



Jeffrey S. Stout
Landman
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Midland, TX 79701
Tel: 432-818-1372

February 24, 2022

Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
Attn: Mr. Kyle O. Paradis (kparadis@blm.gov)
Mr. Edward Fernandez (efernand@blm.gov)

Commissioner of Public Lands
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attn: Mr. Scott Dawson (sdawson@slo.state.nm.us)

State of New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

RE: Zia Hills BS/WC Unit
Serial No. NMNM 138329X
2022 Plan of Development
Eddy and Lea Counties, New Mexico

To Whom It May Concern:

ConocoPhillips Company ("ConocoPhillips"), as Unit Operator of the Zia Hills BS/WC Unit ("ZHU" or "Zia Hills Unit"), hereby submits its 2022 Plan of Development through February 2023.

The ZHU Plan of Development includes the following:

1. Planned operations
2. Contingent operations
3. Prior year operations
4. Status of all wells within the Unit
5. Production graphs for each reservoir
6. Maps of the following:
 - a. Structural and geologic interpretations
 - b. Anticipated Participating Area boundaries
 - c. Wells, flow-lines, and roads
7. Water Use Plan

The BLM granted final approval of the ZHU effective March 1, 2019. ConocoPhillips' 2021 operations and its planned operations through February 2023 are detailed in this Plan of Development.

It is understood that approval of this Plan of Development does not also grant the necessary regulatory approvals required to implement any planned operations and any such regulatory approvals will be obtained separately.

Any additional modifications or additions to this Plan of Development will be filed as supplements to the plan.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey S. Stout", with a stylized flourish at the end.

Jeffrey S. Stout
Staff Land Negotiator

Planned Operations:

Drilling

All other wells described in this section will be unit wells and operations on such wells will be considered Unit operations, per the Zia Hills BS/WC Unit Agreement.

Well Name	API #	Locations	Zone	Spud Timeline
ZHU 2331 WC 1H	3001548516	T26S-R31E Sec 23, Unit M	Wolfcamp	Q1 2022
ZHU 2331 WC 2H	3001548515	T26S-R31E Sec 23, Unit M	Wolfcamp	Q1 2022
ZHU 2331 WC 3H	3001548514	T26S-R31E Sec 23, Unit M	Wolfcamp	Q1 2022
ZHU 2331 WC 4H	3001548513	T26S-R31E Sec 23, Unit M	Wolfcamp	Q1 2022
ZHU 2331 WC 5H	3001548585	T26S-R31E Sec 23, Unit M	Wolfcamp	Q1 2022
ZHU 2331 WC 6H	3001548724	T26S-R31E Sec 23, Unit M	Wolfcamp	Q1 2022
Zia Hills 20 Federal COM 101H	3001545711	T26S-R32E Sec 20, Unit G	Wolfcamp	Q3 2022
Zia Hills 20 Federal COM 102H	3001545712	T26S-R32E Sec 20, Unit G	Wolfcamp	Q3 2022
Zia Hills 20 Federal COM 103H	3001545713	T26S-R32E Sec 20 Unit G	Wolfcamp	Q3 2022
Zia Hills 20 Federal COM 110H	3001545719	T26S-R32E Sec 20 Unit I	Wolfcamp	Q3 2022
Zia Hills 20 Federal COM 111H	3001545720	T26S-R32E Sec 20 Unit I	Wolfcamp	Q3 2022
Zia Hills 20 Federal COM 112H	3001545721	T26S-R32E Sec 20 Unit I	Wolfcamp	Q3 2022
Zia Hills 20 Federal COM 114H	3001545723	T26S-R32E Sec 20 Unit I	Wolfcamp	Q3 2022
Zia Hills 20 Federal COM 115H	3001545724	T26S-R32E Sec 20 Unit I	Wolfcamp	Q3 2022

Completions

Well Name	API #	Locations	Zone	Estimated Stimulation Start
Zia Hills 19 Federal COM #101H	3002544215	T26S-R32E Sec 19, Lot 2	Wolfcamp	Q1 2022
Zia Hills 19 Federal COM #102H	3002544216	T26S-R32E Sec 19, Lot 2	Wolfcamp	Q1 2022

Zia Hills 19 Federal COM #103H	3002544217	T26S-R32E Sec 19, Lot 2	Wolfcamp	Q1 2022
Zia Hills 19 Federal COM #104H	3002544218	T26S-R32E Sec 19, Lot 2	Wolfcamp	Q1 2022
Zia Hills 19 Federal COM 113H	3002544240	T26S-R32E Sec 19, Unit F	Wolfcamp	Q1 2022
Zia Hills 19 Federal COM 114H	3002544247	T26S-R32E Sec 19, Unit F	Wolfcamp	Q1 2022
Zia Hills 19 Federal COM 115H	3002544241	T26S-R32E Sec 19, Unit F	Wolfcamp	Q1 2022
Zia Hills 19 Federal COM 116H	3002544242	T26S-R32E Sec 19, Unit F	Wolfcamp	Q1 2022
ZHU 2331 1H	3001548516	T26S-R31E Sec 23, Unit M	Wolfcamp	Q3 2022
ZHU 2331 2H	3001548515	T26S-R31E Sec 23, Unit M	Wolfcamp	Q3 2022
ZHU 2331 3H	3001548514	T26S-R31E Sec 23, Unit M	Wolfcamp	Q3 2022
ZHU 2331 4H	3001548513	T26S-R31E Sec 23, Unit M	Wolfcamp	Q3 2022
ZHU 2331 5H	3001548585	T26S-R31E Sec 23, Unit M	Wolfcamp	Q3 2022
ZHU 2331 6H	3001548724	T26S-R31E Sec 23, Unit M	Wolfcamp	Q3 2022

Abandonments

Well Name	API #	Locations	Zone	Estimated Stimulation Start

Other Surface Disturbing Operations

Well Name	API #	Location	Operation
Zia Hills 24 CF 2	N/A	T26S-R31E Sec 24	Pad Build
Zia Hills 24 CF 2	N/A	T26S-R31E Sec 24	Facility/Utility Power Construction
Zia Hills 24 Gathering Pipelines	N/A	Start: T26S-R32E Sec 19 End: T26S-R31E Sec 24	Pipeline Construction
Zia Hills 24 CF 2 Trunklines	N/A	Start: T26S-R32E Sec 24 End: T26S-R32E Sec 19	Pipeline Construction
Zia Hills Unit 2331 WC (1H-6H)	Wolfcamp	T26S-R31E Sec 23	Facility/Pipeline/Utility Construction
Zia Hills Unit 2731 Pad 1A (1H-8H)	Wolfcamp	T26S-R31E Sec 27	Pad Build
Zia Hills Unit 2731 Pad 1A (1H-8H)	Wolfcamp	T26S-R31E Sec 27	Facility/Utility Construction
Zia Hills Unit 2731 Pad 2A (9H-16H)	Wolfcamp	T26S-R31E Sec 27	Pad Build
Zia Hills Unit Electrical Substation and Transmission (CF1)	N/A	T26S-R32E Sec 19	Substation Facility Construction
Zia Hills Unit 19 CF 1 HILO Separator	N/A	T26S-R32E Sec 19	Central Facility Modification (Reduce Emission Scope)
Zia Hills Unit 19 CF 1 Gas Offtake Valving/Metering	N/A	T26S-R32E Sec 19	Central Facility Modification (Reduce Emission Scope)
Zia Hills 19 & 20 Federal Unit Electrification	N/A	T26S-R32E Sec 19 T26S-R32E Sec 20	Electrification/Utility Power
Zia Hills Unit 2032 BS (13-16H)	Bone Springs	T26S-R32E Sec 20	Pad Build

