

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

HOBBS OCD

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SEP 11 2013

5. Lease Serial No.
NMLC029405B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
RUBY FEDERAL 10

9. API Well No.
30-025-40507-00-S1

10. Field and Pool, or Exploratory
MALJAMAR-YESO

11. County or Parish, and State
LEA COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
CONOCOPHILLIPS COMPANY
Contact: SUSAN B MAUNDER
E-Mail: Susan.B.Maunder@conocophillips.com

3a. Address
3300 N "A" ST BLDG 6
MIDLAND, TX 79705
3b. Phone No. (include area code)
Ph: 432-688-6913
Fx: 432-688-6017

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 18 T17S R32E SWSE 1140FSL 2310FEL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

ConocoPhillips Company respectfully requests approval to downhole comingle the Maljamar; Yeso West pool with the Grayburg; San Andres. This project has been discussed with Ed Fernandez, BLM Engineer. Our submittal to the State of New Mexico was transmitted to your office under separate cover in June 2013.

Attachment 1 is another copy of the package sent to New Mexico for approval.

Attachment 2 is the approval letter we received from the State of New Mexico.

Attachment 3 is the proposed wellbore diagram.

The recompletion work has been scheduled, but downhole comingling of production will not occur

SUBJECT TO LIKE APPROVAL BY STATE

SEE ATTACHED FOR CONDITIONS OF APPROVAL

DHC-4628 7/15/13

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #215033 verified by the BLM Well Information System For CONOCOPHILLIPS COMPANY, sent to the Hobbs Committed to AFMSS for processing by JOHNNY DICKERSON on 07/31/2013 (13JLD0512SE)

Name (Printed/Typed) SUSAN B MAUNDER Title SENIOR REGULATORY SPECIALIST

Signature (Electronic Submission) Date 07/26/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office K-D

APPROVED
SEP 11 2013
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** BLM REVISED **

SEP 12 2013

Additional data for EC transaction #215033 that would not fit on the form

32. Additional remarks, continued

until approval is received from your office.

Thank you for your consideration of this matter.

ATTACHMENT 1



Susan B. Maunder
Sr. Regulatory Specialist
Phone: (432) 688-6913

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

HOBBS OCD

June 18, 2013

SEP 11 2013

State of New Mexico
Oil Conservation Division
Attn: Mr. Phillip Goetze
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED

SUBJECT: REQUEST FOR APPROVAL OF DOWNHOLE COMINGLING FOR RUBY FEDERAL #10

Dear Mr. Goetze,

ConocoPhillips Company respectfully requests an approval of our plans to Downhole Comingle the Maljamar; Yeso West Pool (44500) and the Maljamar; Grayburg, San Andres Pool (43329) in the Ruby Federal #10 well. The lease is recorded as NM LC 029405B. The well is located in UL O, 1140' from the south line and 2310' from the east line of Section 18, Township 17S, Range 32E, Lea County, New Mexico. ConocoPhillips is 100% lessee and 100% working interest owner of the Ruby federal lease. Royalty interest is the same in both pools. The lease to the south is NM LC 029405A. The interest percentages for the lease to the south are: COG Operating LLC 75% and ConocoPhillips Company 25%. The granting of this request will prevent waste by providing access to otherwise marginal production.

Enclosed are the following documents in support of this request.

- Administrative Application Checklist
- Copy of the New Mexico Form C-107A (with attachments)
- Copy of letter sent to spacing unit interest owners.

A copy of this letter is being sent to Bureau of Land Management, Carlsbad Field Office. Notification is being provided by separate letter to interest owners in the spacing unit (as per NMAC 19.15.12) via certified return receipt.

If you have questions regarding this request, I can be reached at 432-688-6913 or via email at Susan.B.Maunder@conocophillips.com.

Sincerely,

A handwritten signature in cursive script that reads "Susan B. Maunder".

Susan B. Maunder
Senior Regulatory Specialist
ConocoPhillips Company

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



HOBBS OCD

SEP 11 2013

RECEIVED

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.

Susan B. Maunder Susan B. Maunder Sr. Regulatory Specialist 6/18/13
 Print or Type Name Signature Title Date

Susan.B.Maunder@conocophillips.com
 e-mail Address

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40507	² Pool Code 44500	³ Pool Name Maljamar; Yeso West
⁴ Property Code 38653	⁵ Property Name Ruby Federal	
⁷ OGRID No. 217817	⁸ Operator Name ConocoPhillips Company	⁶ Well Number 10
⁹ Elevation 3962'		

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	18	17S	32E		1140	South	2310	East	Lea

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

<div style="border: 1px solid black; height: 100%; width: 100%; position: relative;"> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> <p style="text-align: center;">1140' 2310'</p> </div> </div>	<p>¹⁷ OPERATOR CERTIFICATION <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 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><u>Susan B. Maunder</u> 6/7/13 Signature Date</p> <p>Susan B. Maunder Printed Name</p> <p>Susan.B.Maunder@conocophillips.com E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION <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>Date of Survey Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>
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New Mexico Oil Conservation Division
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well.
2. The pool code for this (proposed) completion.
3. The pool name for this (proposed) completion.
4. The property code for this (proposed) completion.
5. The property name (well name) for this (proposed) completion.
6. The well number for this (proposed) completion.
7. Operator's OGRID number.
8. The operator's name.
9. The ground level elevation of this well.
10. The surveyed surface location of this well measured from the section lines. NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre.
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage.
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communitization
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

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!

