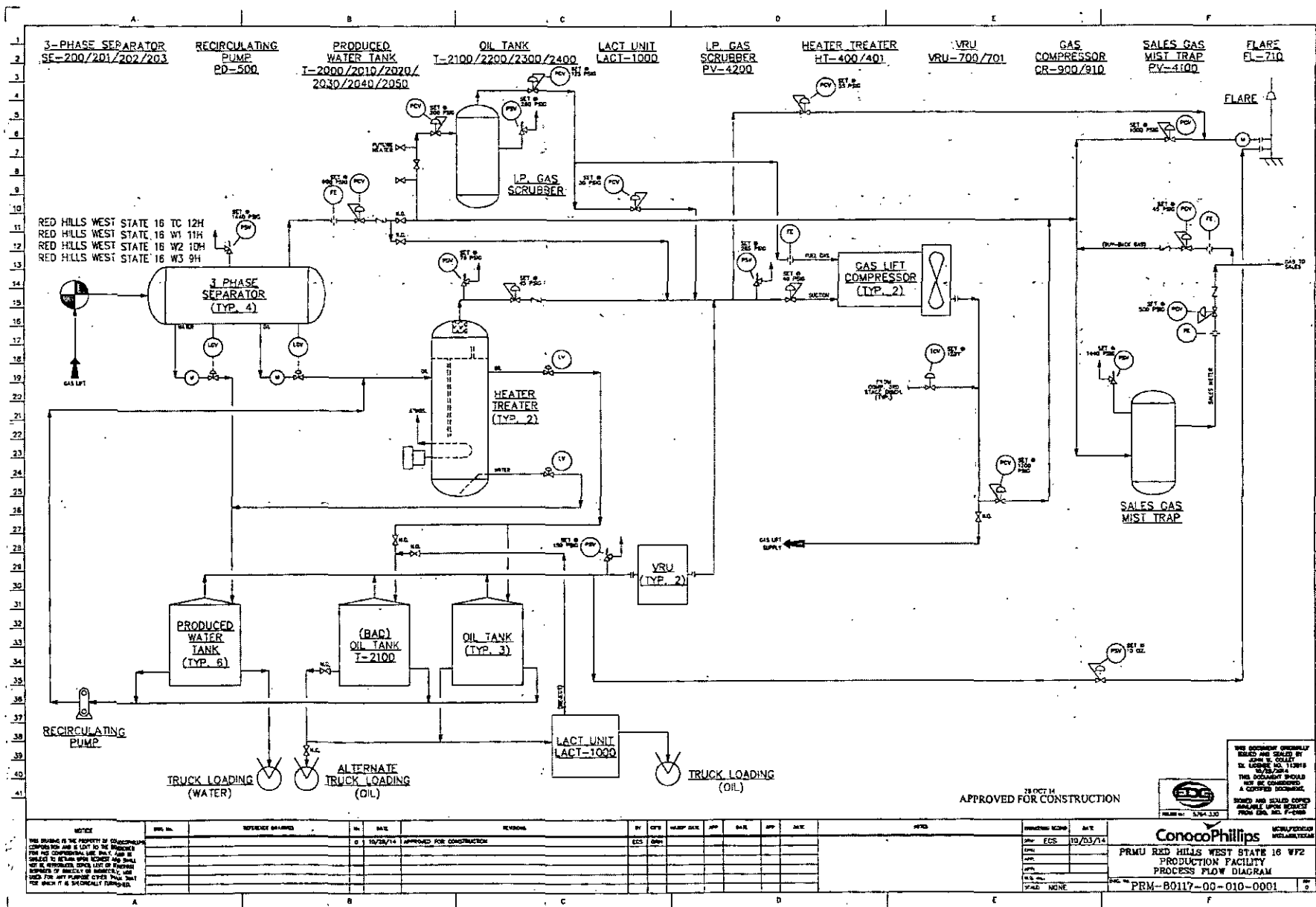
Red Hills West 16 State W3 9H production is measured at it separator which includes Coriolis meter #*1111111. Gas is measured through a senior fitting meter with meter #1111111. Water is measured through a turbine meter.

Red Hills West 16 State W2 10H production is measured at it separator which includes Coriolis meter #*1111111. Gas is measured through a senior fitting meter with meter #1111111. Water is measured through a turbine meter.

