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February 23, 2010

Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220

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

**RE: 2010 Plan of Development
Grayburg Deep Unit (14-08-001-1602)
Eddy County, New Mexico
ConocoPhillips Contract 052412**

Gentlemen:

In accordance with the provisions of Article 10 of the Grayburg Deep Unit Agreement (GDU) dated May 21, 1954, ConocoPhillips Company (COPC), as Unit Operator hereby submits the following program for the 2010 Plan of Development.

1A) 2010 New Drill and Complete Wells

At this time, COPC does not plan any new drill wells in the GDU.

1B) 2010 Plug-back and Recompletion Wells

COPC continues to evaluate the GDU wells for additional recompletion opportunity; however, there are no recompletion projects scheduled for 2010.

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1C) 2010 Planned Plug and Abandon Wells

COPC plans to plug and abandon the following wells:

WELL NAME	WELL NO.	API	TWN	RNG	SEC	UL	FORMATION NAME
GRAYBURG DEEP UNIT	10	300152579600	17S	30E	19	C	PENN

2A) Following is a recap of COPC drilling activity within the GDU in 2009.

COPC did not drill any new wells in the GDU in 2009.

2B) Following is a recap of COPC recompletion activity within the GDU in 2009.

COPC did not recomplete any wells in the GDU in 2009.

2C) Follow is a recap of COPC and Cimarex Energy Co. Plug and Abandon Wells within the GDU in 2009.

WELL NAME	WELL NO.	API	TWN	RNG	SEC	UL	FORMATION NAME
GRAYBURG DEEP UNIT	16	300153414100	17S	29E	24	O	PENNSYLVANIAN
GRAYBURG DEEP UNIT	18	300153490500	17S	29E	24	A	ABO /SH/
GRAYBURG DEEP 30 FEDERAL	1	300153195800	17S	30E	30	N	MORROW
GRAYBURG DEEP 30 FEDERAL	1	300153195800	17S	30E	30	N	ATOKA

3) The following is a comprehensive listing of GDU wells and their current production status. Attached hereto is a boundary map of the GDU which reflects all wells, flow lines and roads.

WELL NAME	WELL NO.	API	TWN	RNG	SEC	UL	FORMATION NAME	STATUS
GRAYBURG DEEP UNIT	1	300150418700	17S	30E	18	F	PENN	FLOWING
GRAYBURG DEEP 30 FEDERAL	1	300153195800	17S	30E	30	N	MORROW	PERM ABAN
GRAYBURG DEEP 30 FEDERAL	1	300153195800	17S	30E	30	N	ATOKA	PERM ABAN
GRAYBURG DEEP 25 FEDERAL	5	300150308300	17S	29E	25	A	ABO /SH/	PUMPING
GRAYBURG DEEP UNIT	10	300152579600	17S	30E	19	C	PENN	SHUT IN
GRAYBURG DEEP UNIT	14	300152976600	17S	29E	25	D	WOLFCAMP	PUMPING
GRAYBURG DEEP UNIT	14	300152976600	17S	29E	25	D	MORROW	PERM ABAN
GRAYBURG DEEP UNIT	15	300153030000	17S	30E	30	C	MORROW	PERM ABAN
GRAYBURG DEEP UNIT	16	300153414100	17S	29E	24	O	PENN	PERM ABAN

**2010 Plan of Development
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GRAYBURG DEEP UNIT	17	300153421400	17S	30E	19	L	PENN	FLOWING
GRAYBURG DEEP UNIT	18	300153490500	17S	29E	24	A	ABO /SH/	PERM ABAN
GRAYBURG DEEP UNIT	22	300153559800	17S	29E	25	E	WOLFCAMP	PUMPING

- 4) **Current Production from the GDU is summarized below. Please find attached hereto a structural and geologic map of the GDU.**