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling.
16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole, show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.
17. The signature, printed name and e-mail address of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
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District III
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40507		² Pool Code 43329		³ Pool Name Maljamar; Grayburg, San Andres	
⁴ Property Code		⁵ Property Name Ruby Federal			⁶ Well Number 10
⁷ OGRID No. 217817		⁸ Operator Name ConocoPhillips Company			⁹ Elevation 3962'

¹⁰ Surface Location

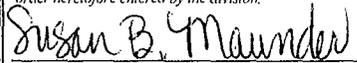
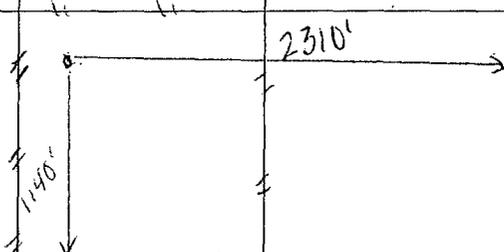
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	18	17S	32E		1140	South	2310	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	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.

				¹⁷ OPERATOR CERTIFICATION	
				<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 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>	
				 6/7/13 Signature Date	
				Susan B. Maunder Printed Name Susan.B.Maunder@conocophillips.com E-mail Address	
				¹⁸ SURVEYOR CERTIFICATION	
				<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>	
				Date of Survey	
				Signature and Seal of Professional Surveyor:	
				Certificate Number	

New Mexico Oil Conservation Division
C-102 Instructions

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7. Operator's OGRID number.
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Maljamar-Yeso West and Grayburg-San Andres Pool Co-mingle

Co-mingle Application

Summary

It is proposed to co-mingle the Maljamar-Yeso West and Grayburg-San Andres pools in ConocoPhillips' Yeso development program in Section 18 and 17, T17S, R32E, Lea County, New Mexico. The working, net revenue, and royalty interest are the same for both pools on most of COP's Ruby Federal and Mitchell B lease. The fluids from both zones are compatible. The following fixed allocation will be used for production: Oil: Yeso 58%, GB/SA 42%, Gas: Yeso 81%, GB/SA 19%.

Purpose

COP requests to co-mingle both pools in order to access reserves that would otherwise be stranded. Development of the Grayburg-San Andres with dedicated wells is not economic as initial production rates and recoveries are very low. Yeso development is economic independently. The co-mingling of these two pools is expected to enhance production and boost ultimate recovery from the field. This will result in increased income for both the BLM and COP.

With co-mingling, the total recoverable resource in the GB/SA pool overlying COP's Ruby Federal lease is estimated to be ~3 MMBO and 5 BCFG or an incremental 67 MBO and 133 MMcf per well.

History

ConocoPhillips operates the Mitchell B lease in Section 18 and 17, T17S R32E. This lease has produced from the GB/SA since the 1950's. Historically, the GB/SA has not been very productive in Mitchell B due to low reservoir permeability and the use of outdated completion techniques. As a result of low productivity, a significant amount of oil has been bypassed. It is believed this resource can be economically produced by modern completions and co-mingling with Yeso production.

Development of the Maljamar-Yeso West pool in began in 2008 targeting the Paddock and Blinebry formations of the Yeso. The Yeso has proven to be a very successful, high rate of return play. The productive potential of these zones has been unlocked with improvements in completion practice, namely larger frac's. ConocoPhillips plans to continue its Yeso development program throughout Sections 18 and 19, T17S R32E over the next few years.

Reservoir Details

With co-mingling, Yeso and GB/SA will be developed on 20-acre spacing. Oil gravity between the Yeso and GB/SA reservoirs is similar, 38 and 37 degrees API respectively.

The Yeso is a normally pressured reservoir (~0.465 psi/ft). The Grayburg/San Andrés is expected to be normally pressured to slightly under-pressured due to historical production. If the GB/SA reservoir pressure is found to be under-pressured, cross-flow will be mitigated by ensuring the co-mingled wells are pumped off or producing fluid level is at least below the GB/SA perforations. However, if there is temporary cross-flow into the GB/SA due to a high fluid level, it is expected production will be recovered once the fluid level is pumped back down.

Allocation Method

The production allocation method for both zones is based on a fixed allocation. This allocation is based on the type curves for both the Yeso and GB/SA formations. These type curves were generated using wells which only produce from Yeso or GB/SA within the same geologic area as the co-mingle candidates, Figure 1. Due to the close proximity of these wells, it is believed existing production provides sufficient insight for co-mingling allocation.

