

DATE IN 3/25/10	SUSPENSE	ENGINEER RICE	LOGGED IN 3/25/10	TYPE SC	PTG-W	APP NO. 1008447734
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2010 MAR 25 PM 1 23  
 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 Surface Commingle

PC-1223

### [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.

JALYN N. FISKE  
 Print or Type Name

Signature

REGULATORY SPEC. 2/15/10  
 Title Date

Jalyn.fiske@conocophillips.com  
 e-mail Address

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 1301 W. Grand Ave, Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 <u>District IV</u> 1220 S. St Francis Dr, Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Department  <b>OIL CONSERVATION DIVISION</b> 1220 S. St Francis Drive Santa Fe, New Mexico 87505	Form C-107-B Revised June 10, 2003  <div style="border: 1px solid black; padding: 5px; text-align: center;">         Submit the original application to the Santa Fe office with one copy to the appropriate District Office.       </div>
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**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: CONOCOPHILLIPS COMPANY  
 OPERATOR ADDRESS: 3300 N. A STREET, MIDLAND, TX, 79705.  
 APPLICATION TYPE:  
☒ Pool Commingling  
 ☐ Lease Commingling  
 ☐ Pool and Lease Commingling  
 ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)  
 LEASE TYPE:  
 ☐ Fee  
 ☐ State  
 ☒ Federal  
 Is this an Amendment to existing Order? ☐ Yes ☒ No   If "Yes", please include the appropriate Order No. \_\_\_\_\_  
 Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☐ Yes   ☐ No

**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
See attachment "E3"	See attachment "A"	Attachment "A"	Attachment "A"	Attachment "A"

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
- (3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
- (4) Measurement type: ☒ Metering ☐ Other (Specify) \_\_\_\_\_
- (5) Will commingling decrease the value of production? ☐ Yes ☒ No   If "yes", describe why commingling should be approved \_\_\_\_\_

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Pool Name and Code.
- (2) Is all production from same source of supply? ☐ Yes ☐ No
- (3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
- (4) Measurement type: ☐ Metering ☐ Other (Specify) \_\_\_\_\_

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
- (2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location. (See Attachment E1)
- (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. (See Attachment E2)
- (3) Lease Names, Lease and Well Numbers, and API Numbers. (See Attachment E3)

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Jalyn N. Fiske      TITLE: REG. SPEC.      DATE: 2-15-10  
 TYPE OR PRINT NAME: JALYN N. FISKE      TELEPHONE NO.: 432-688-6813  
 E-MAIL ADDRESS: jalyn.fiske@CONOCOPHILLIPS.COM

## Attachment "A"

Result if Burger B20 #2 & #5 are commingled.

Pool	BOPD	API Gravity	Sulfur wt. %	MSCFD	Wet BTU	BWPD	Comments
Burger B20 #2 Warren Tubb Oil Blinebry Oil & Gas	9	38.0	0.4061	36	1150	10	
Burger B20 #5 Blinebry-Tubb	24	38.9	0.3847	84	1150	18	
Total	33	38.7	0.3905	120	1150	28	Result (Sweet)

Production sold separately

Production Revenues					
Pool	BOPD	API Gravity	\$ Value/BO*	Revenue/Day	Comments
Burger B20 #2 Warren Tubb Oil Blinebry Oil & Gas	9	38.0	\$69.93	\$629.37	
Burger B20 #5 Blinebry-Tubb	24	0.0	\$74.31	\$1,783.44	
Total	33	0.0	\$72.12	\$2,412.81	
* Value/BO is paid on crude price deemed API 40 gravity.					

Production sold after commingle

Production Revenues					
Pool	BOPD	API Gravity	\$ Value/BO*	Revenue/Day	Comments
Burger B20 #2 Warren Tubb Oil Blinebry Oil & Gas	9	38.0	\$74.31	\$668.79	
Burger B20 #5 Blinebry-Tubb	24	38.9	\$74.31	\$1,783.44	
Total	33	38.7	\$74.31	\$2,452.23	Result is \$39.42/day incr.
* Value/BO is paid on crude price deemed API 40 gravity.					

