15-43375

Ashley Bergen Regulatory Specialist

July 30, 2015

ConocoPhillips

ConocoPhillips Company P.O. Box 51810 NM OIL CONSERVATION and, Texas 79710 ARTESIA DISTRICT

AUG 1 3 2015

U.S. Department of the Interior Bureau of Land Management Carlsbad Field Office Attn: Stephen J. Caffey 620 East Greene Street Carlsbad, New Mexico 88220-6292

RECEIVED

Subject: Lease Number: E009200000, Application for Permit to Drill Well, GOLDEN SPUR 36 COM W1 2H

Dear Sir:

Please <u>remove</u> the following 27 pages from the submitted APD:

- 1. Surface Use plan (8 pages)
- 2. All Red Hills Central Facility West B Plats (19 pages)

Please <u>add</u> the 27 attached pages of supporting documents to the submitted APD:

- 1. Surface Use plan (8 pages)
- 2. Plats (19 pages)
 - a. Location Lay out, Figure #1
 - b. Typical cross sections, Figure #2
 - c. Archaeological Survey Boundary Figure #5
 - d. Access Road Map, Topo A
 - e. Access Road Map, Topo B
 - f. Temporary Access Road R-O-W
 - g. Road description
 - h. Pipeline Map, Topo D
 - i. Pipeline R-O-W
 - j. Pipeline R-O-W
 - k. Pipeline Plan & Profile
 - I. Right of Way Detail (4 pages)
 - m. Backfill Diagram (2 pages)
 - n. Power Line R-O-W
 - o. Power Line Map, Topo E

The enclosures are provided as specified in prior correspondence; one original and three copies. Please substitute the appropriate documents into our application. This completes our Application for Permit to Drill submittal to this point.

If you have further questions or need additional information, I can be reached at 432-688-6938

Thank you for your time in reviewing and approving our application.

Sincerely,

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Ashley Bergen Regulatory Specialist

Enclosures: one original and three copies

ConocoPhillips Company Golden Spur 36 COM W1 2H SHL: 315 FSL & 570 FEL, Section: 36, T.26S., R.31E. BHL: 50 FNL & 1040 FEL, Section: 25, T.26S., R.31E.

HOBBS OCD

Surface Use Plan of Operations

AUG 0 3 2015

Introduction

The following surface use plan of operations will be followed and carried out once the APD is approved Norther disturbance will be created other than what was submitted in this surface use plan. If any other surface disturbance is needed after the APD is approved, a BLM approved sundry notice or right of way application will be acquired prior to any new surface disturbance.

Before any surface disturbance is created, stakes or flagging will be installed to mark boundaries of permitted areas of disturbance, including soils storage areas. As necessary, slope, grade, and other construction control stakes will be placed to ensure construction in accordance with the surface use plan. All boundary markers will be maintained in place until final construction cleanup is completed. If disturbance boundary markers are disturbed or knocked down, they will be replaced before construction proceeds.

If terms and conditions are attached to the approved APD and amend any of the proposed actions in this surface use plan, we will adhere to the terms and conditions.

1. Existing Roads

a. No existing oil and gas road will be utilized because These are new wells on the lease and there are currently no existing roads Access Road Map Topo A & Access Road Map Topo B illustrate the proposed road from Highway 128.

2. New or Reconstructed Access Roads

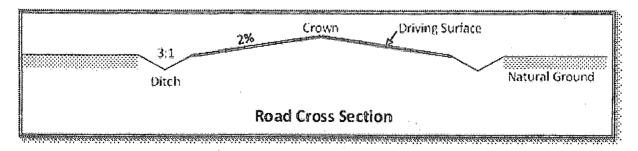
a. An access road will be needed for this proposed project. See the survey plat for the location of the access road.

b. The length of access road needed to be constructed for this proposed project is about 1776 feet.

c. The maximum driving width of the access road will be 20 feet. The maximum width of surface disturbance when constructing the access road will not exceed 25 feet. All areas outside of the driving surface will be revegetated.

d. The access road will be constructed with 6 inches of compacted Caliche.

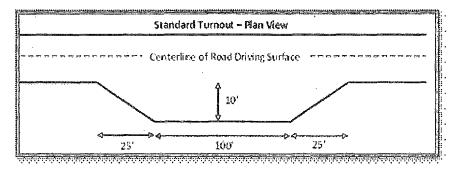
e. When the road travels on fairly level ground, the road will be crowned and ditched with a 2% slope from the tip of the road crown to the edge of the driving surface. The ditches will be 3 feet wide with 3:1 slopes. See Road Cross Section diagram below.



f. The access road will be constructed with a ditch on each side of the road.

g. The maximum grade for the access road will be 2 percent.

h. Turnouts will be constructed for the proposed access road and will be constructed to the dimensions shown in the diagram below. See survey plat or map for location of the turnouts.



i. No cattleguards will be installed for this proposed access road.

j. Since the proposed access road crosses lease boundaries, a right-of-way will be required for this access road. A right-of-way grant will be applied for through the BLM. The access road will not be constructed until an approved BLM right-of-way grant is acquired.

k. No culverts will be constructed for this proposed access road.

1. No low water crossings will be constructed for the access road.

m. Since the access road is on level ground, no lead-off ditches will be constructed for the proposed access road.

n. Newly constructed or reconstructed roads, on surface under the jurisdiction of the Bureau of Land Management, will be constructed as outlined in the BLM "Gold Book" and to meet the standards of the anticipated traffic flow and all anticipated weather requirements as needed. Construction will include ditching, draining, crowning and capping or sloping and dipping the roadbed as necessary to provide a well-constructed and safe road.

o. The road crosses a lease boundary. Row submittals will be provided under separate cover. Five feet of additional surface disturbance may be needed for construction purposes. The access road has 1741.59' on private surface, D K Farms and 34.38' on Federal BLM land totaling 1776' of road.

3. Location of Existing Wells

a. Golden Spur 36 COM W1 2H, 1 Mile Radius Map of the APD depicts all known wells within a one mile radius of the proposed well.

b. There is no other information regarding wells within a one mile radius.