Supporting Details

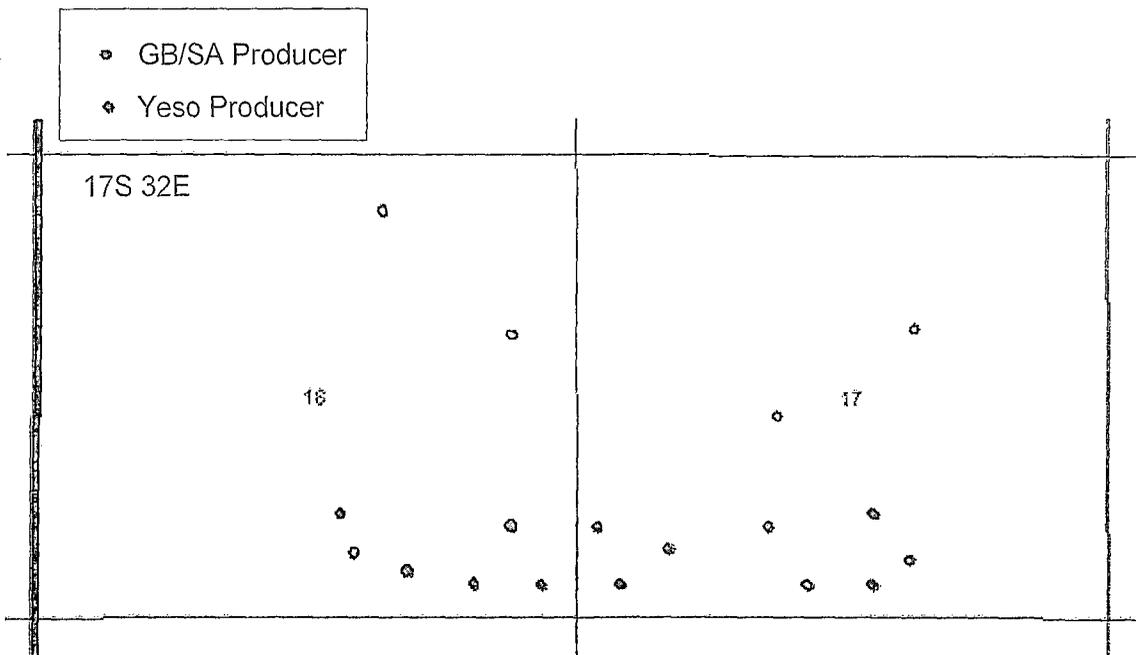


Figure 1: Map of all wells used in the analysis

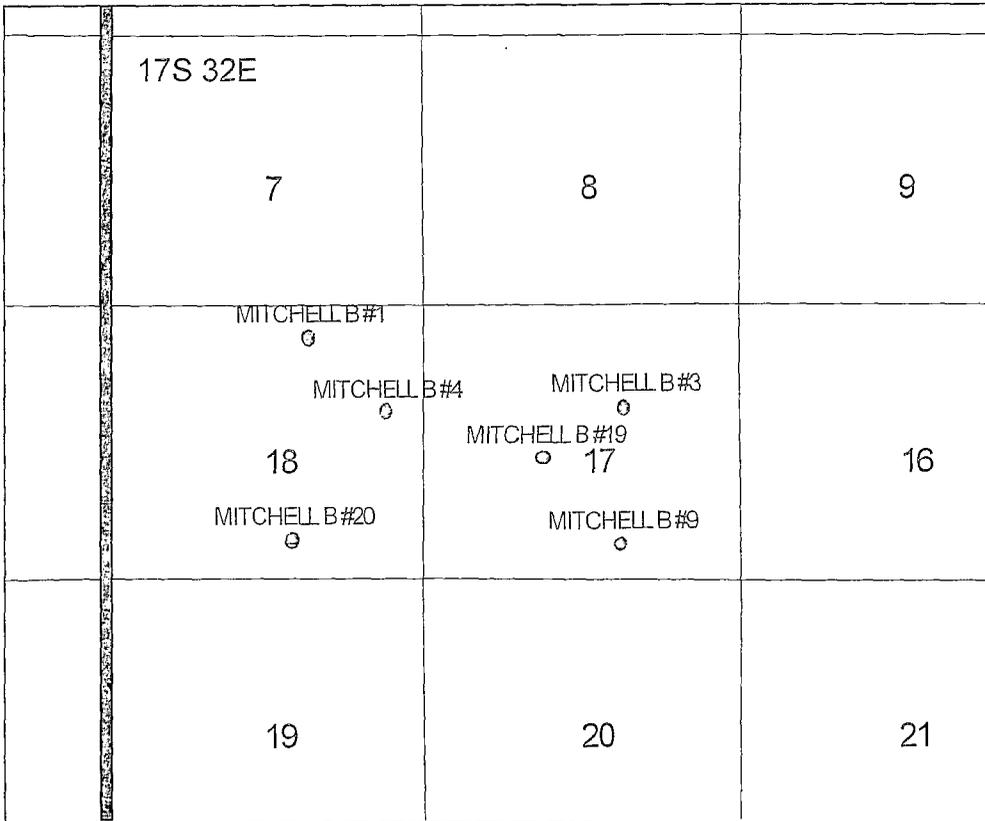


Figure 2: Map of GB/SA wells used in type curve analysis (Mitchell B Lease).