WELL NAME	WELL NO.	PROD STAT/STAT OF WELLS	FORMATION	Current BOPD	Current MCFD	Current BWPD
GRAYBURG DEEP UNIT	1	FLOWING	PENN	10	25	0
GRAYBURG DEEP 30 FEDERAL	1	PERM ABAN	MORROW	0	0	0
GRAYBURG DEEP 30 FEDERAL	1	PERM ABAN	ATOKA	0	0	0
GRAYBURG DEEP 25 FEDERAL	5	PUMPING	ABO /SH/	4	18	30
GRAYBURG DEEP UNIT	10	SHUT IN	PENN	0	0	0
GRAYBURG DEEP UNIT ****	14	PUMPING	WOLFCAMP	1	1	2
GRAYBURG DEEP UNIT	14	PERM ABAN	MORROW	0	0	0
GRAYBURG DEEP UNIT	15	PERM ABAN	MORROW	0	0	0
GRAYBURG DEEP UNIT	16	PERM ABAN	PENN	0	0	0
GRAYBURG DEEP UNIT	17	FLOWING	PENN	0	1	0
GRAYBURG DEEP UNIT	18	PERM ABAN	ABO /SH/	0	0	0
GRAYBURG DEEP UNIT	22	PUMPING	WOLFCAMP	12	90	18
**** INITIAL RATE		TOTAL		17	110	50

- 5) **The GDU is comprised of one distinct participating area, as set forth in the table below. A map of the participating area, along with a reservoir performance graph for the participating area is attached hereto.**

Grayburg Deep	Lower Penn 3rd PA Expansion	11/1/1998	NMNM-07095A	AFS-8910016020
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The working interest owners have been provided a copy of this 2010 Plan of Development. ConocoPhillips Company and the working interest owners believe that all current Grayburg Deep Unit obligations have been satisfied.

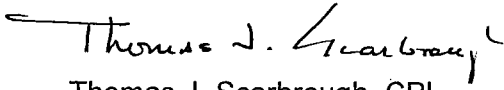
In accordance with Article 10 of the Grayburg Deep Unit Agreement, please signify your approval of the 2010 Plan of Development by executing in the signature block below. Please return one approved copy to the undersigned.

Should you have any questions or comments in this regard, please contact me at 832-486-2338.