Nov.

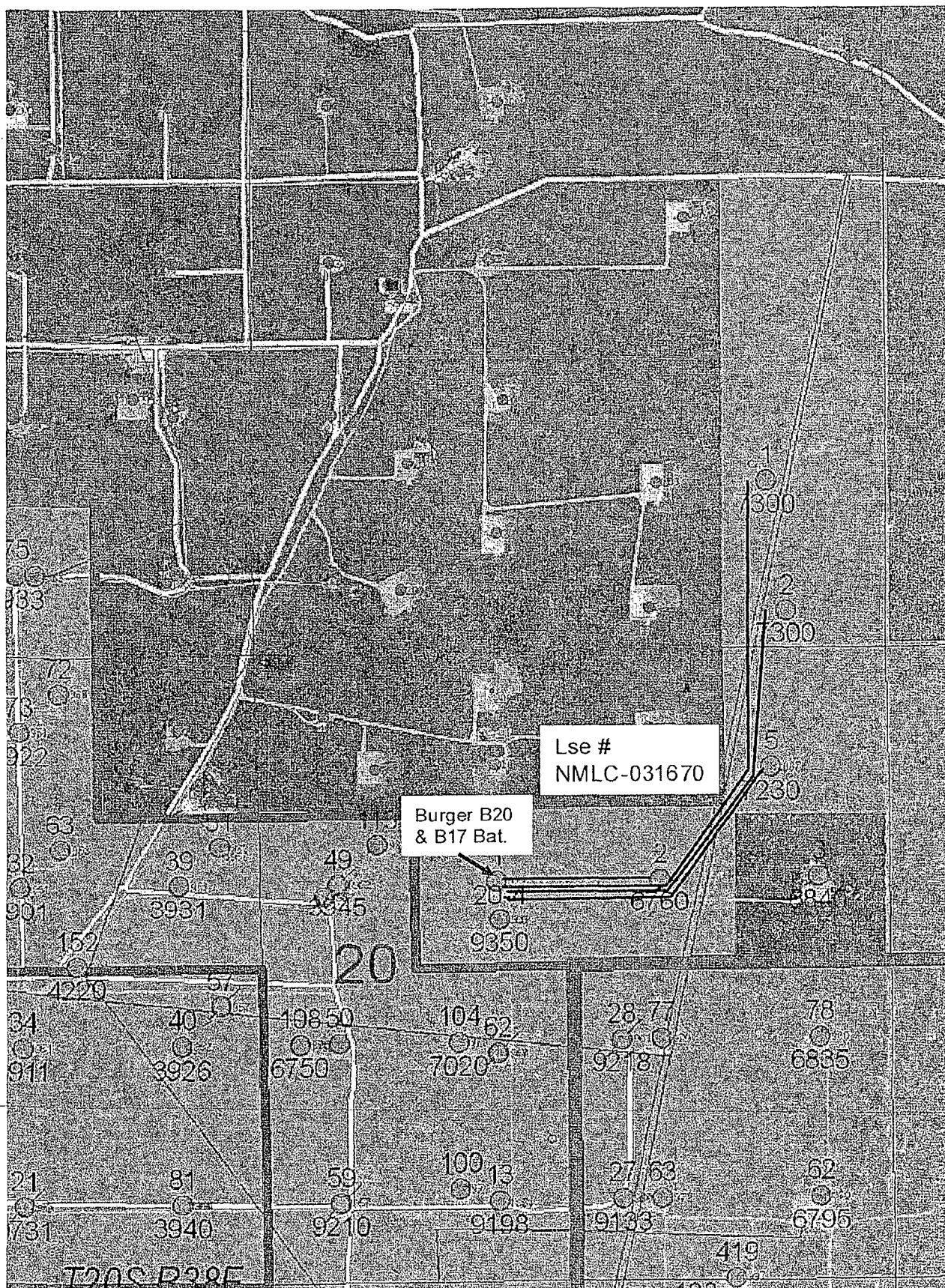
74.31 Posted WTI Sweet Crude

69.93 Posted WTI Sour Crude

Warren Tubb Oil -  
Blinebry Oil -

[illegible]