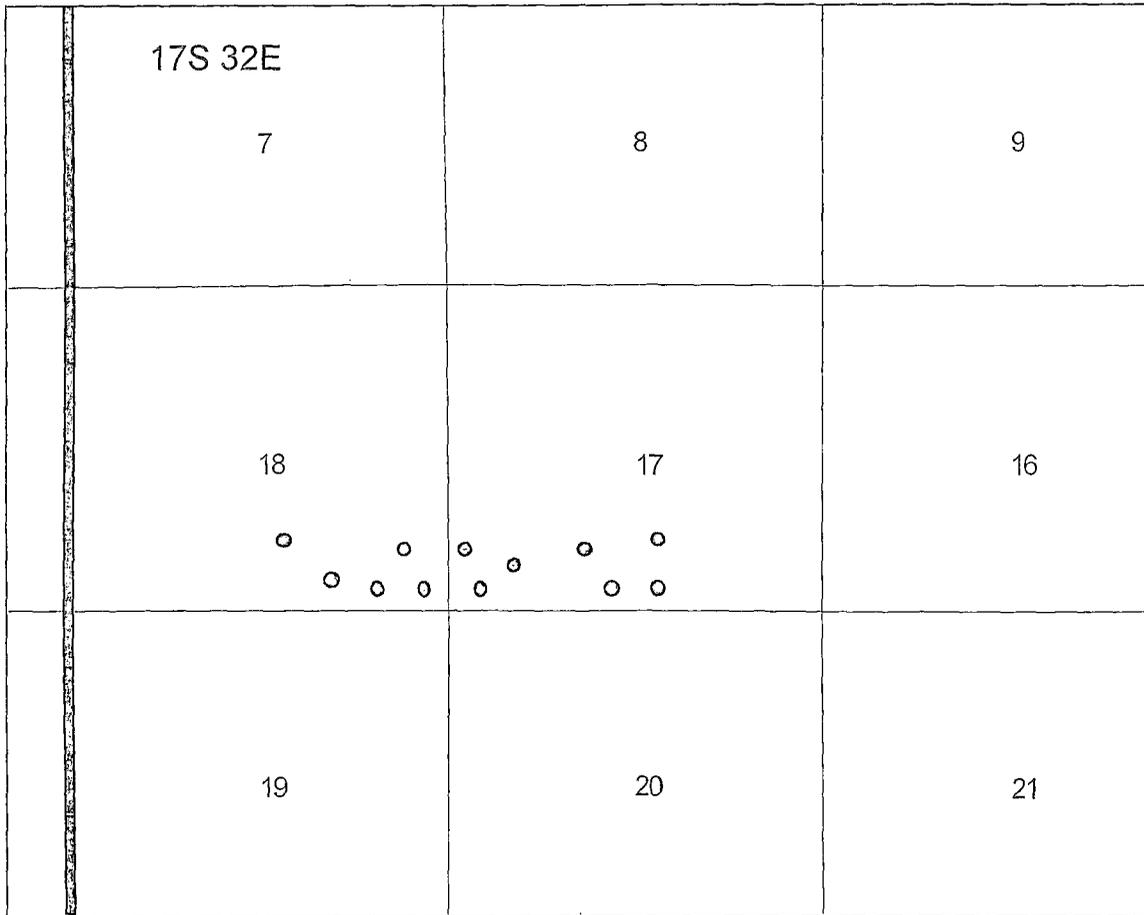


Figure 3: Map of Yeso wells used in type curve analysis (Ruby Federal lease).

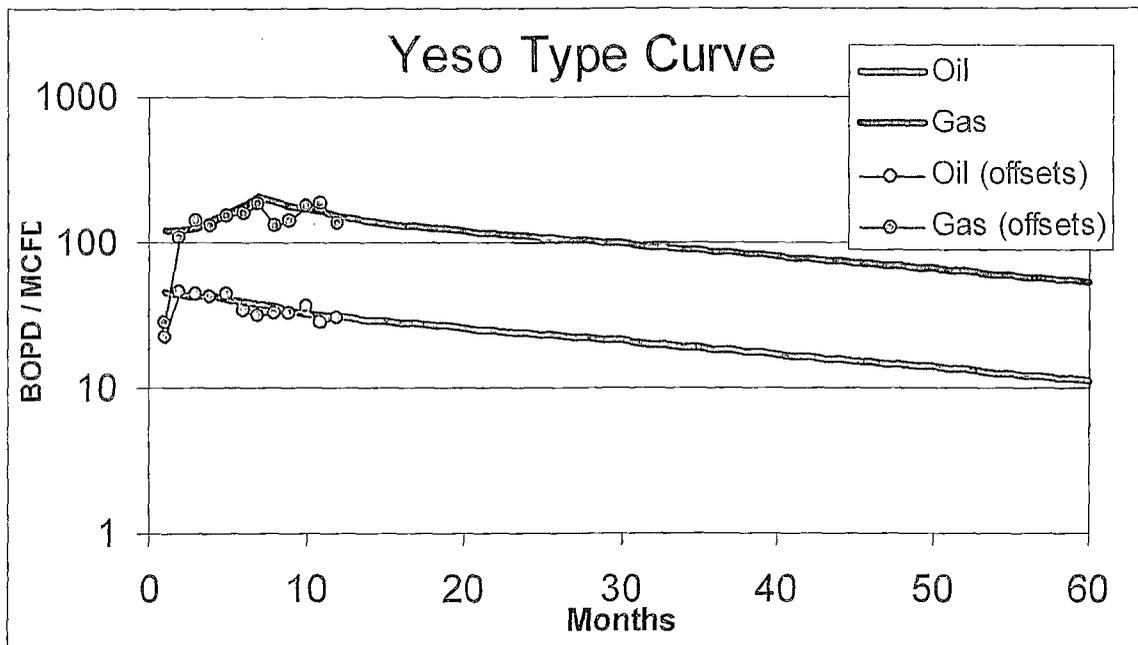


Figure 4: Yeso type curve.