Contingent Operations

Drilling

The wells listed below are wells ConocoPhillips may drill if certain circumstances or factors change throughout 2022. ConocoPhillips will submit updates to this Plan of Development if ConocoPhillips will commence drilling on any of these wells prior to February 28, 2023.

Well Name	API #	Locations	Zone
ZHU 2331 WC 7H	30-015-48503	T26S-R31E, Section 23, Unit N	Wolfcamp
ZHU 2331 WC 8H	30-015-48903	T26S-R31E, Section 23, Unit N	Wolfcamp
ZHU 2331 WC 9H	30-015-48500	T26S-R31E, Section 23, Unit N	Wolfcamp
ZHU 2331 WC 10H	30-015-48902	T26S-R31E, Section 23, Unit N	Wolfcamp
ZHU 2331 WC 11H	30-015-48501	T26S-R31E, Section 23, Unit N	Wolfcamp
ZHU 2331 WC 12H	30-015-49143	T26S-R31E, Section 23, Unit N	Wolfcamp
Zia Hills 20 Fed Com 109H	30-025-45718	T26S-R32E Sec 20/17	Wolfcamp
Zia Hills 20 Fed Com 104H	30-025-45714	T26S-R32E Sec 20/17	Wolfcamp
Zia Hills Unit 1932 BS 1H	30-025-47063	T26S-R32E, Section 19, Unit K	Bone Spring
Zia Hills Unit 1932 BS 2H	30-025-47774	T26S-R32E, Section 19, Unit K	Bone Spring
Zia Hills Unit 1932 BS 3H	30-025-47775	T26S-R32E, Section 19, Unit K	Bone Spring
Zia Hills Unit 1932 BS 4H	30-025-47776	T26S-R32E, Section 19, Unit K	Bone Spring
Zia Hills Unit 1932 BS 5H	30-025-47776		Bone Spring
Zia Hills Unit 1932 BS 6H	30-025-47776		Bone Spring
Zia Hills Unit 1932 BS 7H	30-025-47777	T26S-R32E, Section 19, Unit K	Bone Spring
Zia Hills Unit 1932 BS 8H	30-025-47778	T26S-R32E, Section 19, Unit K	Bone Spring
Zia Hills Unit 1932 BS 9H	30-025-47779	T26S-R32E, Section 19, Unit K	Bone Spring
Zia Hills Unit 1932 BS 10H	30-025-47780	T26S-R32E, Section 19, Unit K	Bone Spring
Zia Hills Unit BS 2032 5H	30-025-47781	T26S-R32E, Section 20, Unit J	Bone Spring
Zia Hills Unit BS 2032 6H	30-025-47304	T26S-R32E, Section 20, Unit I	Bone Spring
Zia Hills Unit BS 2032 7H	30-025-47782	T26S-R32E, Section 20, Unit I	Bone Spring
Zia Hills Unit BS 2032 8H	30-025-47305	T26S-R32E, Section 20, Unit I	Bone Spring
Zia Hills Unit BS 2032 13H	30-025-47783	T26S-R32E, Section 20, Unit G	Bone Spring
Zia Hills Unit BS 2032 14H	30-025-47784	T26S-R32E, Section 20, Unit H	Bone Spring
Zia Hills Unit BS 2032 15H	30-025-47785	T26S-R32E, Section 20, Unit H	Bone Spring

Zia Hills Unit BS 2032 16H	30-025-47076	T26S-R32E, Section 20, Unit G	Bone Spring
Zia Hills 20 Fed Com 113H	30-025-45722	T26S-R32E Sec 20/29/32	Wolfcamp
Zia Hills 20 Fed Com 116H	30-025-45725	T26S-R32E Sec 20/29/32	Wolfcamp
Zia Hills Unit 2731 WC 1H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 2H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 3H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 4H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 5H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 6H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 7H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 8H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 9H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 10H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 11H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 12H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 13H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 14H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 15H	-	T26S-R31E Sec 27/34	Wolfcamp
Zia Hills Unit 2731 WC 16H	-	T26S-R31E Sec 27/34	Wolfcamp

Potential Recompletions and Plugbacks

Well Name	API #	Locations	Zone

Prior Year Operations (2021):

Drilling

Well Name	API #	Locations	Zone
Zia Hills 19 Federal COM 101H	3002544215	T26S-R32E Sec 19, Lot 2	Wolfcamp
Zia Hills 19 Federal COM 102H	3002544216	T26S-R32E Sec 19, Lot 2	Wolfcamp
Zia Hills 19 Federal COM 103H	3002544217	T26S-R32E Sec 19, Lot 2	Wolfcamp
Zia Hills 19 Federal COM 104H	3002544218	T26S-R32E Sec 19, Lot 2	Wolfcamp
Zia Hills 19 Federal COM 113H	3002544240	T26S-R32E Sec 19, Unit F	Wolfcamp
Zia Hills 19 Federal COM 114H	3002544247	T26S-R32E Sec 19, Unit F	Wolfcamp

Zia Hills 19 Federal COM 115H	3002544241	T26S-R32E Sec 19, Unit F	Wolfcamp
Zia Hills 19 Federal COM 116H	3002544242	T26S-R32E Sec 19, Unit F	Wolfcamp

Completions

Well Name	API #	Locations	Zone

Abandonments

Well Name	API #	Locations	Zone

Other Surface Disturbing Operations

Well Name	API # or Formation	Location	Operation
Zia Hills 20 Federal Com 105H-108H	Wolfcamp	T26S-R32E Sec 20	Facility & Utility Power Construction
Zia Hills 20 Federal Unit 109H-112H	Wolfcamp	T26S-R32E Sec 20	Facility Construction
Zia Hills 19 Federal Com (101H-104H)	Wolfcamp	T26S-R32E Sec 19	Facility Construction
Zia Hills 19 Federal Com (113H-116H)	Wolfcamp	T26S-R32E Sec 19	Facility Construction
Zia Hills Unit 1932 BS (1-4H)	Bone Springs	T26S-R32E Sec 19	Stake Facility
Zia Hills Unit 2331 WC (1H- 6H)	Wolfcamp	T26S-R31E Sec 23	Stake Facility/Well Pad
Zia Hills Unit 2331 WC (7H- 12H)	Wolfcamp	T26S-R31E Sec 23	Stake Facility/Well Pad