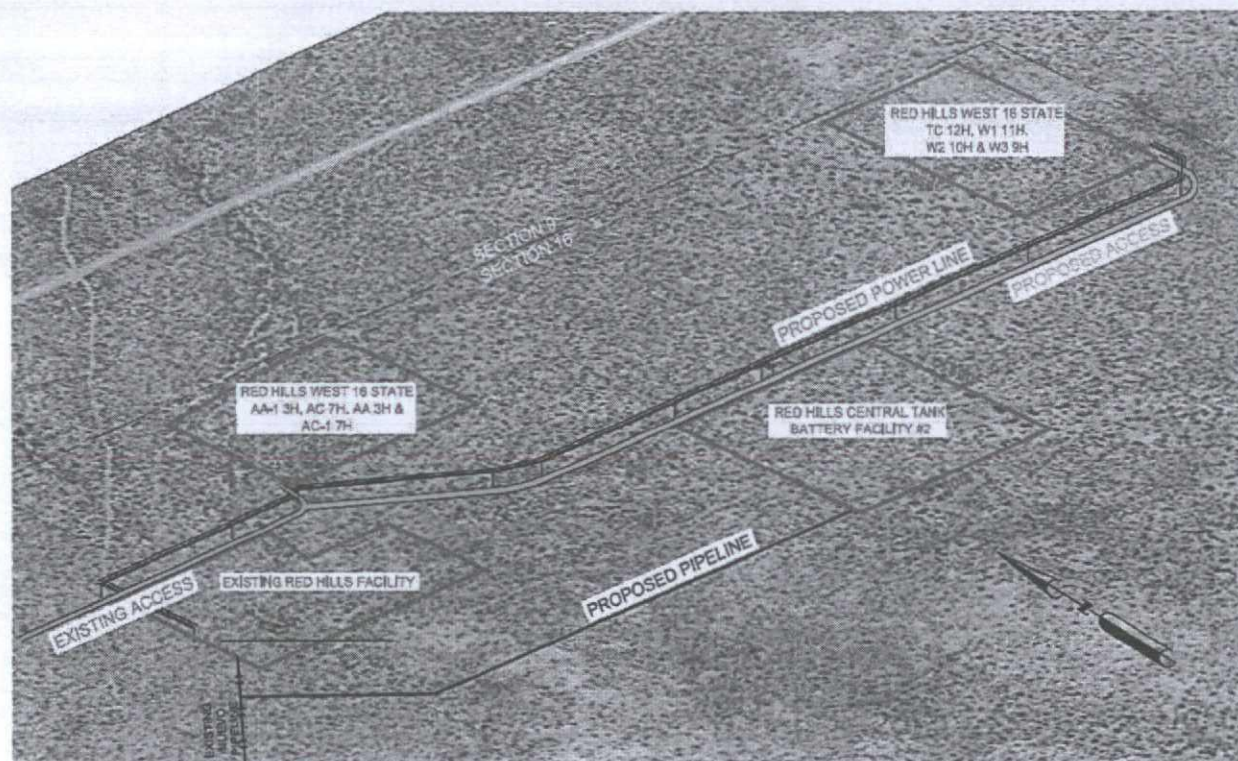
Red Hills West 16 State W1 11H production is measured at it separator which includes Coriolis meter #*1111111. Gas is measured through a senior fitting meter with meter #1111111. Water is measured through a turbine meter.

Red Hills West 16 State TC 12H production is measured at it separator which includes Coriolis meter #*1111111. Gas is measured through a senior fitting meter with meter #1111111. Water is measured through a turbine meter.

*The test meters are Micro Motion Coriolis Meters, meter numbers will be provide upon installation of meters and completion of the tank battery.



Layout



Map Coordinates and Measurements:

- Top Left: S89°52'13"W - 2675.69' (Meas.)
- Top Right: S89°53'13"W - 2672.67' (Meas.)
- Bottom Left: S89°54'15"W - 2665.89' (Meas.)
- Bottom Right: S89°56'03"W - 2660.62' (Meas.)
- Left Edge: N00°05'14"W - 2673.66' (Meas.)
- Right Edge: N00°07'11"E - 2671.31' (Meas.)
- Bottom Edge: N00°04'34"W - 2672.98' (Meas.)
- Bottom Right Edge: N00°11'05"E - 2679.16' (Meas.)
- Scale: 1000', 500', 0', 1000'
- Scale Text: SCALE, DRAWN: 02-18-14 S.F.