4. Location of Existing and/or Proposed Production Facilities

a. All permanent, lasting more than 6 months, above ground structures including but not limited to pumpjacks, storage tanks, barrels, pipeline risers, meter housing, etc. that are not subject to safety requirements will be painted a non-reflective paint color, Shale Green, from the BLM Standard Environmental Colors chart, unless another color is required in the APD Conditions of Approval.

b. If any type of production facilities are located on the well pad, they will be strategically placed to allow for maximum interim reclamation, recontouring, and revegetation of the well location.

c. A production facility is proposed to be installed off the proposed well location. Production from the well will be processed at this production facility. Golden Spur Facility, Location Lay Out Figure 1 depicts the location of the production facilities.

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d. The proposed production facility will have a secondary containment structure that is constructed to hold the capacity of 1-1/2 times the largest tank, plus freeboard to account for percipitation, unless more stringent protective requirements are deemed necessary.

e. Preliminary Plot Plan depicts the production facility as well.

f. A pipeline to transport production from the proposed well to the production facility will be installed.

i. We plan to install a 4 inch buried Coated Steel pipeline from the proposed well to the offsite production facility. The proposed length of the pipeline will be 267 feet. The working pressure of the pipeline will be about 1480 psi. A 40 feet wide work area will be needed to install the buried pipeline. In areas where blading is allowed, topsoil will be stockpiled and separated from the excavated trench mineral material. Final reclamation procedures will match the procedures in Plans for Surface Reclamation. When the excavated soil is backfilled, it will be compacted to prevent subsidence. No berm over the pipeline will be evident.

ii. Flow Line ROW depicts the proposed production pipeline route from the well to the existing production facility.

iii. The proposed pipeline does not cross lease boundaries, so a right of way grant will not need to be acquired from the BLM.

If any plans change regarding the production facility or other infrastructure (pipeline, electric line, etc.), we will submit a sundry notice or right of way (if applicable) prior to installation or construction.

Additional Pipeline(s)

We propose to install 3 additional pipeline(s):

1. Buried Gas pipeline:

a. We plan to install a 8 inch buried Coated Steel pipeline from Compressor to Nuevo Gas Pipeline. The proposed length of the pipeline will be 1811 feet. The working pressure of the pipeline will be about 1250 psi. A 40 feet wide work area will be needed to install the buried pipeline. We will need an extra 10 foot wide area near corners to safely install the pipeline. In areas where blading is allowed, topsoil will be stockpiled and separated from the excavated trench mineral material. Final reclamation procedures will match the procedures in Plans for Surface Reclamation. When the excavated soil is backfilled, it will be compacted to prevent subsidence. No berm over the pipeline will be evident.

b. Red Hills Central Facility West B, Pipeline R-O-W depicts the proposed Gas pipeline route.

c. Since the proposed pipeline crossess lease boundaries, a right of way grant will be acquired prior to installation of the proposed pipeline.

2. Buried Water pipeline:

a. We plan to install a 8 inch buried Polyline pipeline from Compressor to COP Water Line. The proposed length of the pipeline will be 1537 feet. The working pressure of the pipeline will be about 200 psi. A 40 feet wide work area will be needed to install the buried pipeline. We will need an extra 10 foot wide area near corners to safely install the pipeline. In areas where blading is allowed, topsoil will be stockpiled and separated from the excavated trench mineral material. Final reclamation procedures will match the procedures in Plans for Surface Reclamation. When the excavated soil is backfilled, it will be compacted to prevent subsidence. No berm over the pipeline will be evident.

b. Red Hills Central Facility West B, Pipeline R-O-W depicts the proposed Water pipeline route.

c. The proposed pipeline does not cross lease boundaries, so a right of way grant will not need to be acquired from the BLM.

3. Buried Gas pipeline:

a. We plan to install a 16 inch buried Coated Steel pipeline from Compressor to Red Hills Trunk line. The proposed length of the pipeline will be 1537 feet. The working pressure of the pipeline will be about 200 psi. A 40 feet wide work area will be needed to install the buried pipeline. We will need an extra 10 foot wide area near corners to safely install the pipeline. In areas where blading is allowed, topsoil will be stockpiled and separated from the excavated trench mineral material. Final reclamation procedures will match the procedures in Plans for Surface Reclamation. When the excavated soil is backfilled, it will be compacted to prevent subsidence. No berm over the pipeline will be evident.

b. Red Hills Central Facility West B, Pipeline R-O-W depicts the proposed Gas pipeline route.

c. The proposed pipeline does not cross lease boundaries, so a right of way grant will not need to be acquired from the BLM.

Electric Line(s)

a. We plan to install an overhead electric line for the proposed well. The proposed length of the electric line will be 2317 feet. Power Line R-O-W depicts the location of the proposed electric line route. The electric line will be construction to provide protection from raptor electrocution.

b. Since the proposed electric line crossess lease boundaries, a right of way grant will be acquired prior to installation of the proposed electric line.

5. Location and Types of Water

a. The source and location of the water supply are as follows: The water will be trucked from Texas .

b. The operator will use established or constructed oil and gas roads to transport water to the well site. The operator will try to utilize the identified access route in the surface use plan.

6. Construction Material

a. Clean caliche will be from a BLM source or a third party provider.

7. Methods for Handling Waste

a. Drilling fluids and produced oil and water from the well during drilling and completion operations will be stored safely and disposed of properly in an NMOCD approved disposal facility.

b. Garbage and trash produced during drilling and completion operations will be collected in a trash container and disposed of properly at a state approved disposal facility. All trash on and around the well site will be collected for disposal.

c. Human waste and grey water will be properly contained and disposed of properly at a state approved disposal facility.

d. After drilling and completion operations, trash, chemicals, salts, frac sand and other waste material will be removed and disposed of properly at a state approved disposal facility.

e. The well will be drilled utilizing a closed loop system. Drill cutting will be properly disposed of into steel tanks and taken to an NMOCD approved disposal facility.

8. Ancillary Facilities

a. No ancillary facilities will be needed for this proposed project.