Zia Hills 24 Gathering Pipelines	N/A	Start: T26S-R32E Sec 19 End: T26S-R31E Sec 24	Re-Stake Pipeline
Zia Hills 24 CF 2 Trunklines	N/A	Start: T26S-R32E Sec 24 End: T26S-R32E Sec 19	Re-Stake Pipeline
Zia Hills 19 GDP	N/A	T26S-R32E Sec 19&30	Soil Sampling and Coring Plant and Arc Surveys
Zia Hills 24 CF 2	N/A	T26S-R31E Sec 24	Soil Sampling and Coring Plant and Arc Survey
Lex Luther Treatment/Pit	N/A	T26S-R31E Sec 24	Stake Pad
Lex Luther Treatment/Pit Pipeline	N/A	T26S-R31E Sec 24	Stake Pipeline
Zia Hills 28 CF 3	N/A	T26S-R32E Sec 28	Stake Pad

Status of All Wells Within the Unit:

The following table displays all ConocoPhillips operated Unit wells within the geographic boundary of the Zia Hills Unit. Please note that the locations provided are surface hole locations. Production Status is as of February 15, 2022.

WELL NAME	WELL NO.	API	TWN	RNG	SEC	UL	PA Y/N	FORMATION	PRODUCTION STATUS
Zia Hills Federal Com 19	101H	3002544215	26S	32E	19	E	N	Wolfcamp	Waiting on Completion
Zia Hills Federal Com 19	102H	3002544216	26S	32E	19	E	N	Wolfcamp	Waiting on Completion
Zia Hills Federal Com 19	103H	3002544217	26S	32E	19	E	N	Wolfcamp	Waiting on Completion
Zia Hills Federal Com 19	104H	3002544218	26S	32E	19	E	N	Wolfcamp	Waiting on Completion
Zia Hills Federal Com 19	113H	3002544240	26S	32E	19	F	N	Wolfcamp	Waiting on Completion
Zia Hills Federal Com 19	114H	3002544247	26S	32E	19	F	N	Wolfcamp	Waiting on Completion
Zia Hills Federal Com 19	115H	3002544241	26S	32E	19	F	N	Wolfcamp	Waiting on Completion
Zia Hills Federal Com 19	116H	3002544242	26S	32E	19	F	N	Wolfcamp	Waiting on Completion
Zia Hills Federal Com 19	109H	3002544263	26S	32E	19	F	Y	Wolfcamp	Flowing
Zia Hills Federal Com 19	110H	3002544237	26S	32E	19	F	Y	Wolfcamp	Flowing
Zia Hills Federal Com 19	111H	3002544238	26S	32E	19	F	Y	Wolfcamp	Flowing
Zia Hills Federal Com 19	112H	3002544239	26S	32E	19	F	Y	Wolfcamp	Flowing
Zia Hills Federal Com 19	105H	3002544219	26S	32E	19	E	Y	Wolfcamp	Flowing

Zia Hills Federal Com 19	106H	3002544233	26S	32E	19	E	Y	Wolfcamp	Flowing
Zia Hills Federal Com 19	107H	3002544234	26S	32E	19	E	Y	Wolfcamp	Flowing
Zia Hills Federal Com 19	108H	3002544235	26S	32E	19	E	Y	Wolfcamp	Flowing
Zia Hills Federal Com 20	105H	3002545715	26S	32E	20	J	Y	Wolfcamp	Flowing
Zia Hills Federal Com 20	106H	3002545989	26S	32E	20	J	Y	Wolfcamp	Flowing
Zia Hills Federal Com 20	107H	3002545716	26S	32E	20	J	Y	Wolfcamp	Flowing
Zia Hills Federal Com 20	108H	3002545717	26S	32E	20	J	Y	Wolfcamp	Flowing
Zia Hills 25 E Federal Com	401H	3002542560	26S	32E	25	B	Y	Bone Spring	Flowing
Zia Hills 25 E Federal Com	402H	3002543364	26S	32E	25	B	Y	Bone Spring	Flowing
Zia Hills 25 E Federal Com	403H	3002543377	26S	32E	25	B	Y	Bone Spring	Flowing
Zia Hills 25 E Federal Com	404H	3002543363	26S	32E	25	B	Y	Bone Spring	Flowing

Production graphs:

A production graph is included for the Bone Springs formation and for the Wolfcamp formation.

Map of structural and geologic interpretations:

See attachments.

Map of anticipated participating area boundaries:

The Zia Hills BS/WC Unit currently has three approved Participating Areas. See attached maps for the currently approved Participating Areas, one each for Bone Spring and Wolfcamp. Additionally, see the attached map for the anticipated Wolfcamp Participating Area(s), following approval by the BLM and NMSLO.

Map of wells, flow-lines, and roads:

See attachments.

ConocoPhillips asserts that the planned operations will maintain compliance with the Zia Hills BS/WC Unit Agreement.

In accordance with Article 10 of the Zia Hills Unit Agreement, please signify your approval of the 2022 Plan of Development by executing in the signature block below. Please return one approved copy to the undersigned.