## Burger B20 & B17 Lease Map



## Attachment "E3"

Lead # WHLC-031670

API	Legal Name	Well Status	Pool	Pool Code	Unit Letter	Surface Legal Location	NorthSouth Distance (#)	NorthSouth Reference	EastWest Distance (#)	EastWest Reference	Co.
3002526540	Burger B20 #2	Producing	Warren Tubbs Oil Blinberry Oil & Gas	63280 6660	G	Sec. 20, T-20-S, R-38-E	1,980	N	1,980	E	LEA
3002537927	Burger B20 #5	Producing	Warren Tubbs Oil Blinberry Oil & Gas	63280 6660	A	Sec. 20, T-20-S, R-38-E	990	N	990	E	LEA



Garrett Haag  
Landman  
Mid-America - Permian Basin  
WL2-15080  
P. O. Box 2197  
Houston, TX 77252-2197  
Tel: 832-486-2782  
Fax: 832-486-2674  
[Garrett.Haag@conocophillips.com](mailto:Garrett.Haag@conocophillips.com)

January 15, 2010

VIA CERTIFIED MAIL

BP America Production Company  
Attn: Craig Ferguson, WL1 6.196  
501 Westlake Park Blvd.  
Houston, TX 77079

XTO Energy  
Attn: Steve Cobb  
810 Houston Street  
Fort Worth, TX 76102

Apache Corporation  
Attn: Michelle Hanson  
Two Warren Place, Suite 1500  
6120 S. Yale Ave  
Tulsa, OK 74136

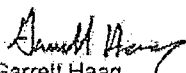
RE: Surface Commingling Application  
Burger B 20 #2 (API: 3002526540)  
Burger B 20 #5 (API: 3002537927)  
Lea County, New Mexico  
A704870 A710357 C-100110

ConocoPhillips Company (COPC), as operator of the Burger B 20 #2 and the Burger B 20 #5, is hereby providing notice of our application for surface commingling (diverse ownership) of said wells. By commingling the production, COPC will be able to sell production at higher sweet crude prices.

If you have questions of a technical nature concerning the operation, please contact Larry Johansen at (432) 368-1223.

Respectfully,

CONOCOPHILLIPS COMPANY

  
Garrett Haag

Encl: Burger B 20 #2 and Burger B 20 #5 Ownership



Mid-America - Permian Basin  
P. O. Box 2197  
Houston, TX 77252-2197  
Tel: 832-486-2000  
Fax: 832-486-6446

January 15, 2010

RE: Surface Commingling Application  
Burger B 20 #2 and Burger B 20 #5  
Lea County, New Mexico

The Burger B 20 #2 well is located 1980 FNL & 1980 FEL Sec. 20, T20S, R38E on USA LC-031670-B lease. The ownership for the working interest, overriding royalty interest and royalty interest owners is noted below:

ConocoPhillips Lease 018642 (USA LC-031670-B) - SWNE Section 20, T20S, R38E

Burger B 20 #2 (API: 3002526540)

<u>Interest Owner</u>	<u>Working Interest</u>	<u>Net Revenue Interest</u>	<u>ORR Interest</u>	<u>Royalty Interest</u>
ConocoPhillips Company	50.00%	43.75%		
BP America Production	25.00%	21.875%		
Apache Corporation	25.00%	21.875%		
Minerals Mgmt. Service				12.50%

The Burger B 20 #5 well is located 990 FNL & 990 FEL Sec. 20, T20S, R38E on USA LC-031670-B lease. The ownership for the working interest, overriding royalty interest and royalty interest owners is noted below:

ConocoPhillips Lease 018642 (USA LC-031670-B) - NENE Section 20, T20S, R38E

Burger B 20 #5 (API: 3002537927)

<u>Interest Owner</u>	<u>Working Interest</u>	<u>Net Revenue Interest</u>	<u>ORR Interest</u>	<u>Royalty Interest</u>
ConocoPhillips Company	25.00%	21.875%		
BP America Production	25.00%	21.875%		
Apache Corporation	25.00%	21.875%		
XTO Energy Inc.	25.00%	21.875%		
Minerals Mgmt. Service				12.50%

I certify that the above information is true and correct.