9. Well Site Layout

a. The following information is presented in the well site survey plat or diagram:

- i. reasonable scale (near 1":50')
- ii. well pad dimensions
- iii. well pad orientation
- iv. drilling rig components
- v. proposed access road
- vi. elevations of all points
- vii. topsoil stockpile
- viii. reserve pit location/dimensions if applicable

ix. other disturbances needed (flare pit, stinger, frac farm pad, etc.)

x. existing structures within the 600' x 600' archaeoligical surveyed area (pipelines, electric lines, well pads, etc

b. The proposed drilling pad was staked and surveyed by a professional surveyor. The attached survey plat of the well site depicts the drilling pad layout as staked.

c. The submitted survey plat does depict all the necessary information required by Onshore Order No. 1.

d. Topsoil Salvaging

i. Grass, forbs, and small woody vegetation, such as mesquite will be excavated as the topsoil is removed. Large woody vegetation will be stripped and stored separately and respread evenly on the site following topsoil respreading. Topsoil depth is defined as the top layer of soil that contains 80% of the roots. In areas to be heavily disturbed, the top 6 inches of soil material, will be stripped and stockpiled on the perimeter of the well location and along the perimeter of the access road to control run-on and run-off, to keep topsoil viable, and to make redistribution of topsoil more efficient during interim reclamation. Stockpiled topsoil should include vegetative material. Topsoil will be clearly segregated and stored separately from subsoils. Contaminated soil will not be stockpiled, but properly treated and handled prior to topsoil salvaging.

10. Plans for Surface Reclamation

Reclamation Objectives

i. The objective of interim reclamation is to restore vegetative cover and a portion of the landform sufficient to maintain healthy, biologically active topsoil; control erosion; and minimize habitat and forage loss, visual impact, and weed infestation, during the life of the well or facilities.

ii. The long-term objective of final reclamation is to return the land to a condition similar to what existed prior to disturbance. This includes restoration of the landform and natural vegetative community, hydrologic systems, visual resources, and wildlife habitats. To ensure that the long-term objective will be reached through human and natural processes, actions will be taken to ensure standards are met for site stability, visual quality, hydrological functioning, and vegetative productivity.

iii. The BLM will be notified at least 3 days prior to commencement of any reclamation procedures.

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iv. If circumstances allow, interim reclamation and/or final reclamation actions will be completed no later than 6 months from when the final well on the location has been completed or plugged. We will gain written permission from the BLM if more time is needed.

v. Interim reclamation will be performed on the well site after the well is drilled and completed. Reclamation Diagram, Figure 4 depicts the location and dimensions of the planned interim reclamation for the well site.

Interim Reclamation Procedures (If performed)

1. Within 30 days of well completion, the well location and surrounding areas will be cleared of, and maintained free of, all materials, trash, and equipment not required for production.

2. In areas planned for interim reclamation, all the surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.

3. The areas planned for interim reclamation will then be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.

4. Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations including cuts & fills. To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites.

5. Proper erosion control methods will be used on the area to control erosion, runoff and siltation of the surrounding area.

6. The interim reclamation will be monitored periodically to ensure that vegetation has reestablished and that erosion is controlled.

Final Reclamation (well pad, buried pipelines, etc.)

1. Prior to final reclamation procedures, the well pad, road, and surrounding area will be cleared of material, trash, and equipment.

2. All surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.

3. All disturbed areas, including roads, pipelines, pads, production facilities, and interim reclaimed areas will be recontoured to the contour existing prior to initial construction or a contour that blends indistinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation.

4. After all the disturbed areas have been properly prepared, the areas will be seeded with the proper BLM seed mixture, free of noxious weeds. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites.

5. Proper erosion control methods will be used on the entire area to control erosion, runoff and siltation

of the surrounding area.

6. All unused equipment and structures including pipelines, electric line poles, tanks, etc. that serviced the well will be removed.

7. All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, and that erosion is controlled.

11. Surface Ownership

a. The surface ownership of the proposed project is Private.

1. Surface Owner: David Kirk

Phone Number: (432) 853-2242

Address: 2713 Racquet Club Drive Midland, Texas 79705

a. ConocoPhillips Company is currently working on obtaining the surface use agreement from the private surface owner regarding the proposed project. Once completed ConocoPhillips will submit a letter stating the agreement has been acquired.

12. Other Information

a. The following well pad and facility location was staked with Ms. Bad Bear on October 29, 2014. Please review this application with the Golden Spur 36 COM W1 1H. This well is planned to spud January 2016.

Power line ROW's will be filed under separate cover. The Power Line has 1789.64' on private surface, D K Farms and 13.12' on Federal BLM land totaling 1803' of overhead electric lines.

The Surface Use and Compensation Agreement will be filed under separate cover.

The facility pad was originally staked for 600' x 600' but ConocoPhillips will only be building 450' x 100' at this time.

The Compressor site will have three buried lines. The 8" gas line will travel 1811'; 1612.47' is on private land, D K Farms and 198.84' on Federal BLM Land and will tie into the existing Nuevo line. The 16" gas line and an 8" water line are all on private land totaling 1,537'. The 16" gas line will tie into the proposed Red Hills Trunk line and the 8" water line will tie into the COP water line. The lines will follow the staked perimeter of the facility until it reaches the road where it will follow the road until the tie in point. The road and the portion of the staked facility will be used as temporary work space. A 40' R-O-W is proposed for 1612' of the line that connects to the Red Hills Trunk line and a 30' R-O-W is proposed for the 198.84' line that connects to Nuevo. The flow line ROW will be filed under separate cover.

ConocoPhillips respectfully request to defer the interim reclamation on the north side of the pad in order to use this area to access the future compressor site.