**2010 Plan of Development
Grayburg Deep Unit (14-08-001-1602)**

Respectfully submitted,

ConocoPhillips Company


Thomas J. Scarbrough, CPL

Bureau of Land Management

Date



New Mexico Oil Conservation Division

3/2/10

Date

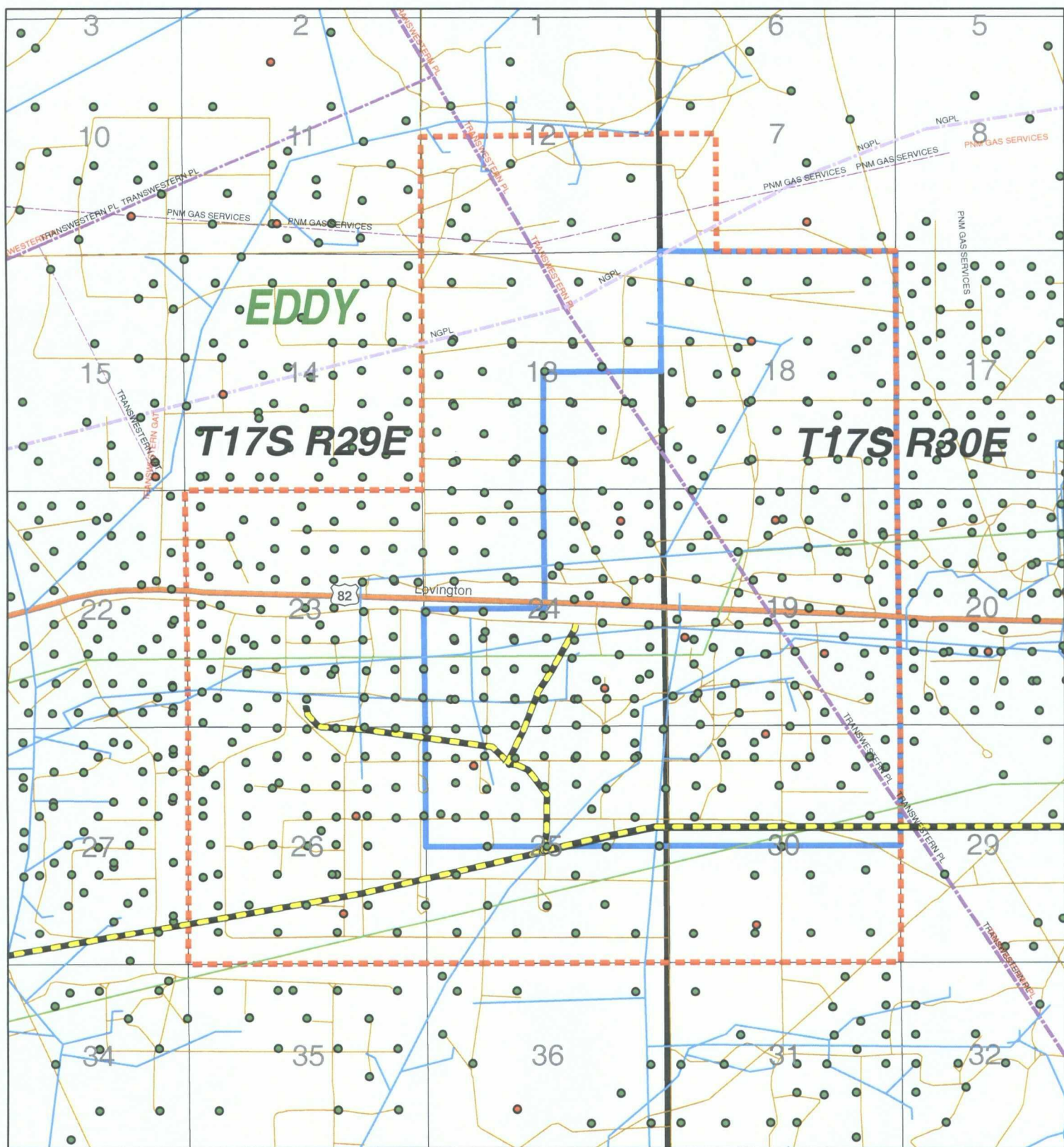
The foregoing approvals are for the 2010 Plan of Development for the Grayburg Deep Unit, 14-08-001-1602, Eddy County, New Mexico.

Cc: Mr. Doug Hurlbut
EOG Resources Inc.
4000 N. Big Spring
Midland, TX 79705

Ms. Debbie Singleton
Davoil, Inc.
6300 Ridglea Place, Suite 1208
Fort Worth, TX 76116

Mr. Carter Muir
Great Western Drilling Company
700 W. Louisiana
Midland, TX 79701

Mr. Jeff Gotcher
Cimarex Energy Co.
600 N. Marienfeld St., Suite 600
Midland, TX 79701



L48 Pipelines Natural Gas IHS L48 Pipelines Pennwell Oil	
DIAMETER	CM DTY
< 4 inches	C
4.5, 6	L
7, 8	
9, 10	
11, 12, 13, 14	
16, 18	
20, 22	
24, 26, 27, 29	
30, 32, 34, 36	
42, 46, 48	
Unknown	

● CRUDE OIL
● GAS
— COOP AND PIPELINE
— Contracted Grayburg Deep Unit Boundary
— Original Grayburg Deep Unit Boundary
— Highway
— Major Road
— Local Road
— Minor Road



