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 David R. Catanach, Division Director Oil Conservation Division



Administrative Order DHC-4774

Order Date: September 3, 2015

Application Reference Number: pJAG1520529463

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

Attention: Ms. Ashley Bergen

Britt B Well No. 51 API No. 30-025-pending

Unit O, Section 10, Township 20 South, Range 37 East NMPM

Lea County, New Mexico

Pool SKAGGS; GLORIETA Oil (57190) Names: WEIR; BLINEBRY Oil (63780)

> MONUMENT; TUBB Oil (47090) SKAGGS; DRINKARD Oil (57000)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division Rule 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application the assignment of allowable and allocation of oil and gas production from the subject well shall be determined as follows:

Subsequent to drilling the subject well, the Operator shall test the interval comprising the Weir; Blinebry, Monument; Tubb and Skaggs; Drinkard Pools ("BTD Interval"). The allocation of

production from these three zones shall be based on historical offset well production. Subsequently, the BTD Interval shall be isolated and the Operator shall test the Skaggs; Glorieta Pool. Final allocation of production shall be based upon historical offset well production within the BTD Interval and the well tests conducted on the BTD Interval and Skaggs; Glorieta Pools.

The applicant shall submit the result of the well tests and final allocation of production to the Division's Engineering and Geological Services Bureau within 60 days following completion of this well.

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12A.(6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Division's District I office upon implementation of commingling operations.

This Order is subject to like approval from the Bureau of Land Management.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

David R. Catanach

Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs

Bureau of Land Management - Carlsbad