13. Maps and Diagrams

Golden Spur 36 COM W1 2H, 1 Mile Radius Map - Wells Within One Mile Golden Spur Facility, Location Lay Out Figure 1 - Production Facilities Diagram Preliminary Plot Plan - Additional Production Facilities Diagram Flow Line ROW - Production Pipeline Red Hills Central Facility West B, Pipeline R-O-W - Gas Pipeline Red Hills Central Facility West B, Pipeline R-O-W - Water Pipeline Red Hills Central Facility West B, Pipeline R-O-W - Gas Pipeline Power Line R-O-W - Electric Line ConocoPhillips Company Golden Spur 36 COM W1 2H

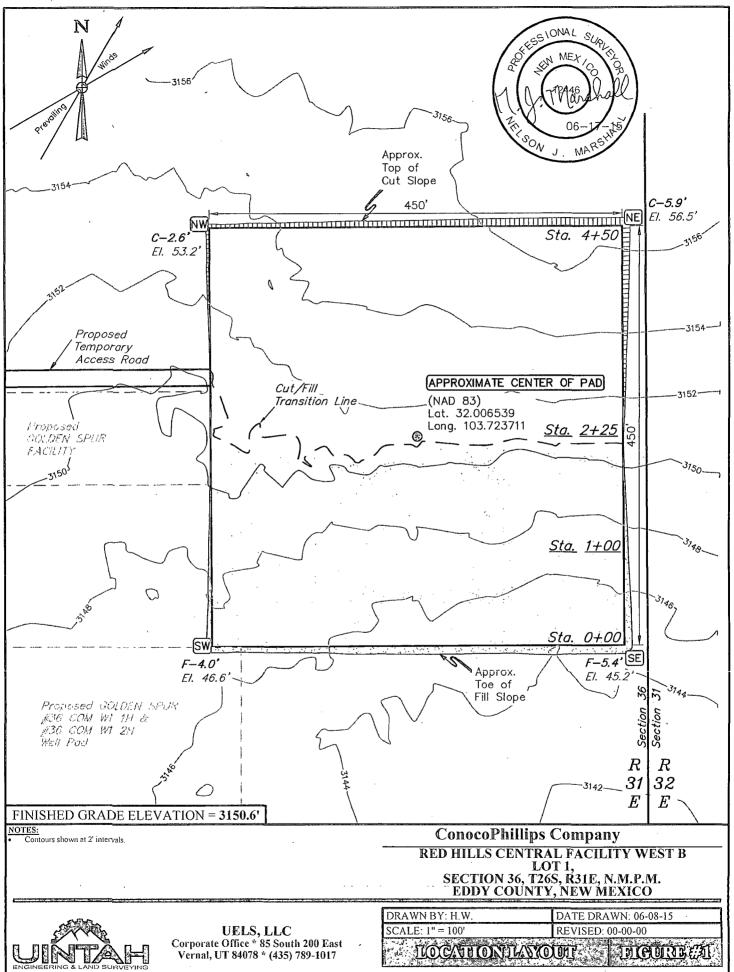
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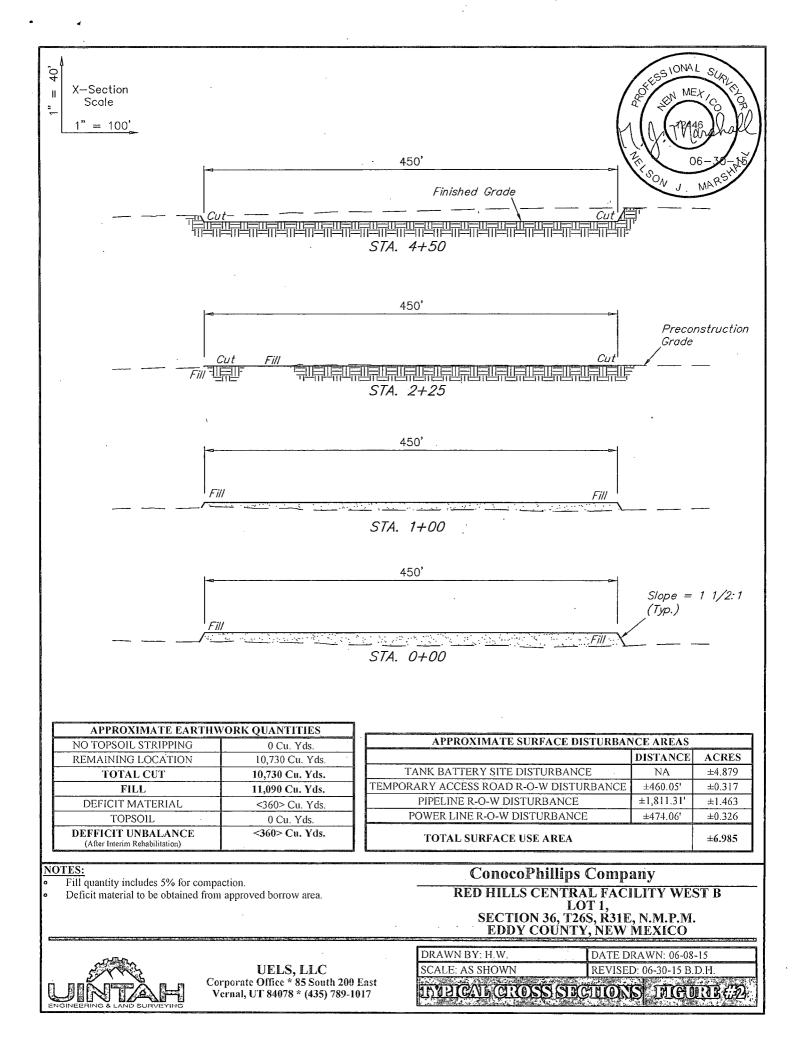
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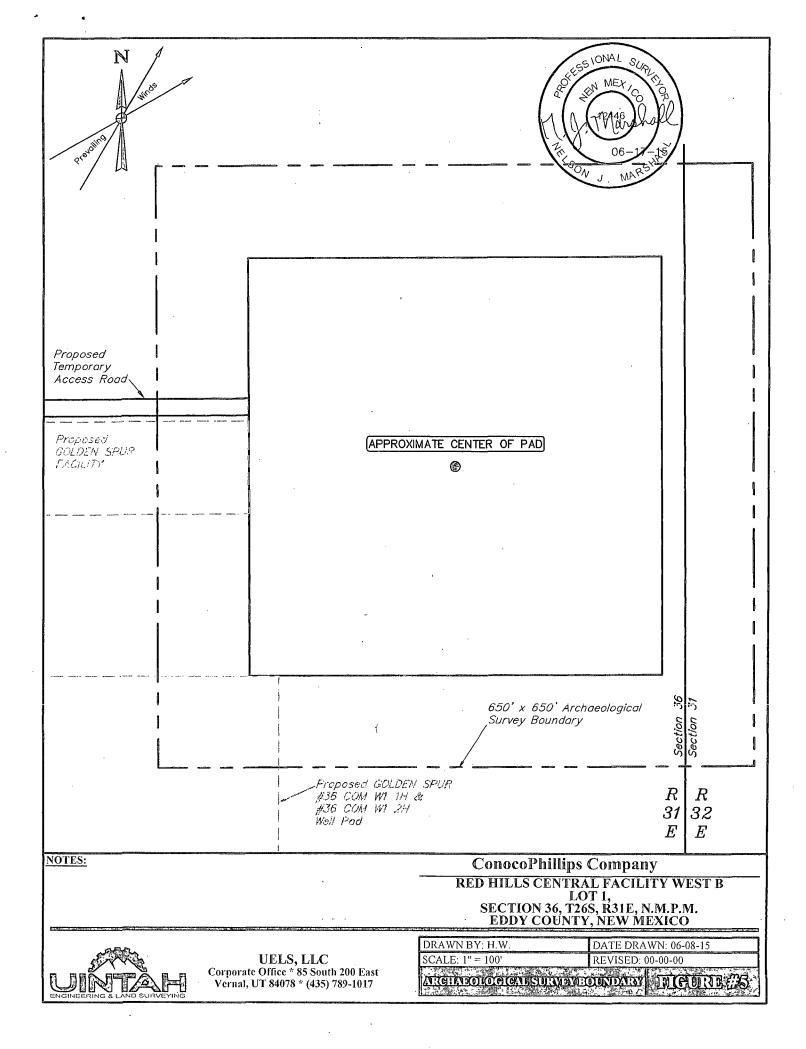
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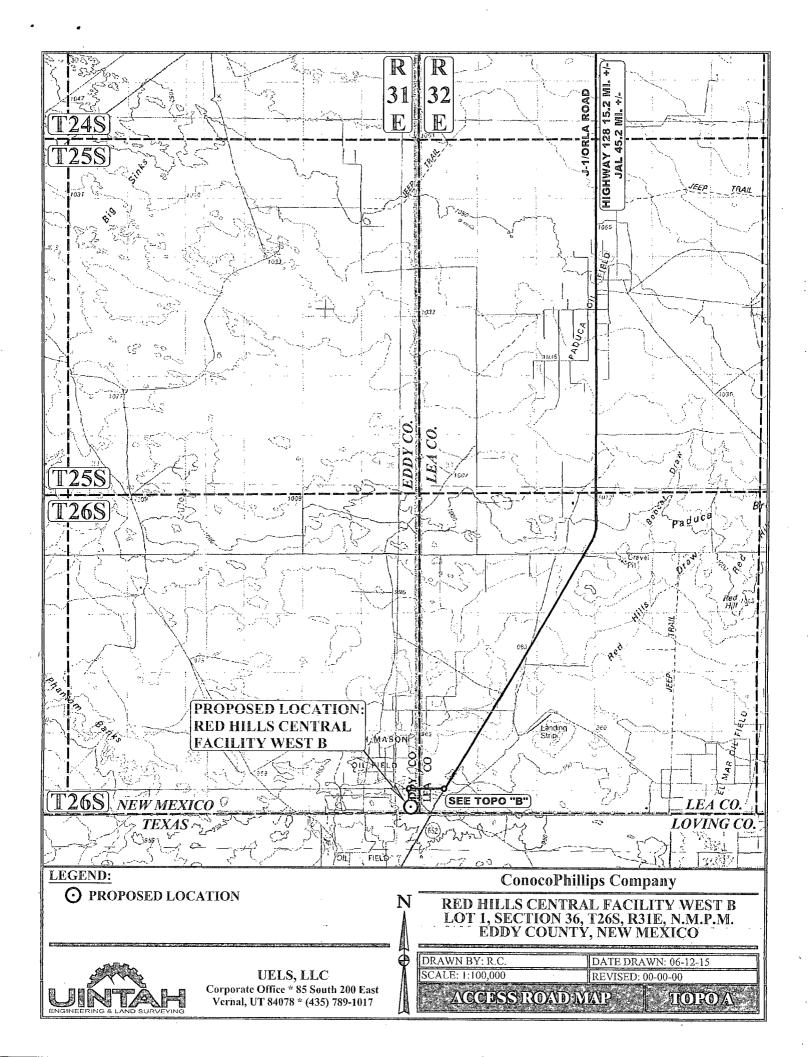
Reclamation Diagram, Figure 4 - Interim Reclamation