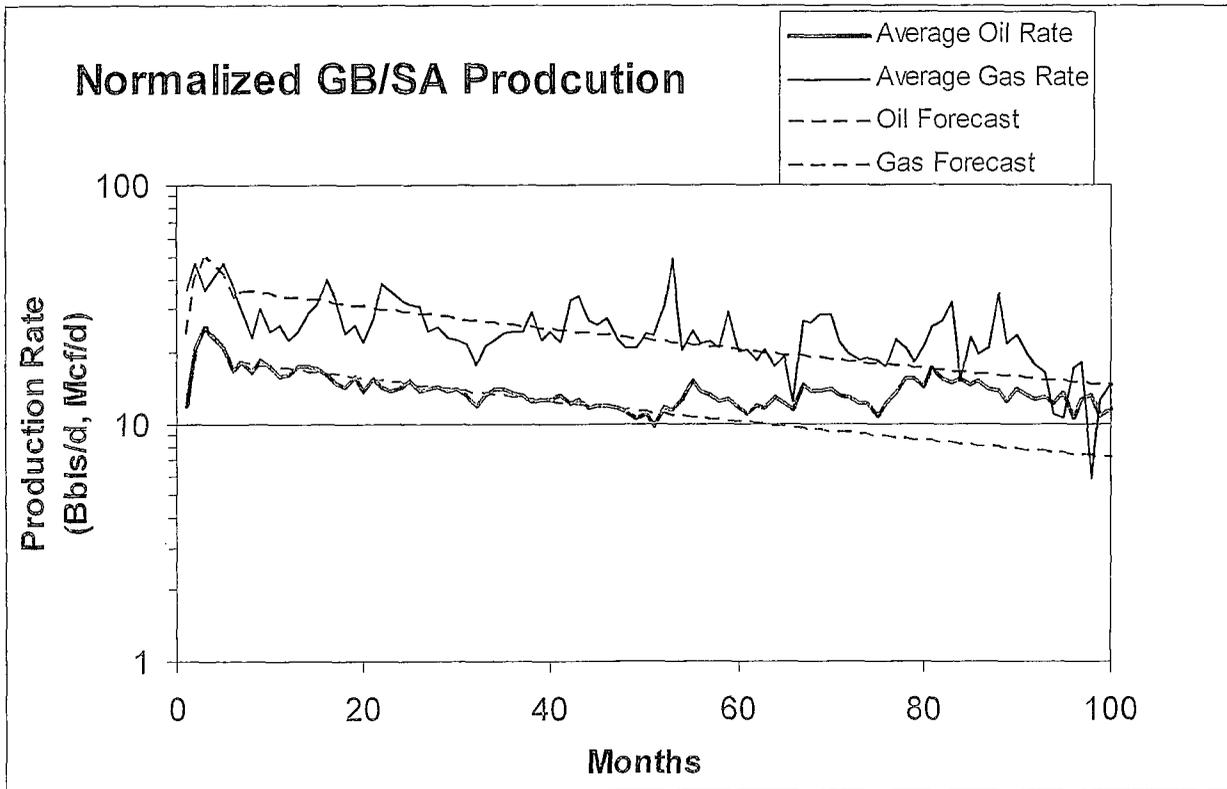


Figure 5: GB/SA type curve

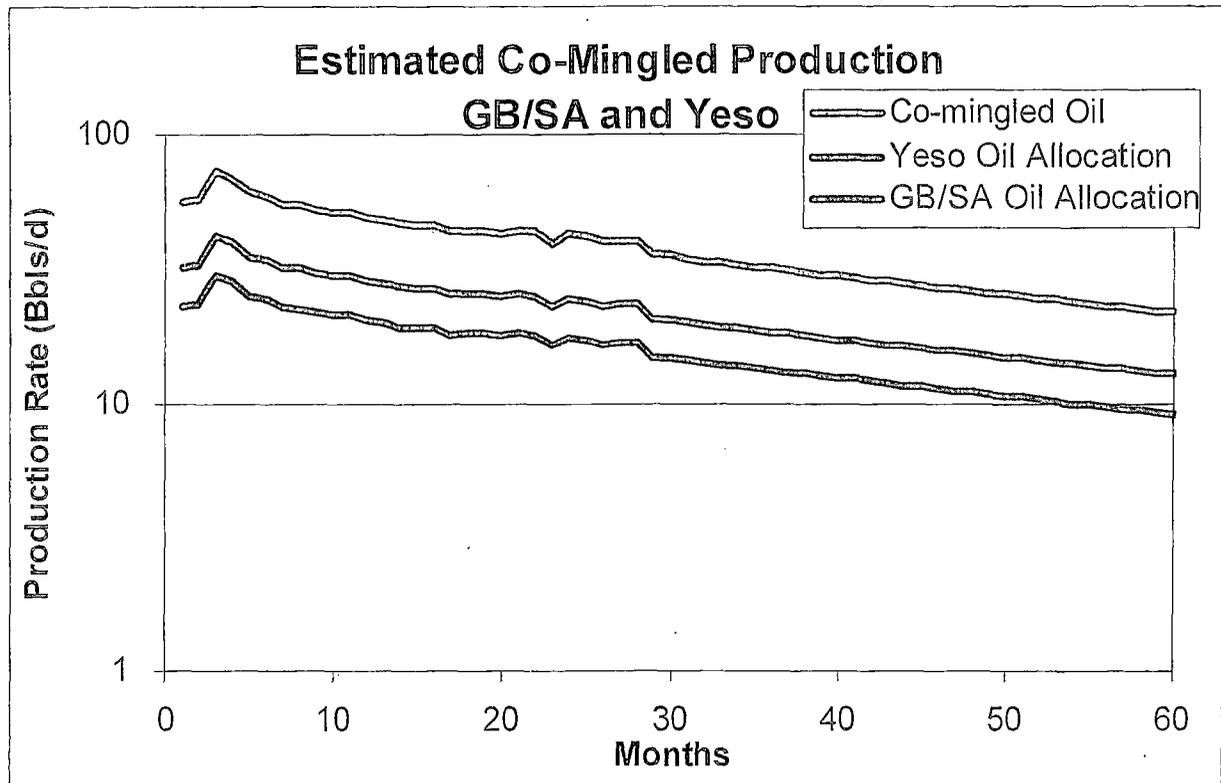


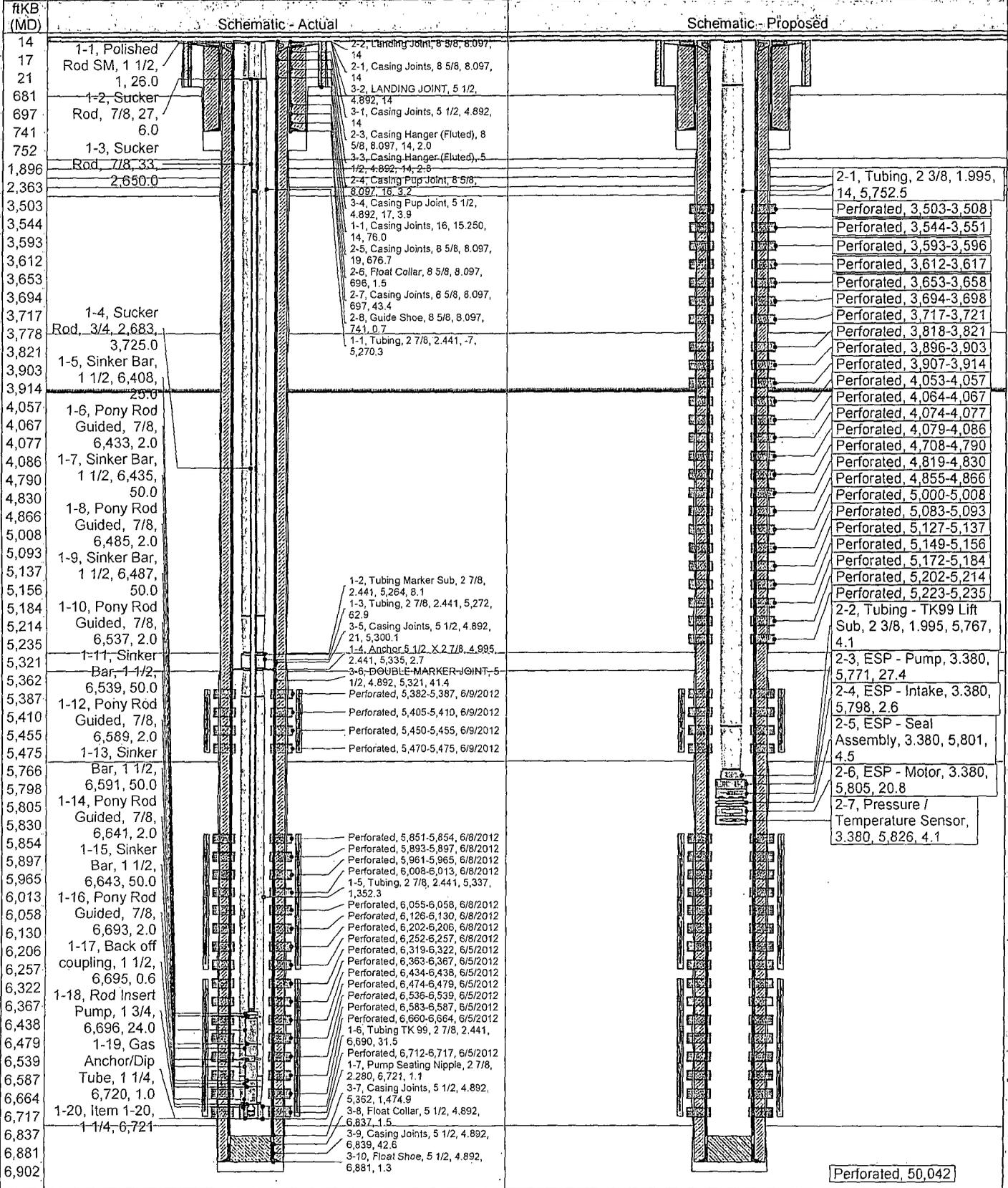
Figure 6: Co-mingled type curve

CURRENT SCHEMATIC

RUBY FEDERAL 10

District PERMIAN	Field Name MALJAMAR	API / UWI 3002540507	County LEA	State/Province NEW MEXICO	
Original Spud Date 5/15/2012	Surface Legal Location Section 18, Township 17 S, Range 32 E		E/W Dist (ft) 2,310.00	E/W Ref FEL	N/S Dist (ft) 1,140.00