3,000 1,500 0 3,000 Feet

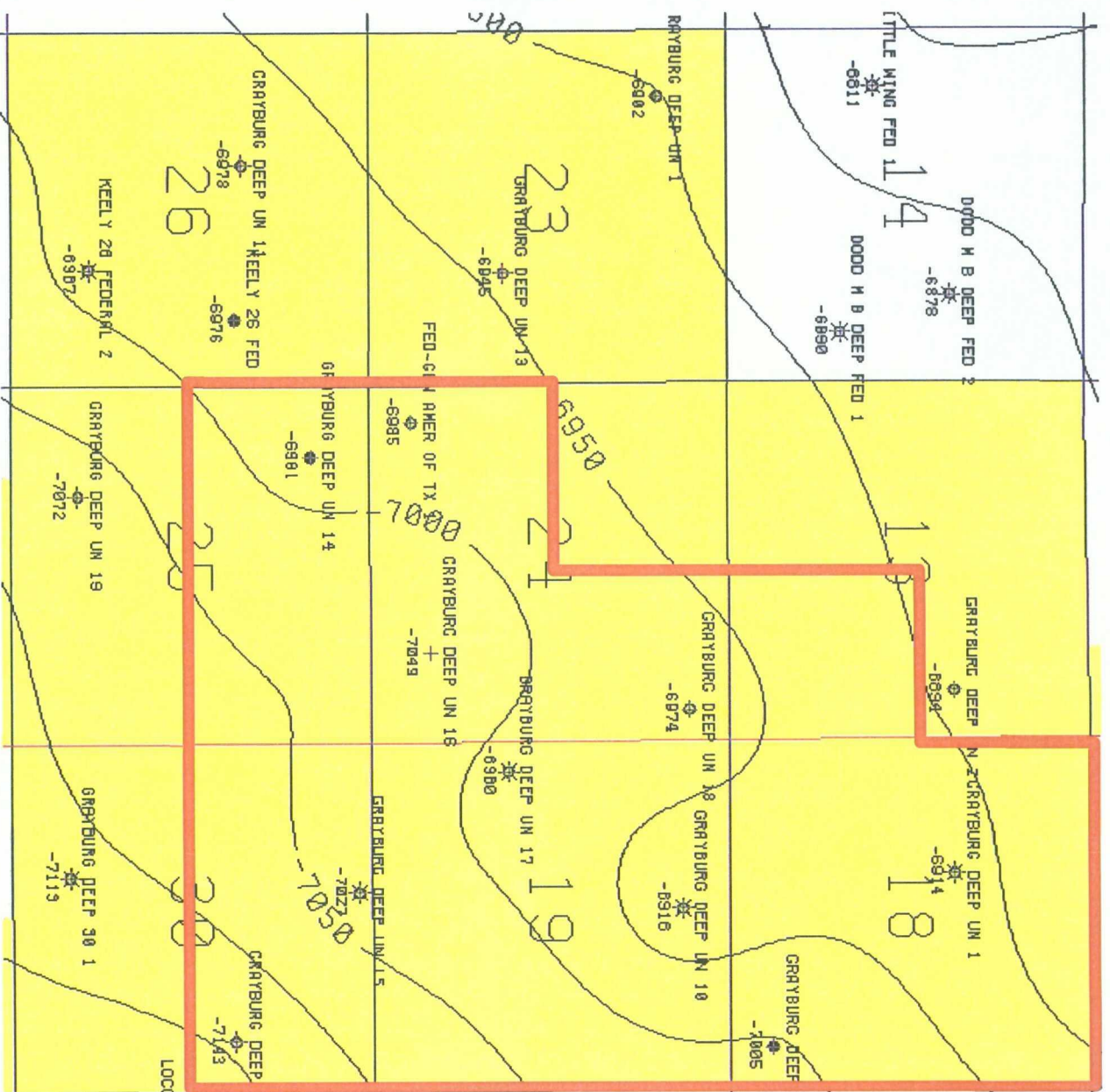
ConocoPhillips

Mid-Century Land

Southeast New Mexico

Grayburg Deep Unit



Author: Betty Dimitrich	Date: 2/16/2010
Compiled by: Angela Whitfield	Scale: 1"=3,000'
Project File: grayburg_pod_field_map.mxd	