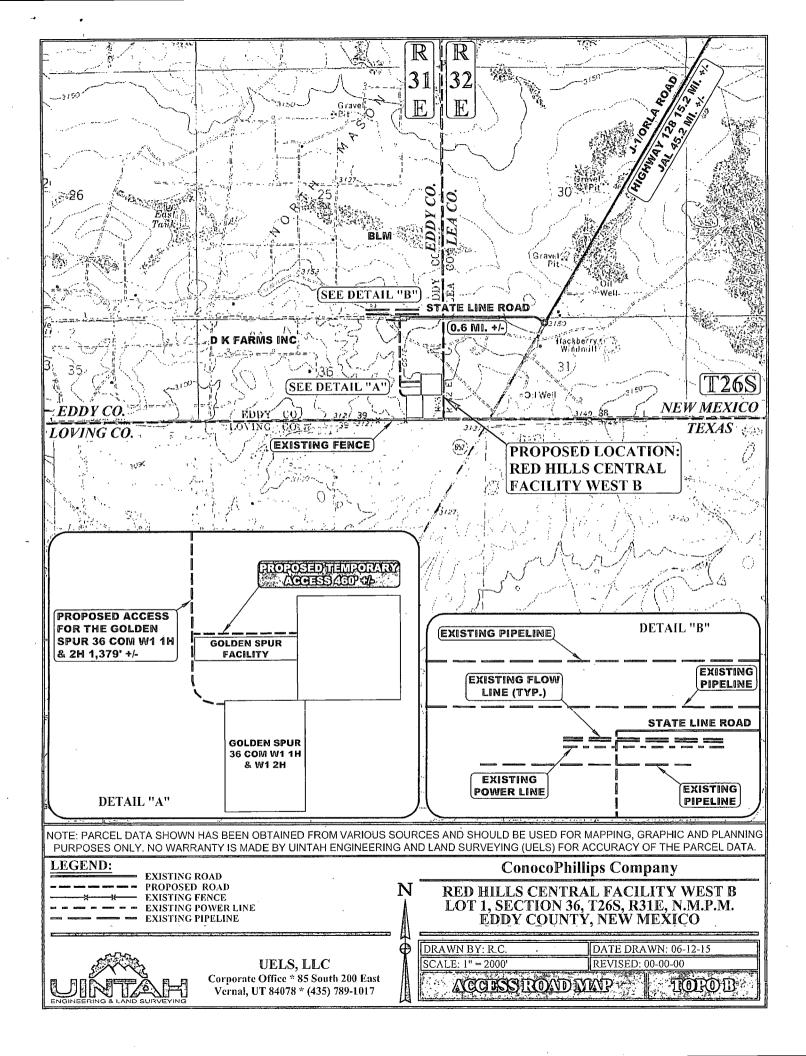


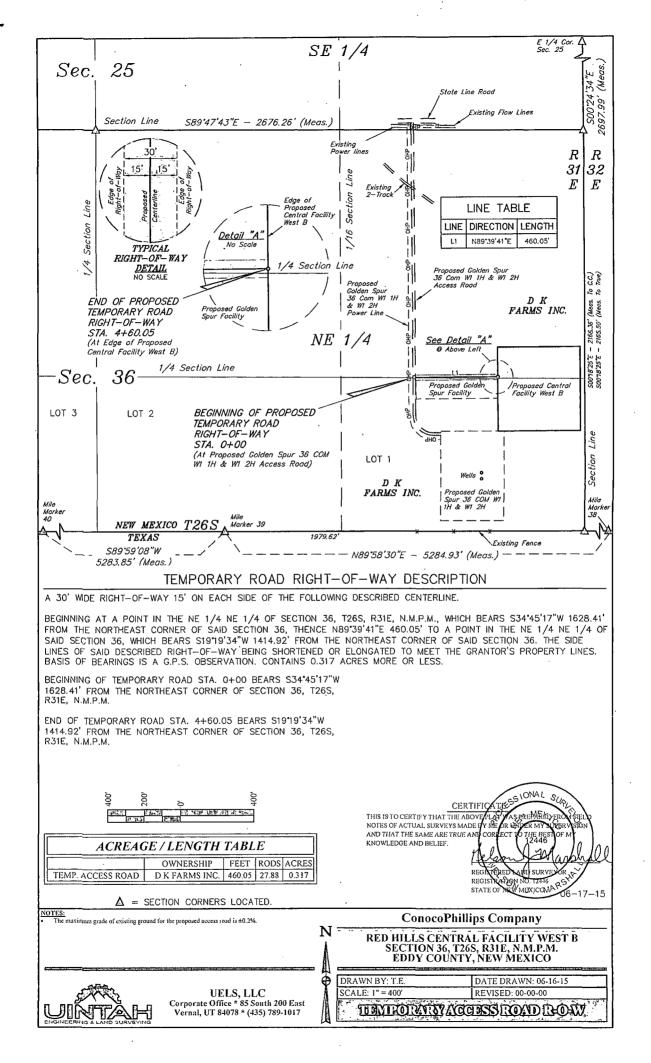












BEGINNING AT THE INTERSECTION OF HIGHWAY 18 AND HIGHWAY 128 PROCEED IN A WESTERLY, THEN NORTHWESTERLY, THEN WESTERLY JAL. NEW MEXICO ALONG DIRECTION FROM HIGHWAY 128 APPROXIMATELY 30.0 MILES TO THE JUNCTION OF THIS ROAD AND J-1/ORLA ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 15.2 MILES TO THE JUNCTION OF THIS ROAD AND STATE LINE ROAD TO THE EAST; TURN RIGHT AND PROCEED IN A WESTERLY' DIRECTION APPROXIMATELY 0.6 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE GOLDEN SPUR 36 COM W1 1H & 2H WELL PAD TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 1,379' TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE EAST: FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATELY 460' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM JAL, NEW MEXICO TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 46.1 MILES.

ConocoPhillips Company

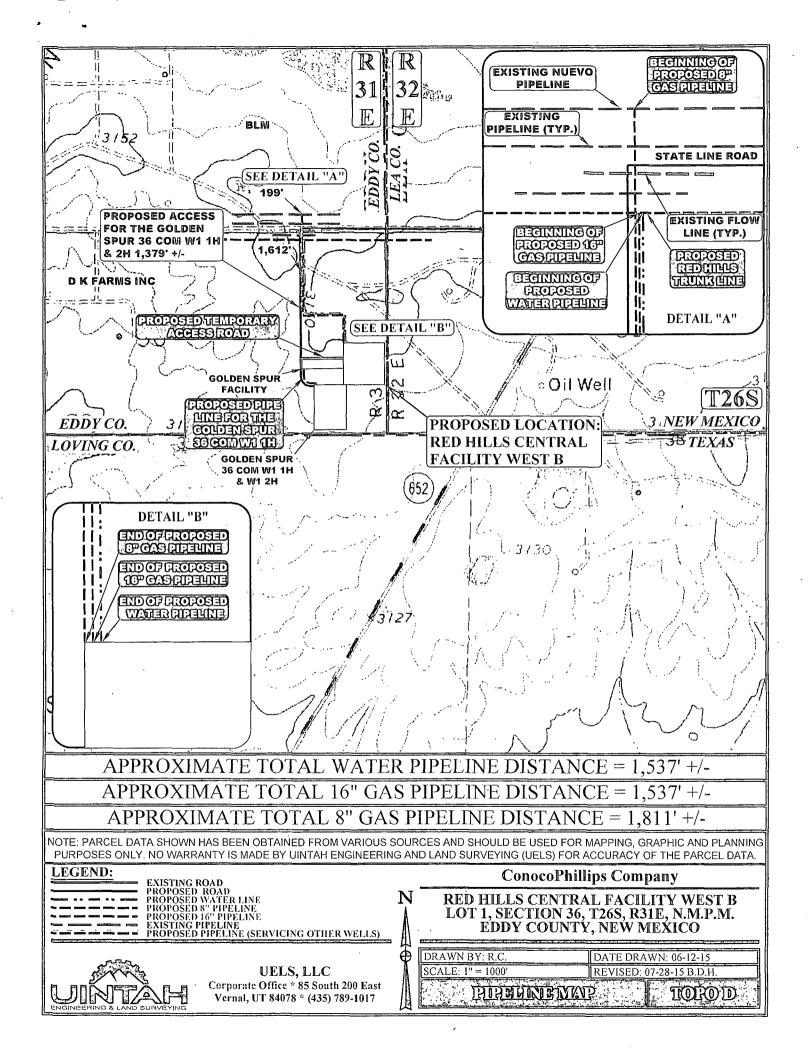
RED HILLS CENTRAL FACILITY WEST B LOT 1, SECTION 36, T26S, R31E, N.M.P.M. EDDY COUNTY, NEW MEXICO