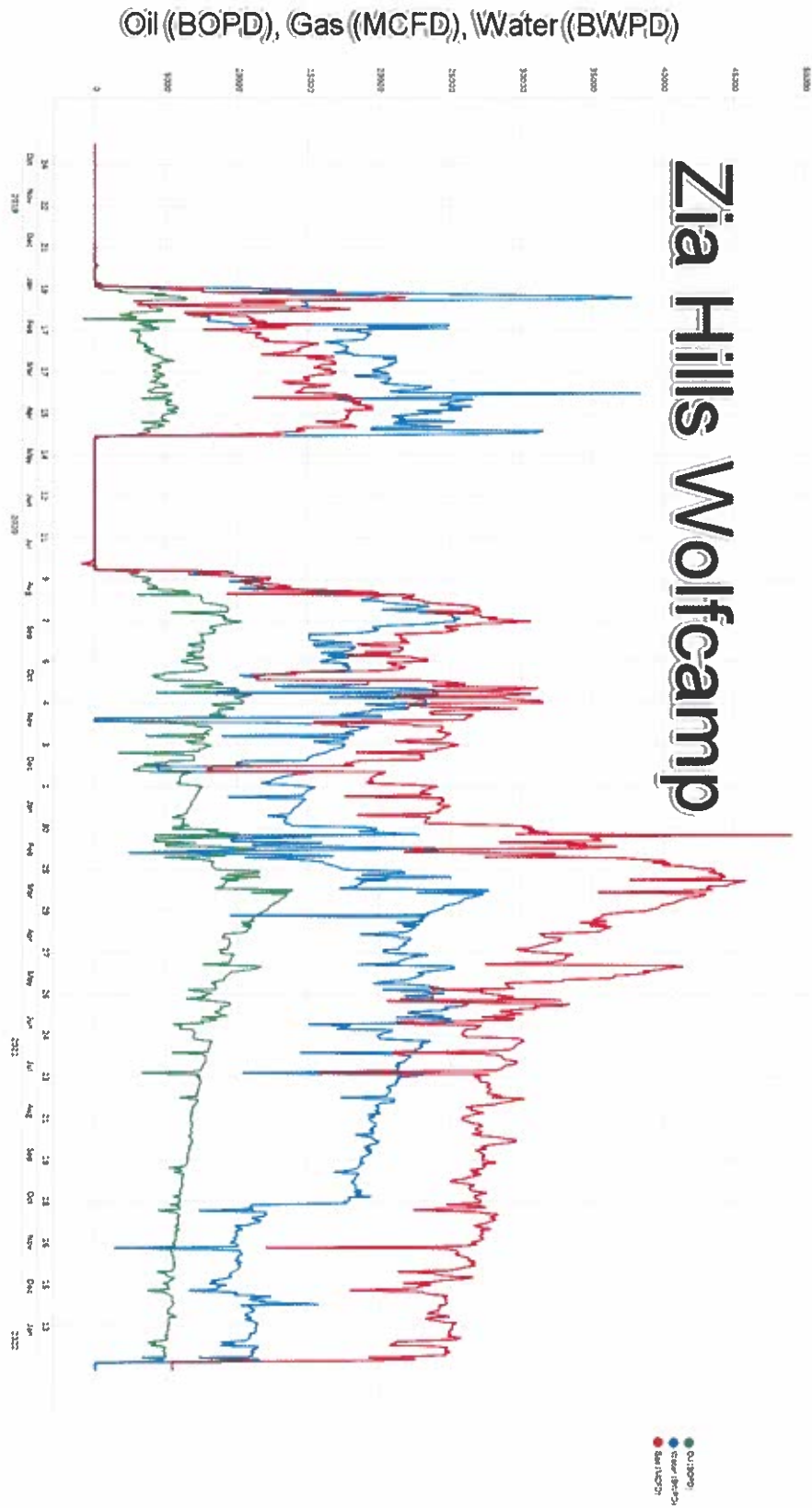
Should you have any questions or comments in this regard, please contact me at 432-818-1372.

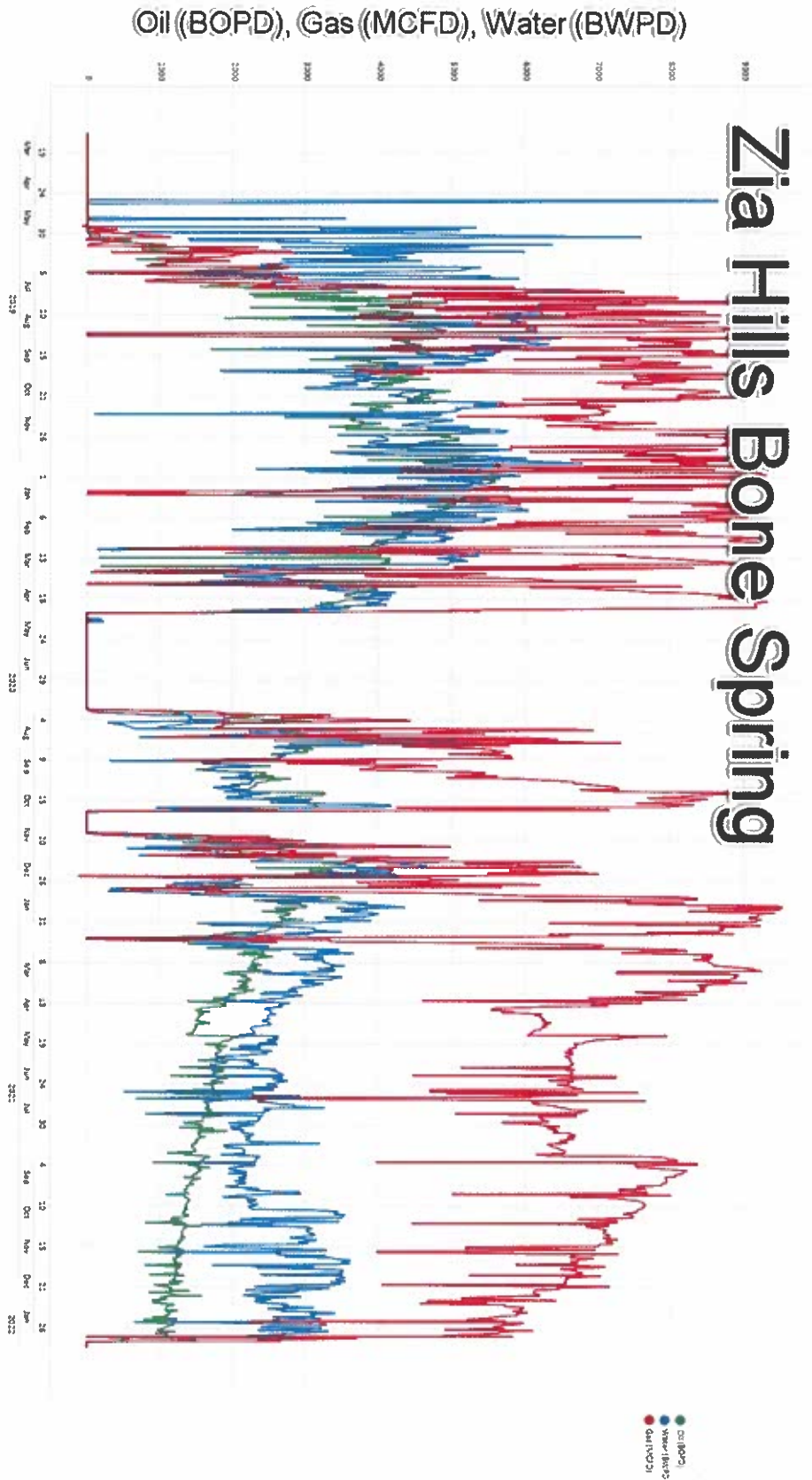
_____	_____
Bureau of Land Management	Date

_____	_____
New Mexico State Land Office	Date

_____	_____
New Mexico Oil Conservation Division	Date

The foregoing approvals are for the Revised 2021 Plan of Development for the Zia Hills BS/WC Unit, Serial No. NMNM 138329X, Eddy and Lea Counties, New Mexico.