Coordinate Tables:

NAD 83 (SURFACE LOCATION)	
LATITUDE	= 32°02'58.18" (32.049494)
LONGITUDE	= 103°40'20.67" (103.672408)
NAD 27 (SURFACE LOCATION)	
LATITUDE	= 32°02'57.73" (32.049369)
LONGITUDE	= 103°40'18.97" (103.671936)
STATE PLANE NAD 83	
N:	382370.94 E: 746108.34
STATE PLANE NAD 27	
N:	382313.62 E: 704821.44

NAD 83 (BOTTOM HOLE)	
LATITUDE	= 32°02'11.31" (32.036475)
LONGITUDE	= 103°40'21.42" (103.672617)
NAD 27 (BOTTOM HOLE)	
LATITUDE	= 32°02'10.86" (32.036350)
LONGITUDE	= 103°40'19.72" (103.672144)
STATE PLANE NAD 83	
N:	377834.40 E: 746072.82
STATE PLANE NAD 27	
N:	377577.20 E: 704885.72

Map Labels:

- DEDICATED ACRES
- SL 283
- SL 330
- 500'45.24"
- 4737.61'
- BH 330
- BH 380

Surveyor Information:

"OPERATOR CERTIFICATION"
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Ashley Bergen* Date: _____

Printed Name: Ashley Bergen

E-mail Address: ashley.bergen@conocophillips.com

"SURVEYOR 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.

February 04, 2014

Date of Survey: _____
 Signature and Seal of Professional Surveyor: _____

Professional Surveyor Seal:
 PROFESSIONAL SURVEYOR
 NEW MEXICO
 12446
 NELSON J. MARSHALL
 02-25-14

Certificate Number: _____

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41707	² Pool Code 98065	³ Pool Name WC-025 G-09 S263216A; Wolfcamp
⁴ Property Code 40438	⁵ Property Name RED HILLS WEST 16 STATE WI	
⁷ GRID No. 217817	⁶ Operator Name ConocoPhillips Company	⁸ Well Number 11H
		⁹ Elevation 3223'

" Surface Location

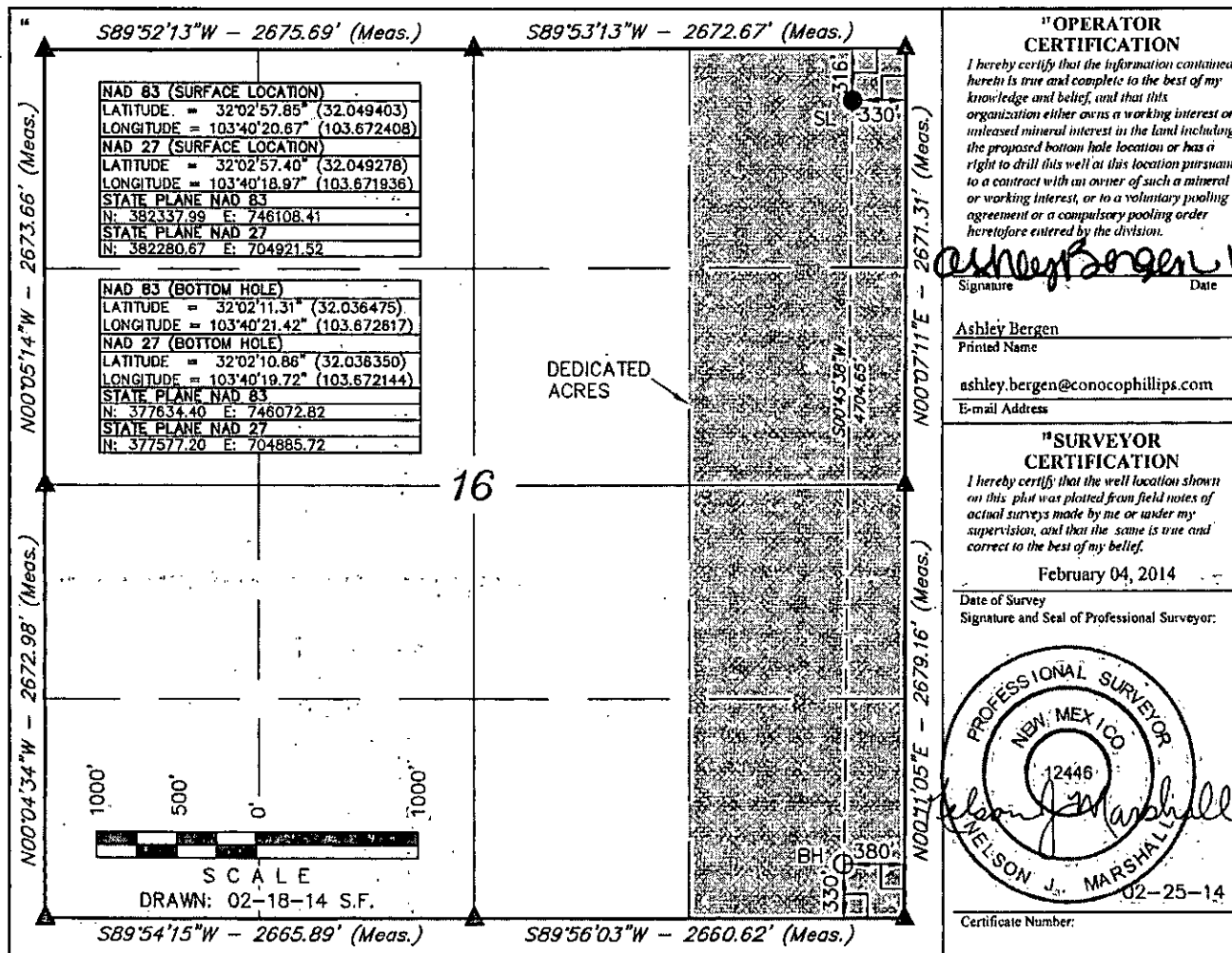
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	16	26 S	32 E		316	NORTH	330	EAST	LEA