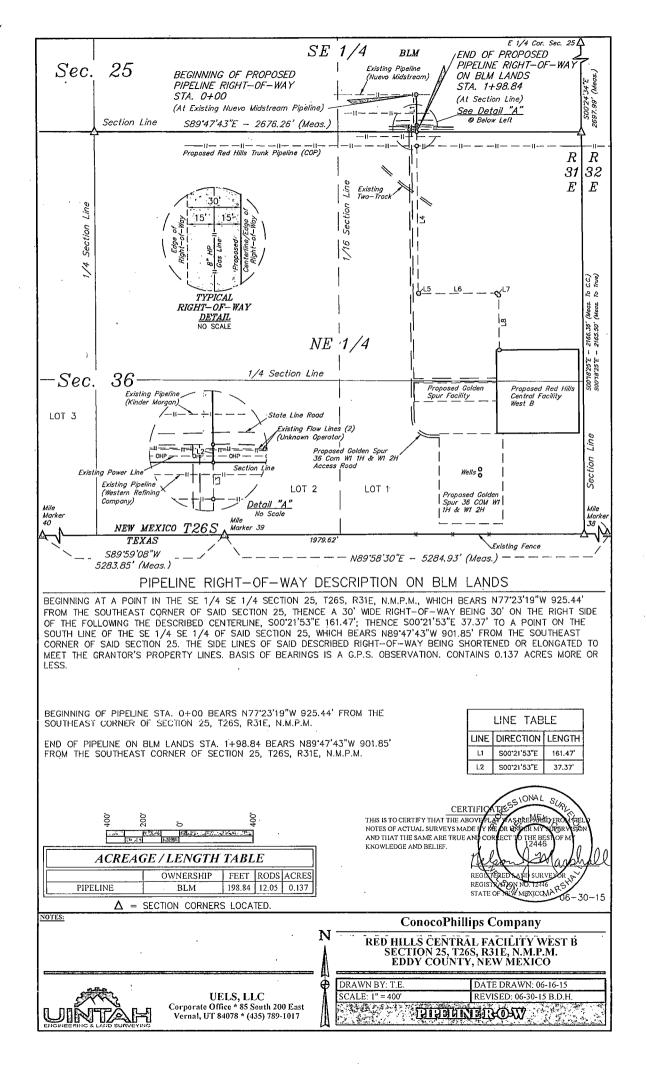
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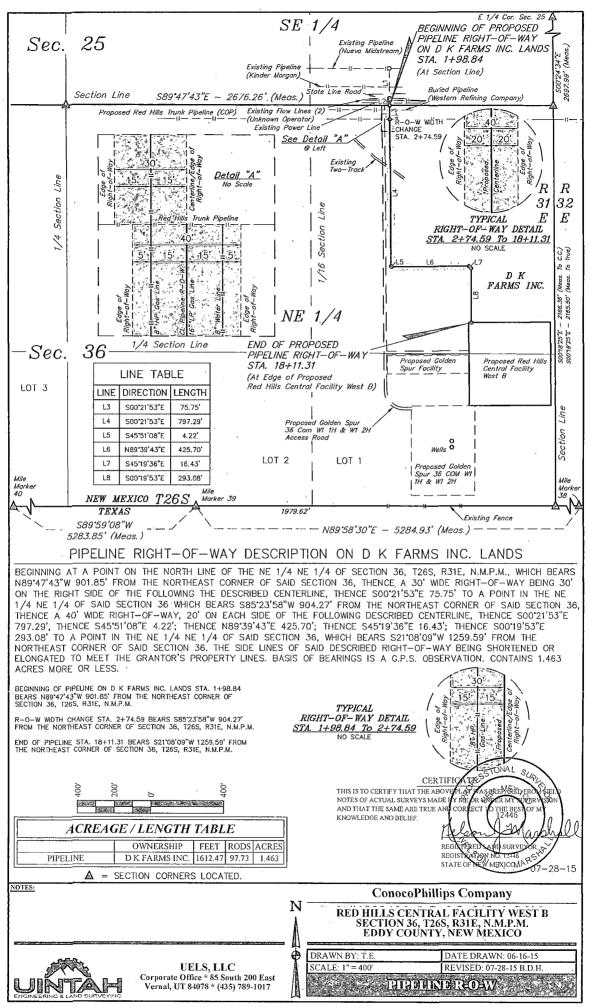
UELS, LLC Corporate Office * 85 South 200 East Vernal, UT 84078 * (435) 789-1017 DRAWN BY: R.C.