Well Config: VERTICAL - Original Hole: 6/7/2013 9:20:55 AM





Susan B. Maunder
Sr. Regulatory Specialist
Phone: (432) 688-6913

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

June 18, 2013

COG Operating LLC
One Concho Center
600 West Illinois Avenue
Midland, Texas 79701

SUBJECT: REQUEST FOR APPROVAL OF DOWNHOLE COMINGLING FOR RUBY FEDERAL #10

Dear Sir or Madam,

ConocoPhillips Company is requesting an approval to Downhole Comingle the Maljamar; Yeso West Pool (44500) and the Maljamar; Grayburg, San Andres Pool (43329) in the Ruby Federal #10 well. The lease is recorded as NM LC 029405B. The well is located in UL P, 1140' from the south line and 2310' from the east line of Section 18, Township 17S, Range 32E, Lea County, New Mexico. ConocoPhillips is 100% lessee and 100% working interest owner of the Ruby federal lease. The lease to the south is NM LC 029405A. You are being provided notification of this action as an interest owner in the spacing unit. Any comments need to be provided to New Mexico Oil Conservation Division; 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within 20 days.

If you have questions regarding this request, I can be reached at 432-688-6913 or via email at Susan.B.Maunder@conocophillips.com.

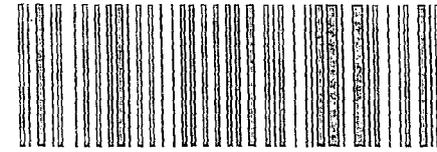
Sincerely,

A handwritten signature in cursive script that reads "Susan B. Maunder".

Susan B. Maunder
Senior Regulatory Specialist
ConocoPhillips Company

ConocoPhillips Company
 MCBU Regulatory
 P.O. Box 51810
 Midland, TX 79710

ConocoPhillips



7002 2410 0001 5941 9979
 7002 2410 0001 5941 9979

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:

 COG Operating LLC
 One Concho Center
 600 West Illinois Ave
 Midland, TX 79701

COMPLETE THIS SECTION

A. Signature
 X

B. Received by (Printed Name)

D. Is delivery address different?
 If YES, enter delivery address

3. Service Type
- Certified Mail Exp
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
 (Transfer from service label) 7002 2410 0001 5941 9979

Sent To
 Street, Apt. No.,
 or PO Box No.
 City, State, ZIP+4
 PS Form 3811, June 2002

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
 Here

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

OFFICIAL USE

For delivery information visit our website at www.usps.com



7002 2410 0001 5941 9986
7002 2410 0001 5941 9986

U.S. Postal ServiceSM
CERTIFIED MAILSM RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here

Sent To
 Street, Apt. No., or PO Box No. Bureau of Land Management
 City, State, ZIP+4[®] Carlsbad Field Office
 Carlsbad, NM 88220

PS Form 3811, June 2002
 See Reverse for Instructions

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:

Bureau of Land Management
 Carlsbad Field Office
 820 E. Greene St.
 Carlsbad, NM 88220

3. Service Type
- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7002 2410 0001 5941 9986

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised August 1, 2011

District II
811 S. First St., Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

ConocoPhillips Company P.O. Box 51810 Midland, TX 79710-1810
Operator Address

Ruby Federal 10 UL O-Sec. 18-T17S-R32E LEA
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 217817 Property Code 38653 API No. 30-025-40507 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Maljamar; Grayburg, SanAnd		Maljamar; Yeso West
Pool Code	43329		44500
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	prop'd perf's 3503-5235'		5382-6717'
Method of Production (Flowing or Artificial Lift)	Artificial		Artificial
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	~1970 psi		0.465 psi/ft
Oil Gravity or Gas BTU (Degree API or Gas BTU)	39		36.6
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates: see attached	Date: Rates:	Date: 04/30/2013 Rates: 59/285/115
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 42 % 19 %	Oil Gas % %	Oil Gas 58 % 81 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified? Yes No

ATTACHMENT 2

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martínez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4628
Order Date: July 15, 2013
Application Reference Number: pAXK1317256442

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

Attention: Susan Maunder

Ruby Federal Well No. 10
API No: 30-025-40507
Unit O, Section 18, Township 17 South, Range 32 East, NMPM
Lea County, New Mexico

Pool	MALJAMAR; YESO, WEST	Oil	44500
Names:	MALJAMAR; GRAYBURG-SAN ANDRES	Oil	43329

Reference is made to your recent application for an exception to 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 appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A NMAC, and that 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 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.

Assignment of allowable and allocation of production from the well shall be as follows:

MALJAMAR (YESO WEST) OIL POOL	Pct Gas: 19	Pct Oil: 42
MALJAMAR (GRAYBURG-SAN ANDRES) OIL POOL	Pct Gas: 81	Pct Oil: 58

This approval is conditional upon approval by the United States Bureau of Land Management prior to commencement of commingling.

Administrative Order DHC-4628
ConocoPhillips Company
July 15, 2013
Page 2 of 2

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

Pursuant to 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.