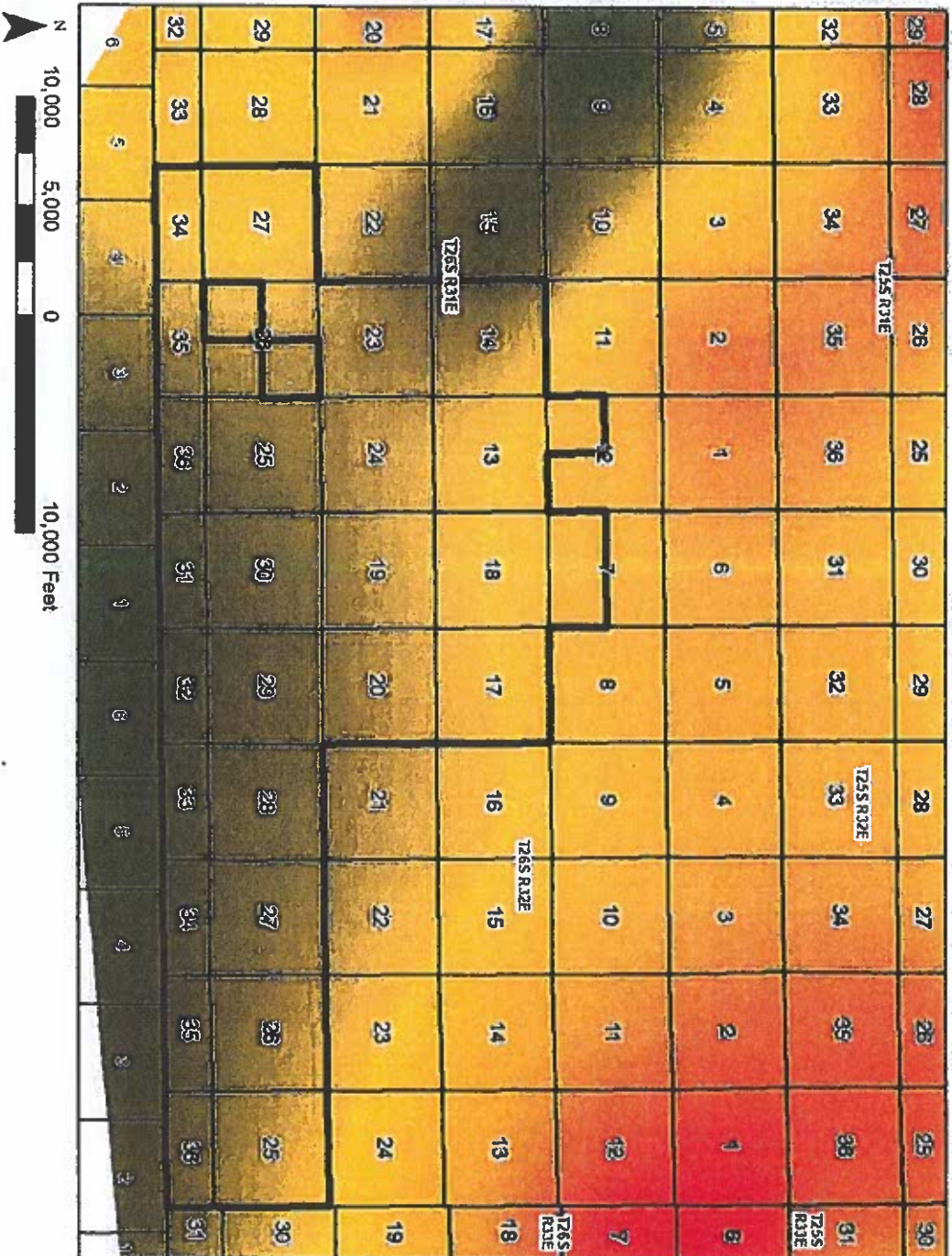




Bulk Volume Hydrocarbon Height (ft) Bone Spring Second Sand

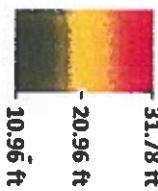