" Bottom Hole 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
P	16	26 S	32 E		330	SOUTH	380	EAST	LEA

¹⁰ Dedicated Acres 160	¹¹ Joint or Infill	¹² Consolidation Code	¹³ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



16

DEDICATED ACRES

NAD 83 (SURFACE LOCATION)
 LATITUDE = 32°02'57.53" (32.049314)
 LONGITUDE = 103°40'20.67" (103.672408)
NAD 27 (SURFACE LOCATION)
 LATITUDE = 32°02'57.08" (32.049189)
 LONGITUDE = 103°40'18.97" (103.671936)
STATE PLANE NAD 83
 N: 382304.98 E: 746108.62
STATE PLANE NAD 27
 N: 382247.67 E: 704921.73

NAD 83 (BOTTOM HOLE)
 LATITUDE = 32°02'11.31" (32.036475)
 LONGITUDE = 103°40'21.42" (103.672617)
NAD 27 (BOTTOM HOLE)
 LATITUDE = 32°02'10.86" (32.036350)
 LONGITUDE = 103°40'19.72" (103.672144)
STATE PLANE NAD 83
 N: 377634.40 E: 746072.82
STATE PLANE NAD 27
 N: 377577.20 E: 704885.72

SL 330

BH 380

SCALE
 1000' 500' 0' 500' 1000'

DRAWN: 02-18-14 S.F.

89°52'13"W - 2675.69' (Meas.)
89°53'13"W - 2672.67' (Meas.)
89°54'15"W - 2665.89' (Meas.)
89°56'03"W - 2660.62' (Meas.)
00°05'14"W - 2673.66' (Meas.)
00°07'11"E - 2671.31' (Meas.)
00°04'34"W - 2672.98' (Meas.)
00°11'05"E - 2679.16' (Meas.)



Ashley Bergen
Regulatory Specialist
Phone: (432) 688-6938

ConocoPhillips Company
P.O. Box 51810
Midland, TX 79710-1810

January 23, 2015

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

SUBJECT: REQUEST APPROVAL FOR POOL COMMINGLE

Dear Mr. McMillan,

ConocoPhillips Company has respectfully requests to Pool commingle the Jennings; Upper Shale, Bone Spring (97838) and the WC-025 G-09 A263216A; Wolfcamp (98065) at a common CTB on Lease # 36200000.

Enclosed are the following documents in support of this request.

- Form C-103
- Administrative Application Checklist
- Letter from Land Department
- Form C-107-B
- Facility Description
- Facility Diagram
- Facility/ Well Pad Map
- Form C-102

If you have questions regarding this request, I can be reached at 432-688-6938 or via email at ashley.bergen@conocophillips.com

Sincerely,

A handwritten signature in black ink, appearing to read 'Ashley Bergen', written over a horizontal line.

Ashley Bergen
Regulatory Specialist