Grayburg Deep Unit

Geologic Structure on Top
Morrow

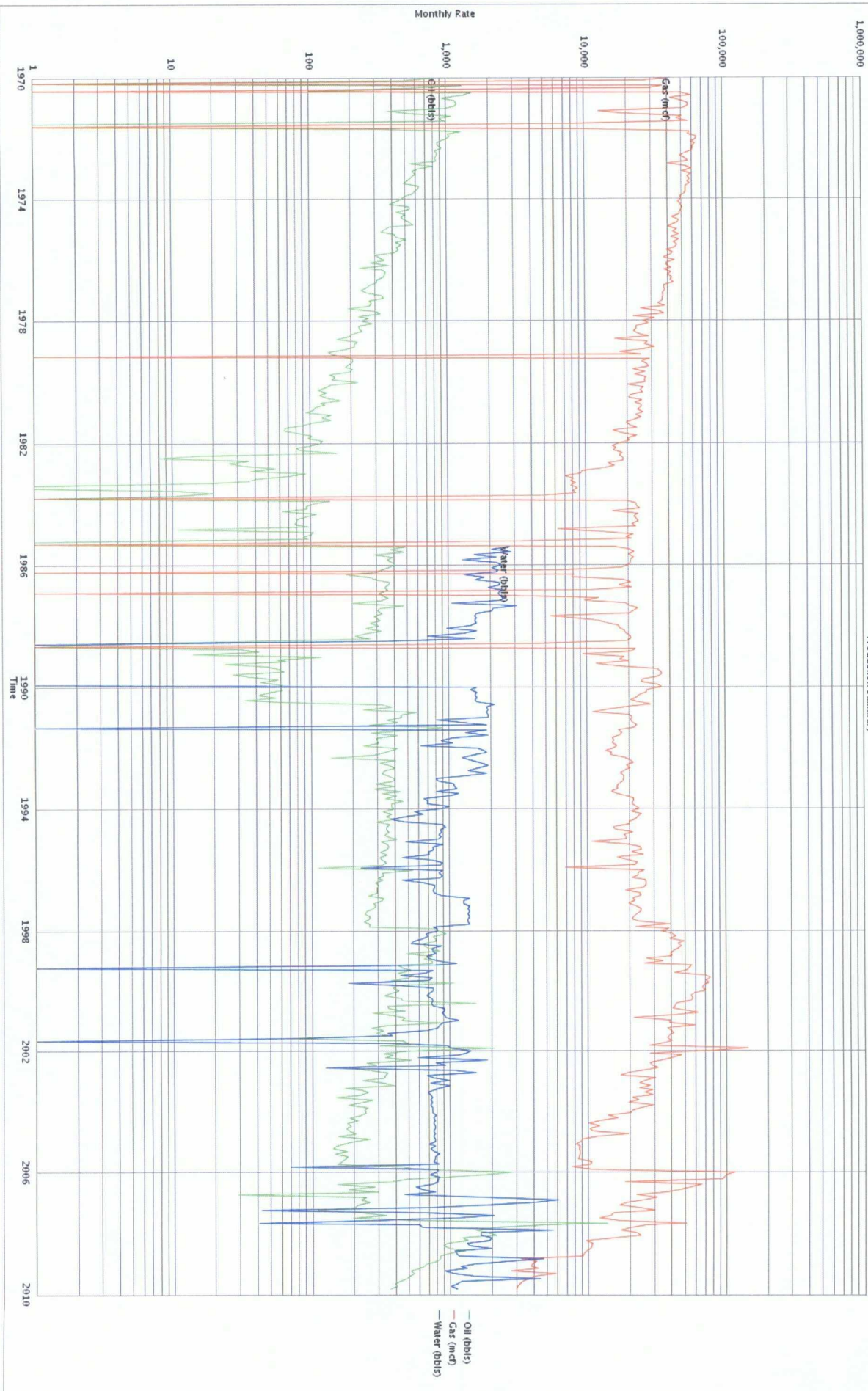
Contour Interval 50 feet

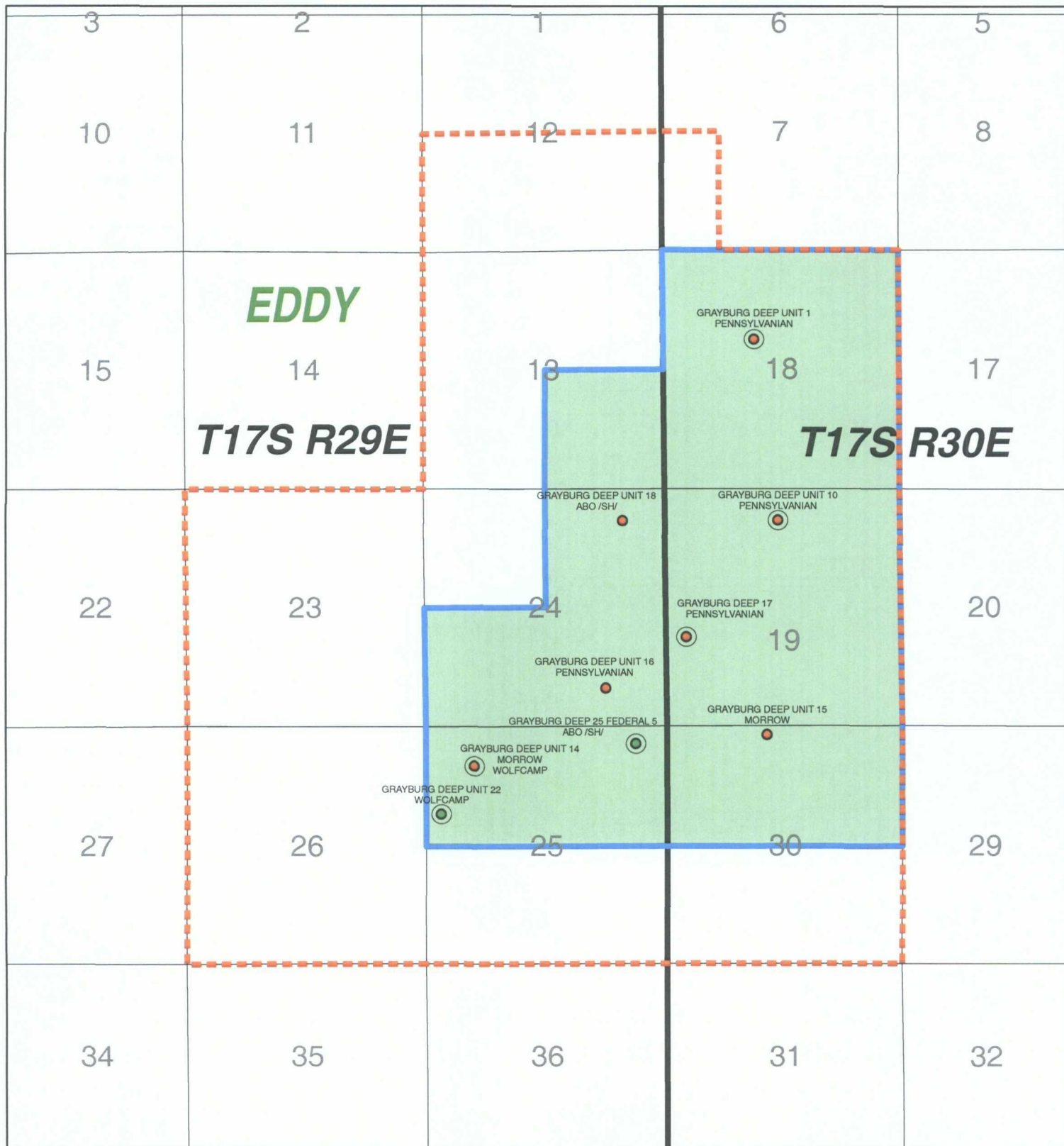
 ConocoPhillips Lands
 Operating Unit Boundary

Composite Grayburg Deep Unit Production

Summary Rate vs. Time Graph

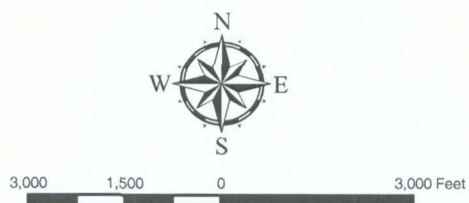
Production Summary





Legend

- Active Wells
- CRUDE OIL
- GAS
- Original Grayburg Deep Unit Boundary
- Contracted Grayburg Deep Unit Boundary
- Lower Penn PA



ConocoPhillips

Mid-Continent Land

Southeast New Mexico
Grayburg Deep Unit

Author: Betty Dimitrochik Date: 2/19/2010
 Compiled by: Angela Whitfield Scale: 1"=3,000'
 Project File: grayburg unit lower penn pa.pod.mxd