  
Thomas Scarbrough, CPL  
Staff Landman

ConocoPhillips Company  
January 15, 2010



**Warnell, Terry G, EMNRD**

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**From:** Fiske, Jalyn N [Jalyn.Fiske@conocophillips.com]  
**Sent:** Thursday, March 25, 2010 12:14 PM  
**To:** Warnell, Terry G, EMNRD  
**Subject:** RE: Surface Commingling  
**Attachments:** 2010032513105981.pdf

The checklist doesn't have much info, so here's the whole thing.

Jalyn N. Fiske  
Regulatory Specialist (SENM)  
ConocoPhillips Company  
432.688.6813 (work)  
432.238.4287 (cell)  
[jalyn.fiske@conocophillips.com](mailto:jalyn.fiske@conocophillips.com)

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**From:** Warnell, Terry G, EMNRD [mailto:TerryG.Warnell@state.nm.us]  
**Sent:** Thursday, March 25, 2010 1:02 PM  
**To:** Fiske, Jalyn N  
**Subject:** RE: Surface Commingling

Hi Jalyn,

The only thing I see in our data base in February for you is PMX-255  
Please fax or email me the administrative application check list so I can continue looking  
Sorry for the confusion,  
Terry

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**From:** Fiske, Jalyn N [mailto:Jalyn.Fiske@conocophillips.com]  
**Sent:** Thursday, March 25, 2010 9:10 AM  
**To:** Warnell, Terry G, EMNRD  
**Subject:** Surface Commingling

Can you give me an update on the surface commingling request for Burger B20 #2 and Burger B20 #5? I sent in the application in February and was wondering on the status. Thanks.

Jalyn N. Fiske  
Regulatory Specialist (SENM)  
ConocoPhillips Company  
432.688.6813 (work)  
432.238.4287 (cell)  
[jalyn.fiske@conocophillips.com](mailto:jalyn.fiske@conocophillips.com)

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is

## Ezeanyim, Richard, EMNRD

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**From:** Fiske, Jalyn N [Jalyn.Fiske@conocophillips.com]  
**Sent:** Tuesday, April 06, 2010 2:28 PM  
**To:** Ezeanyim, Richard, EMNRD  
**Subject:** Info on Burger B's

Tank Battery Location:  
Sec 20, T20S, R38E, 2310 FNL, 2210 FWL

Both wells have two pool codes - so they are being DHC, yes. The # 5 was drilled in 2006 and there's the DHC paperwork online, but I can't locate the # 2 DHC paperwork...that well goes way back, though.

Jalyn N. Fiske  
Regulatory Specialist (SENM)  
ConocoPhillips Company  
432.688.6813 (work)  
432.238.4287 (cell)  
[jalyn.fiske@conocophillips.com](mailto:jalyn.fiske@conocophillips.com)

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BP America Production Company  
Attn: Craig Ferguson, WL1 6.196  
501 Westlake Park Blvd.  
Houston, Texas 77079  
RE: Surface Commingling Application  
Burger B 20 #2 & #5

2. Article Number

(Transfer from service label)

7008 1830 0001 4066 3364

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-15

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

Ferguson

C. Date of Delivery

1/19/10

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Apache Corporation  
Attn: Michelle Hanson  
Two Warren Place, Suite 1500  
6120 S Yale Ave.  
Tulsa, OK 74136  
RE: Surface Commingling Application  
Burger B 20 #2 & #5

2. Article Number

(Transfer from service label)

7008 1830 0001 4066 3374

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-15

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

Hanson

C. Date of Delivery

1/21/10

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

XTO Energy  
Attn: Steve Cobb  
810 Houston Street  
Fort Worth, Texas 76102  
RE: Surface Commingling Application  
Burger B 20 #2 & #5

2. Article Number

(Transfer from service label)

7008 1830 0001 4066 4842

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-15

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

Cobb

C. Date of Delivery

1/21/10

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes