

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



*Conoco Phillips
 Walker Com LS #2B
 5408-B*

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.

Patsy Clugston

Patsy Clugston

Regulatory Specialist

10/3/07

Print or Type Name

Signature

Title

Date

clugspl@conocophillips.com

e-mail Address



3401 E. 30th Street
Farmington, NM 87401

October 3, 2007
Sent Overnight UPS

New Mexico Oil Conservation Division
NSL Examiner
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Walker Com LS #2B - Amend NSL 5408-A
Unit M (SWSW), 540' FSL & 920' FWL
Section 32, T32N, R9W, San Juan, New Mexico
API # - 30-045-33779

Dear Sir:

This is a request for administrative approval to revise NSL 5408-A to show a corrected dedication for the Dakota pool on the reference well. The Administrative approval for a non-standard gas well location in the Basin Dakota pool was granted 12/14/06 through NSL 5408-A and the reasons previously submitted for the original NSL still applies.

ConocoPhillips' Landman created Dakota ownership, Operating Agreement & Communitization Agreement based upon a 319.23 acre, W/2 32-31N-9W dedication, however, the C-102 and the NMOCD Order NSL-5408-A reflects that the Dakota spacing is S/2 32-31N-9W - 319.05 acres. In error we assumed that the Dakota formation was the same as the Mesaverde formation which was the S/2 and we used this dedication when we applied for the revision to NSL-5048 and the Notice of Intent to add the Dakota formation.

This MV/DK well has been drilled and we were in the process of finalizing the Communitization Agreement (CA) since the well involves both State of NM & Federal lands. The NM Commissioner of Public Lands brought the problem to our attention after they rejected the CA. The BLM has approved the CA and has assigned a reporting number.

To comply with the New Mexico Oil Conservation Division rules, we are submitting the following for your approval to this revision of the non-standard location:

1. Copy of the sundry & the new C102 attached showing the corrected W/2 dedication for the Dakota interval that will be submitted the NMOCD Aztec office
2. Copy of NSL #5408-A NSL approval

As previously stated in our NSL-5408-A application, there are no Dakota wells in the encroached section (Section 5) and Burlington (a subsidiary of ConocoPhillips) is the operator of the section affected by the proposed well and owns 100% of the working interest in the wells in that section. Therefore no offset operator or interest owner notification was made. Please let me know if you have any questions about this application at 505-326-9518.

Sincerely,


Patsy Clugston
Regulatory Specialist

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-33779
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-11125-81
7. Lease Name or Unit Agreement Name Walker Com LS
8. Well Number #2B
9. OGRID Number 217817
10. Pool name or Wildcat Blanco Mesaverde / Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well Gas Well Other

2. Name of Operator
CONOCOPHILLIPS

3. Address of Operator
P.O. Box 4289, Farmington, NM 87499-4289

4. Well Location
Unit Letter M : 540' feet from the South line and 920' feet from the West line
Section 32 Township 31N Range 09W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
- TEMPORARILY ABANDON CHANGE PLANS
- PULL OR ALTER CASING MULTIPLE COMPLETION
- OTHER Correction of dedication on plat (C102)

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
- COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
- CASING TEST AND CEMENT JOB
- OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The dedication for this well should be the W/2 dedication not the S/2 dedication previously submitted. See the attached corrected plat for the subject well.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Patsy Clugston TITLE Sr. Regulatory Specialist DATE 10/3/07

Type or print name Patsy Clugston E-mail address: pclugston@br-inc.com Telephone No. 505-326-9518

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

District I

1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Form C-102
 Permit 61847

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33179	2. Pool Code 71599	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 31747	5. Property Name WALKER COM LS	6. Well No. 002B
7. OGRID No. 217817	8. Operator Name CONOCOPHILLIPS COMPANY	9. Elevation 6339

10. Surface Location

UL - Lot M	Section 32	Township 31N	Range 09W	Lot Idn	Feet From 540	N/S Line S	Feet From 920	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 319.23		13. Joint or Infill		14. Consolidation Code		15. Order No.			

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

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>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(s) 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.</i></p> <p>E-Signed By: <i>Patsy Clugston</i> Title: <i>Regulatory Specialist</i> Date: <i>10/3/07</i></p> <hr/> <p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Jason C. Edwards Date of Survey: 1/17/2005 Certificate Number: 15269</p>
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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

December 14, 2006

ConocoPhillips Company
3401 E. 30th Street
Firmington, New Mexico 87401

Attention: Ms. Patsy Clugston

Re: **Walker Com "LS" Well No. 2B**
API No. 30-045-33779
540' FSL & 920' FWL, Unit M,
Section 32, T-32 North, R-9 West, NMPM,
San Juan County, New Mexico

Administrative Order NSL-5408-A

Dear Ms. Clugston:

Reference is made to the following:

- (a) ConocoPhillips Company's ("ConocoPhillips") application to amend Division Order No. NSL-5408 dated June 27, 2006 for approval of a non-standard well location (*administrative application reference No. pTDS0634747302*) for the Walker Com "LS" Well No. 2B that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on December 13, 2006; and
- (b) the Division's records pertinent to ConocoPhillips' request.

Division Order No. NSL-5408 authorized ConocoPhillips to drill its Walker Com "LS" Well No. 2B at an unorthodox gas well location 540 feet from the South line and 920 feet from the West line (Unit M) of Section 32, Township 32 North, Range 9 West, NMPM, San Juan County, New Mexico, to test the **Blanco-Mesaverde Gas Pool (Prorated Gas -72319)**. The well was authorized to be dedicated to an existing 319.05-acre gas spacing and proration unit comprising the S/2 equivalent of Section 32. It is our understanding that ConocoPhillips now proposes to drill the subject well to a depth sufficient to test the Dakota interval, **Basin-Dakota Gas Pool (Prorated Gas - 71599)**. The well is to be dedicated to a standard 319.05-acre gas spacing and proration unit in the Basin-Dakota Gas Pool comprising the S/2 equivalent of Section 32.

The Basin-Dakota Gas Pool is currently governed by special pool rules established by Division Order No. R-10987, as amended, which provide that:

- (a) a standard unit shall consist of 320 acres, more or less, comprising the N/2, S/2, E/2 or W/2 of a governmental section; and
- (b) wells shall be located no closer than 660 feet from the outer boundary of the proration unit, nor closer than 10 feet from any quarter-quarter section line or subdivision inner boundary.

Division records show that the Walker Com "LS" Well No. 2B will be the first well producing from the Basin-Dakota Gas Pool within the S/2 equivalent of Section 32.

The proposed unorthodox location is necessitated by topographic considerations within the SW/4 of Section 32.

The affected offset acreage is the W/2 of Section 5, Township 30 North, Range 9 West, NMPM. ConocoPhillips stated in its application that Burlington Resources Oil & Gas Company, L.P. (a subsidiary of ConocoPhillips) operates the affected offset acreage and owns 100% of the working interest in this area. Accordingly, the applicant was not required, and did not provide notice of its application to any offset operator and/or interest owner.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Basin-Dakota Gas Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MES/drc

cc: New Mexico Oil Conservation Division - Aztec
Bureau of Land Management-Farmington