☐ Zia Hills Unit Outline

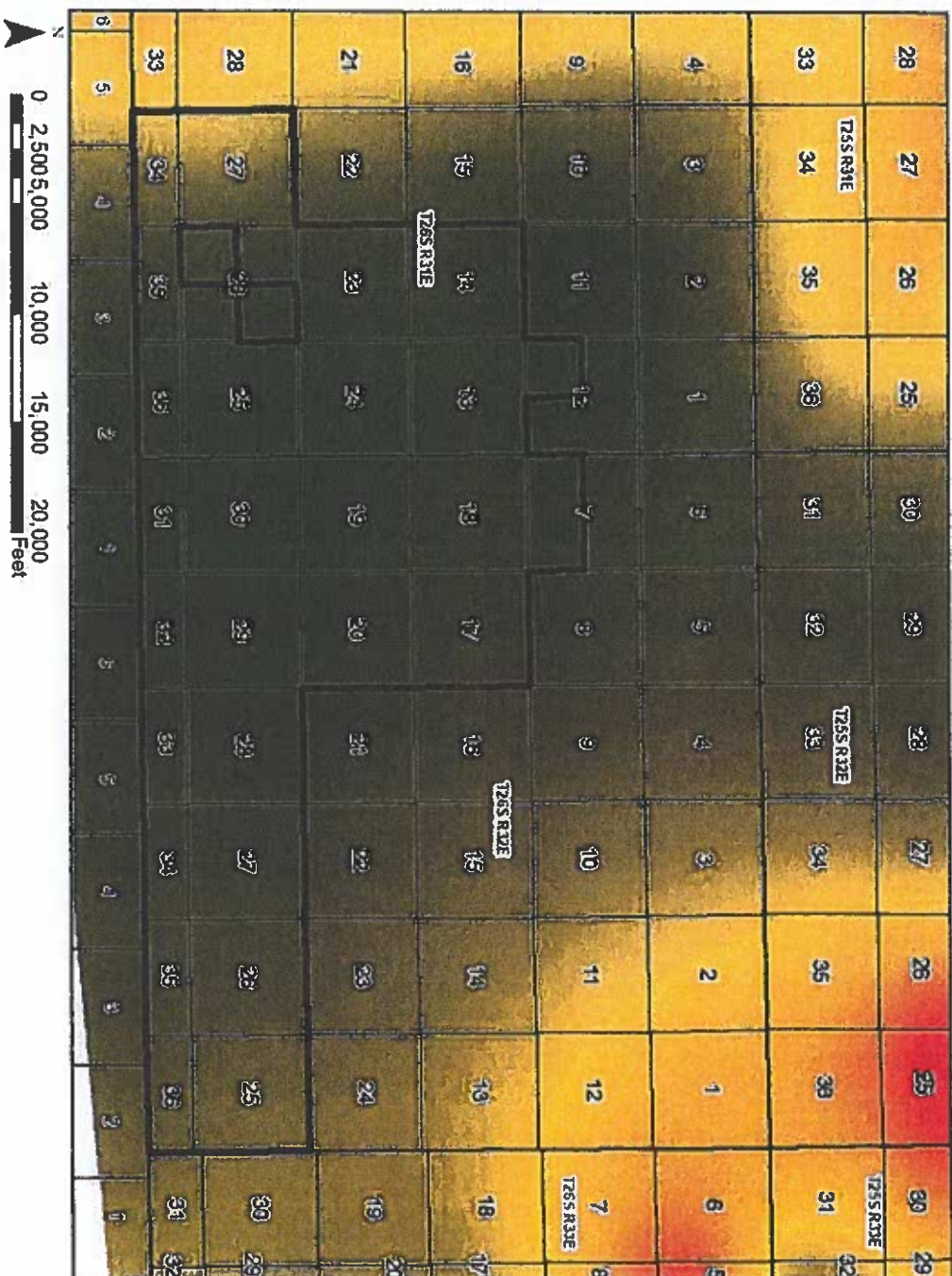


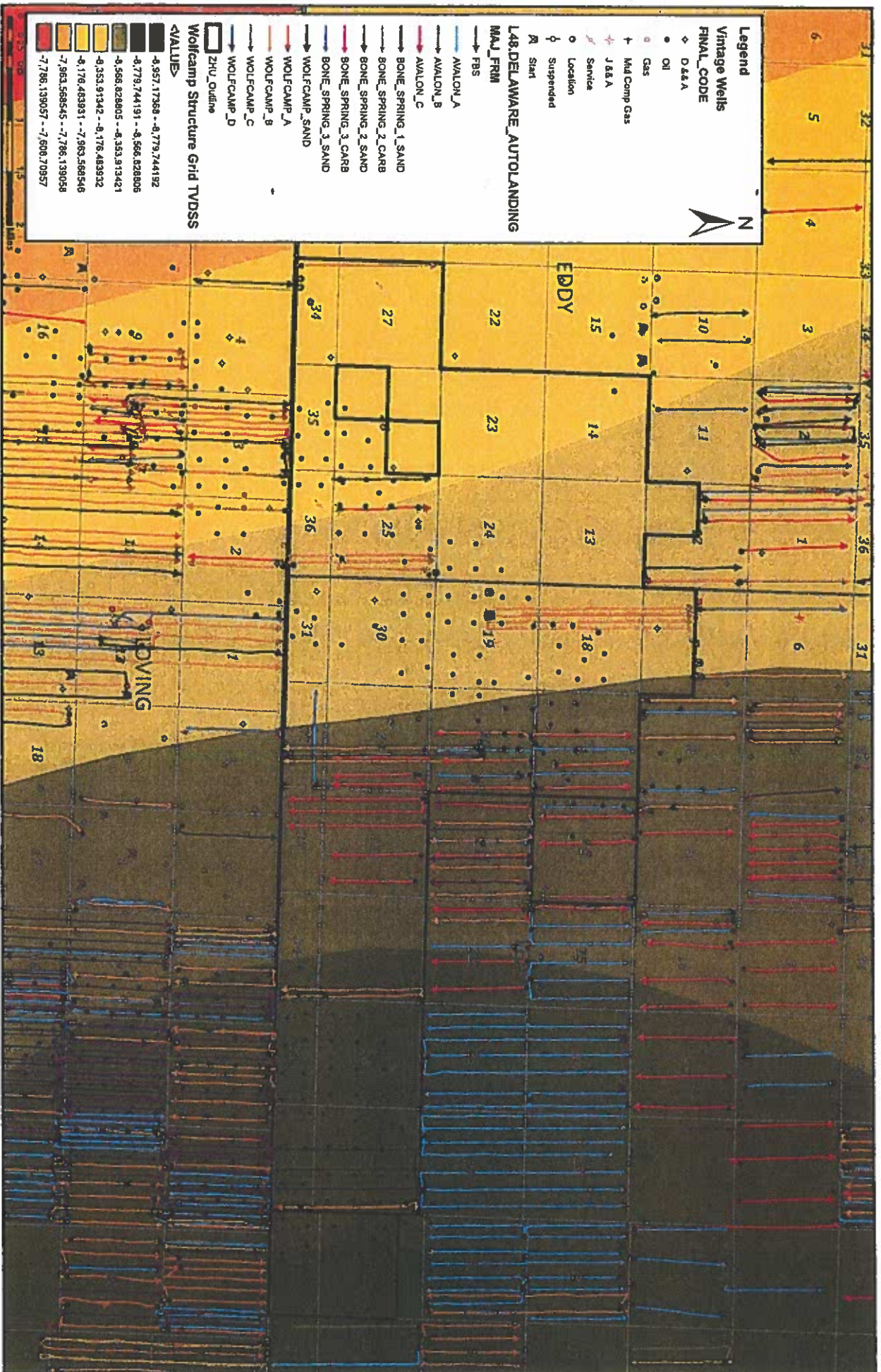
Bulk Volume Hydrocarbon Height (ft)