JAMI BAILEY
Director

JB/prg

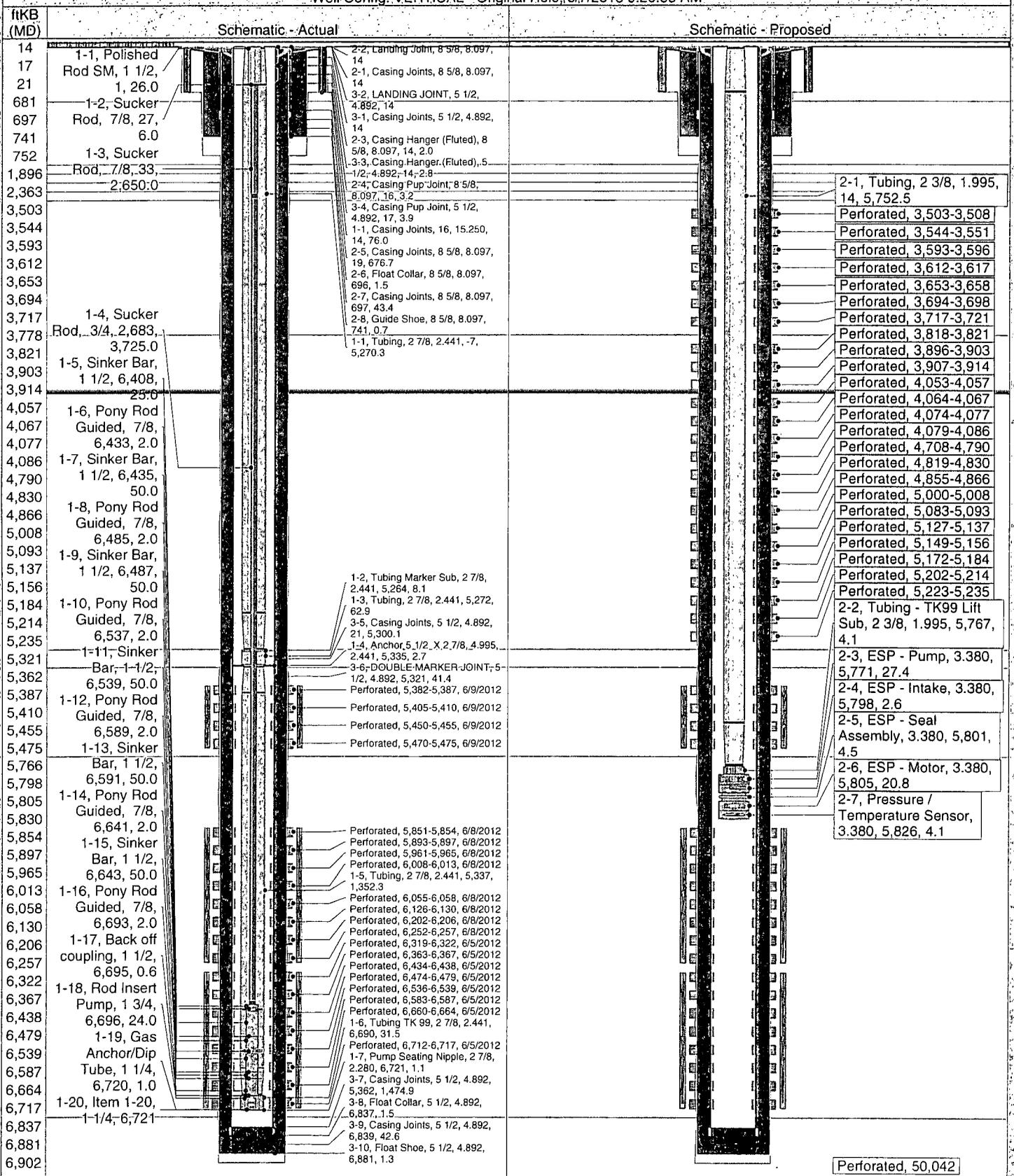
cc: Oil Conservation Division – Hobbs District
Bureau of Land Management – Carlsbad

CURRENT SCHEMATIC

RUBY FEDERAL 10



District PERMIAN	Field Name MALJAMAR	API / UWI 3002540507	County LEA	State/Province NEW MEXICO
Original Spud Date 5/15/2012	Surface Legal Location Section 18, Township 17 S, Range 32 E	E/W Dist (ft) 2,310.00	E/W Ref FEL	N/S Dist (ft) 1,140.00
Well Config: VERTICAL - Original Hole: 6/7/2013 9:20:55 AM				



Ruby Federal 10
30-025-40507
ConcoPhillips Company
September 05, 2013
Conditions of Approval

Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.

Work to be completed by December 01, 2013.

- 1. Operator shall perform a production test on the Malgamar; Yeso West and the Grayburg; San Andres individually and submit results to the BLM.**
2. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
3. Surface disturbance beyond the originally approved pad must have prior approval.
4. Closed loop system required.
5. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
6. Operator to have H2S monitoring equipment on location.
7. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
- 8. Subsequent sundry required detailing work done and completion report with both formations. The completion report shall include production from each formation. Operator to include well bore schematic of current well condition when work is complete.**

9. **Per sundry dated 06/13/2013 and approved on 07/03/2013, operator procedure steps 18 through 21; once production test has been on the GB/SA report results of test to the BLM on a subsequent report sundry. This report shall indicate how well the test matches the allocation percentages between the two formations and the GB/SA field wide production curve. Do production allocations need to be revised?**

10. **Operator shall drill out retrievable plug at 5,300' and DHC. Allocation percentages shall be adjusted if necessary.**

JAM 090513