Wolfcamp A



☐ Zia Hills Unit Outline

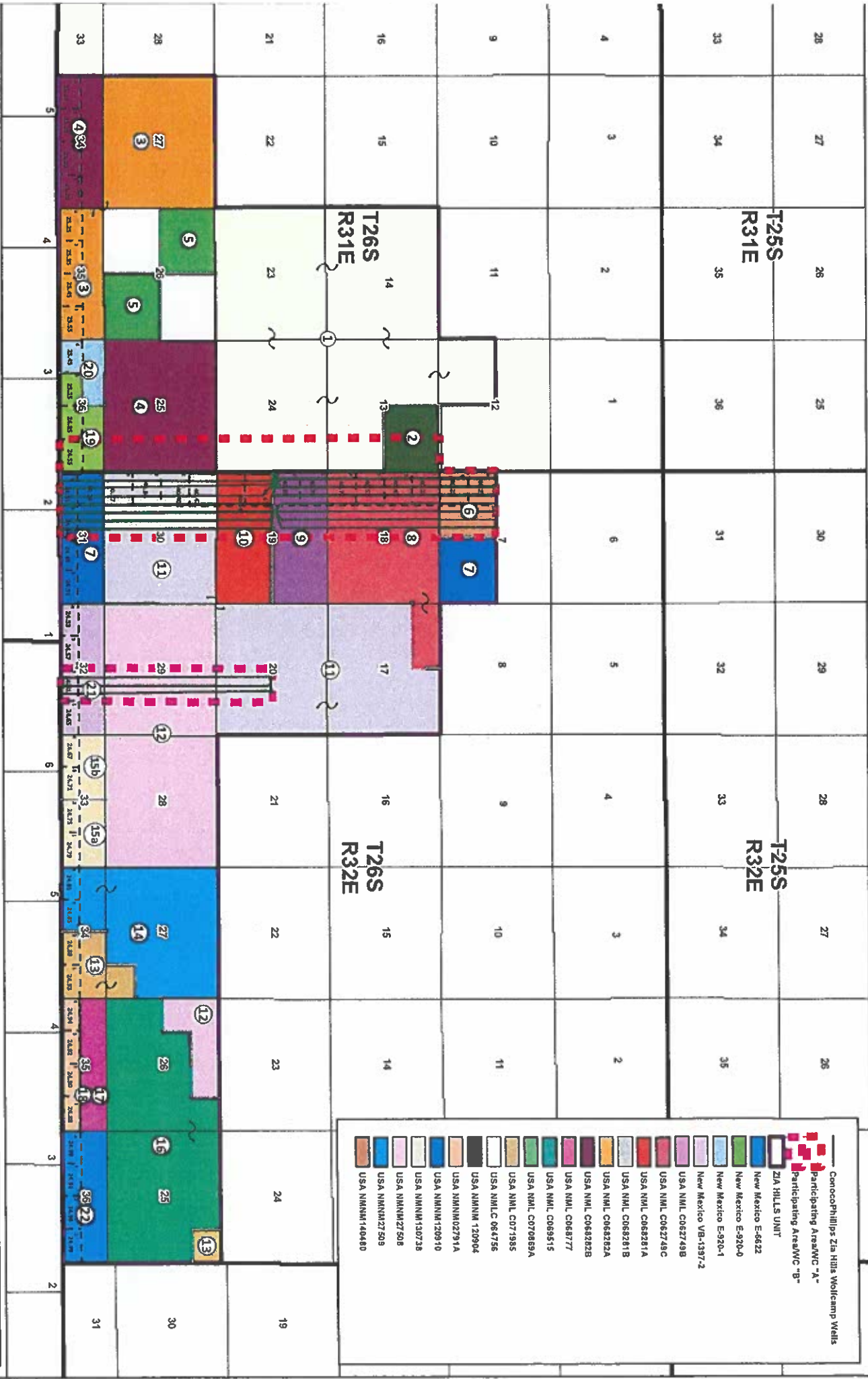
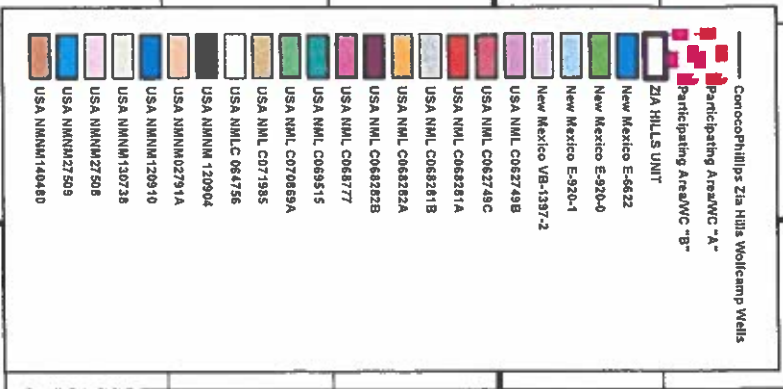






ANTICIPATED WOLFCAMP PARTICIPATED AREAS

March 1, 2022 - February 28, 2023



ConocoPhillips

ZIA HILLS WC UNIT AREA

USA & EOPV COUNTIES, NEW MEXICO

DATE: 07/2022

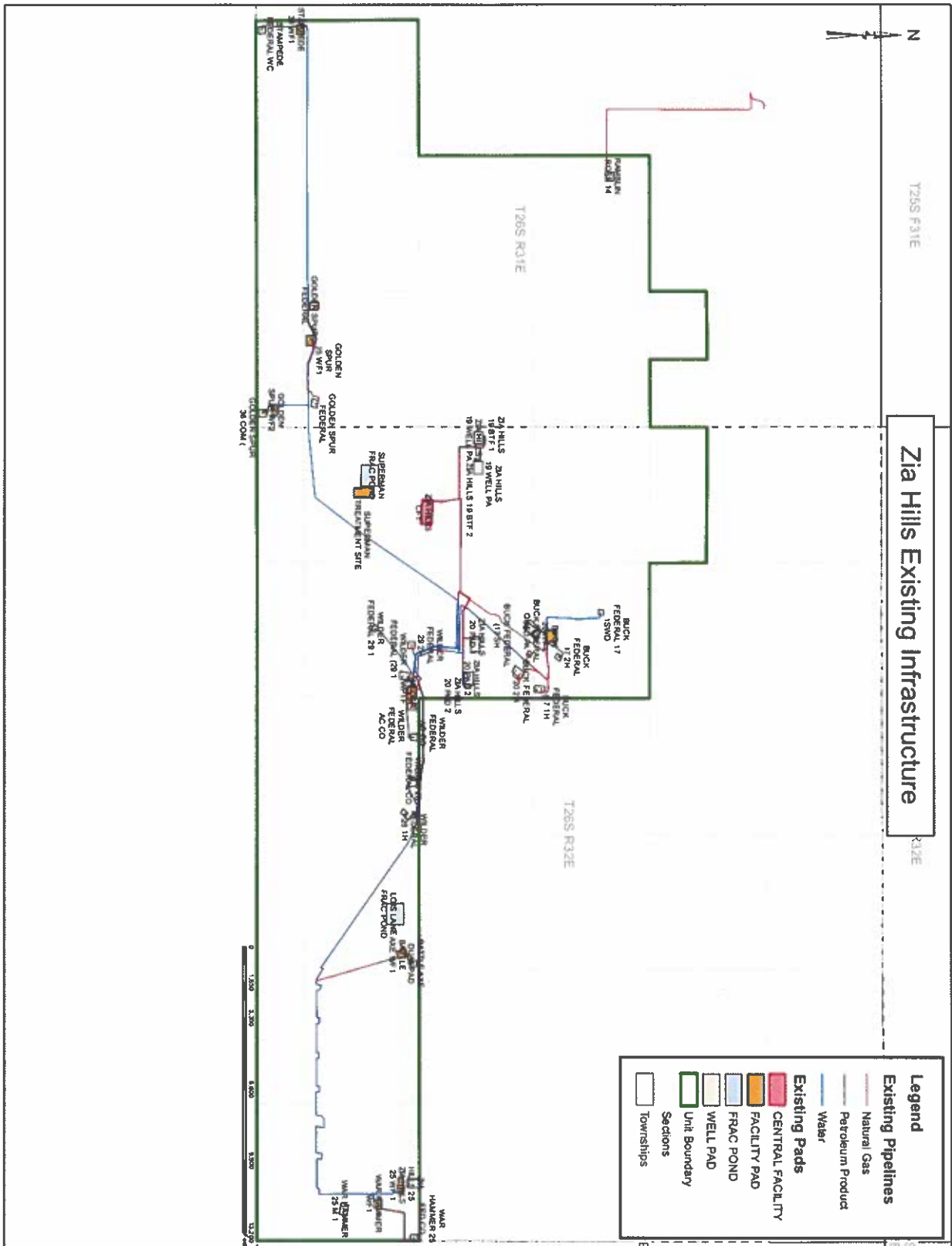
AUTHOR: Amanda Valdez

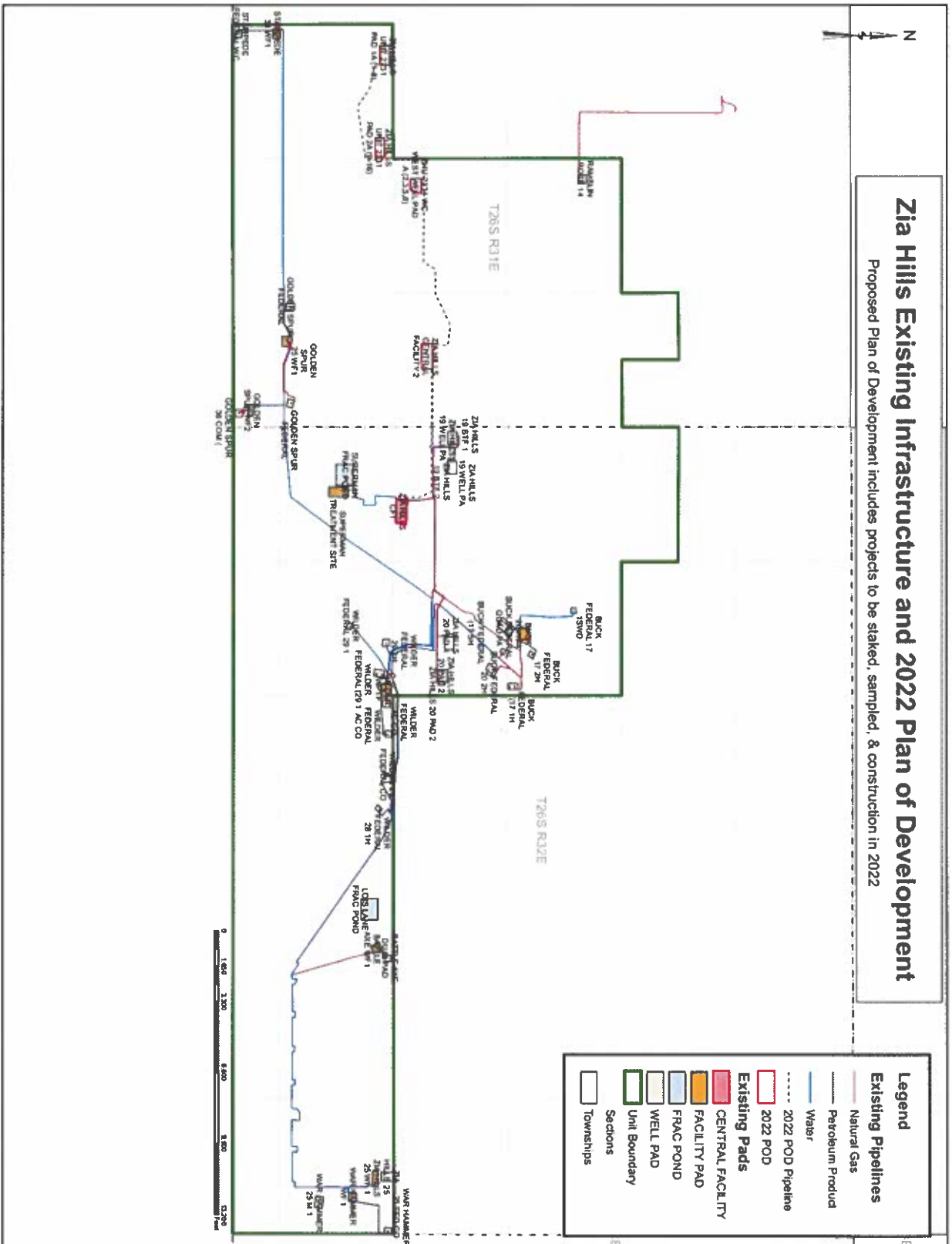
NOTE: THESE OFFSHORE WELLS ARE NOT IN THE SECTION OF THE UNIT CONTAINING THE AREA

DATE: 07/2022

DATE: 07/2022

DATE: 07/2022





2021 WATER USE IN ZIA HILLS BS/WC UNIT

2021 Unit SWD Location and Injection Volumes

Well Name	API#	UL - Sec-T-R Location	Reservoir	2021 Injected Volumes (BBL)	Estimated 2022 Planned Injection Volumes (BBL) *
N/A - 3rd Party Disposal	30-015-XXXXX				

2021 Unit Frac Pond Locations and Capacity

Frac pond	STR	Lat/Long	Capacity (BBLs)
Superman	30-265-32E	32.015571, -103.718431	1,000,000

2021 Unit Completion Water Volumes: Treated

BBLs of Treated Water Used _____ 0 _____

2021 Unit Method of Water Transfer

Please check one or both of the following

All water is Piped to and from locations

All Water is trucked to and from locations

x

2021 % of Freshwater Used in Unit

2021 % of Produced Water Used in Unit

2021 Source of Freshwater

TPWR

Please include SHL of Freshwater well(s)
And Land type of Freshwater well(s) (Federal, State, Fee)

* If known - If unknown just put unknown

2022 WATER USE IN ZIA HILLS BS/WC UNIT

2022 Unit SWD Location and Injection Volumes

Well Name	API#	UL - Sec-T-R Location	Reservoir	2021 Injected Volumes (Bbl)	Estimated 2022 Planned Injection Volumes (Bbl)*
N/A 3rd Party Disposal	30-015-XXXXX				

2022 Unit Frac Pond Locations and Capacity

Frac pond	STR	Lat/Long	Capacity (BBLs)
Superman	30-26S-32E	32.015571, -103.718431	1,000,000

2022 Unit Completion Water Volumes: Treated

Planned Treated Water BBLs 7,000,000

2022 Unit Method of Water Transfer

Please check one or both of the following

All water is Piped to and from locations

All Water is trucked to and from locations

☒	
☐	

2022 % of Freshwater Used in Unit

2022 % of Produced Water Used in Unit

	0%
	100%

2022 Source of Freshwater

TPWR

Please include SHL of Freshwater well(s)

And Land type of Freshwater well(s) (Federal, State, Fee)

* If known - If unknown just put unknown