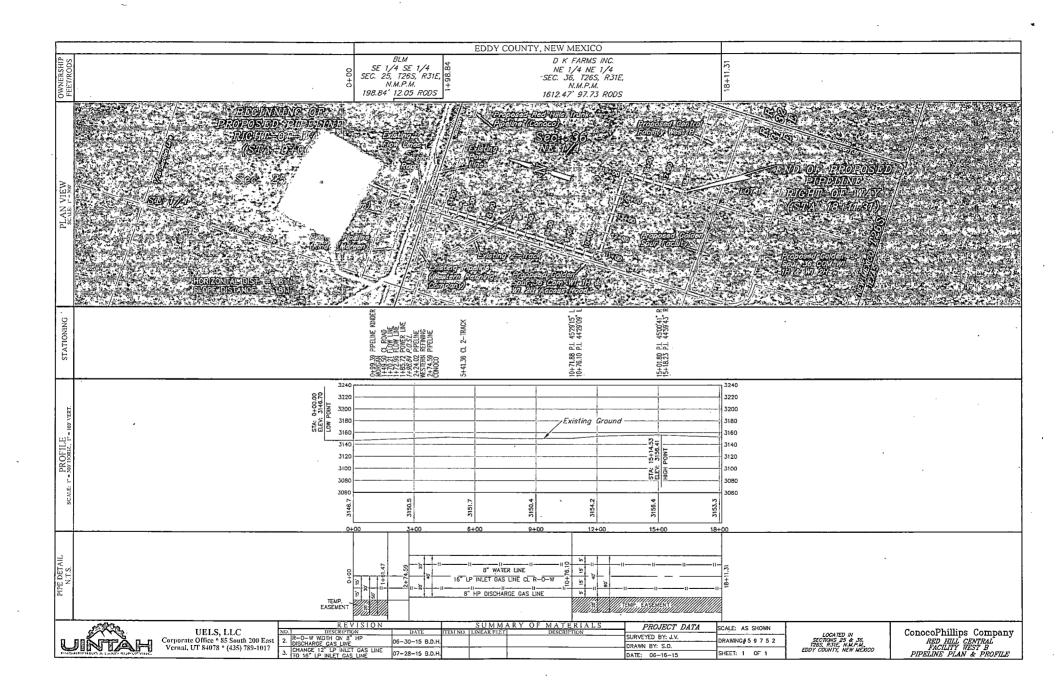
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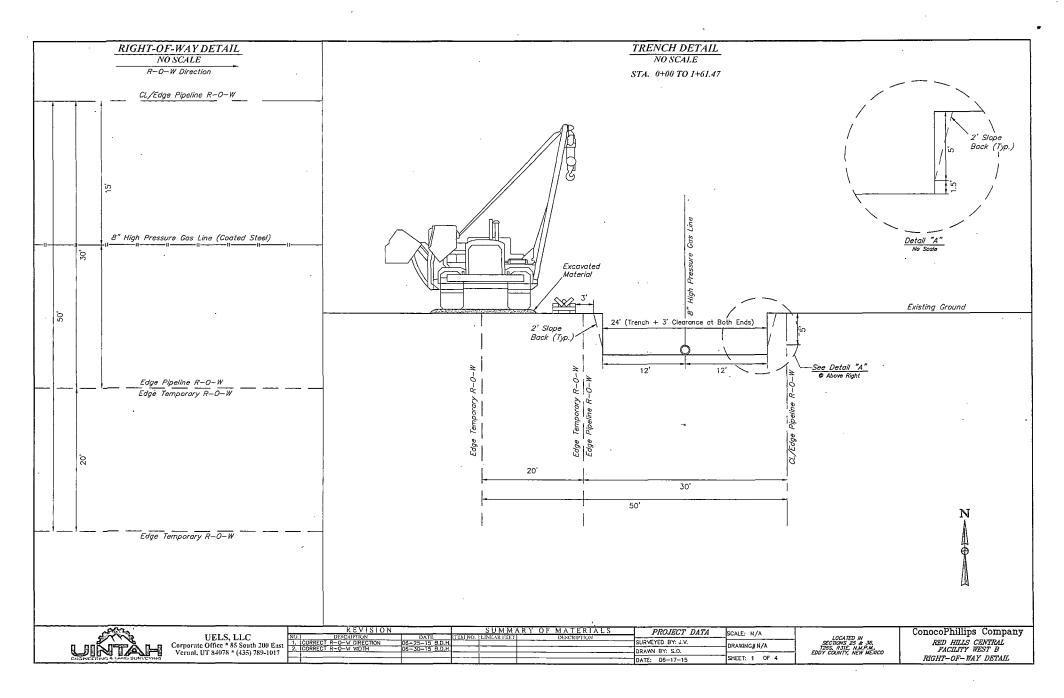
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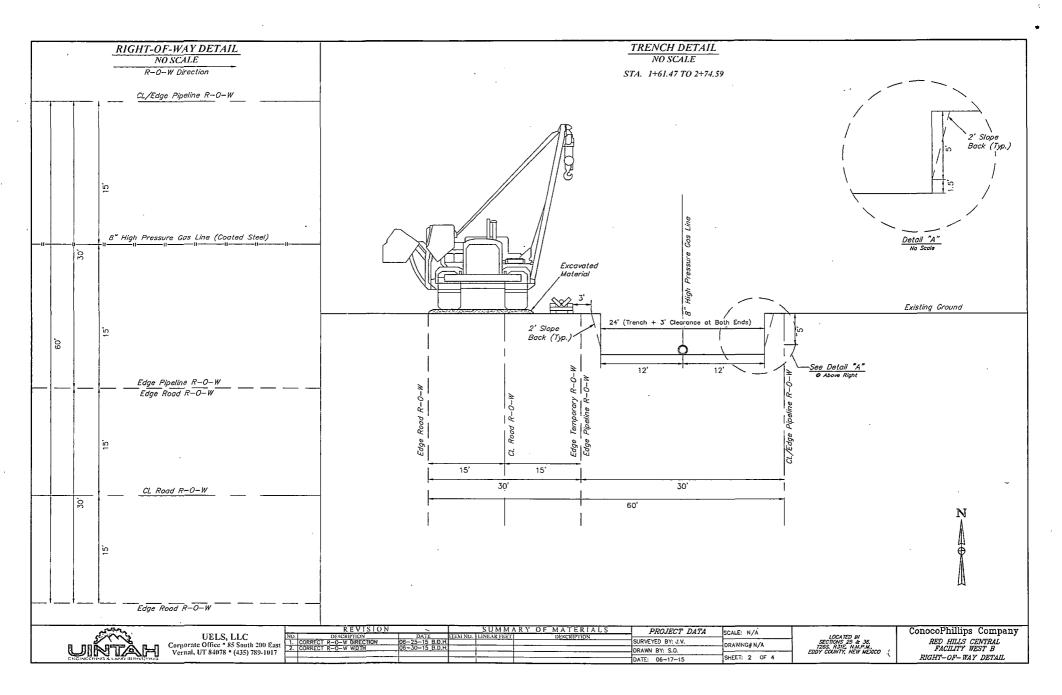


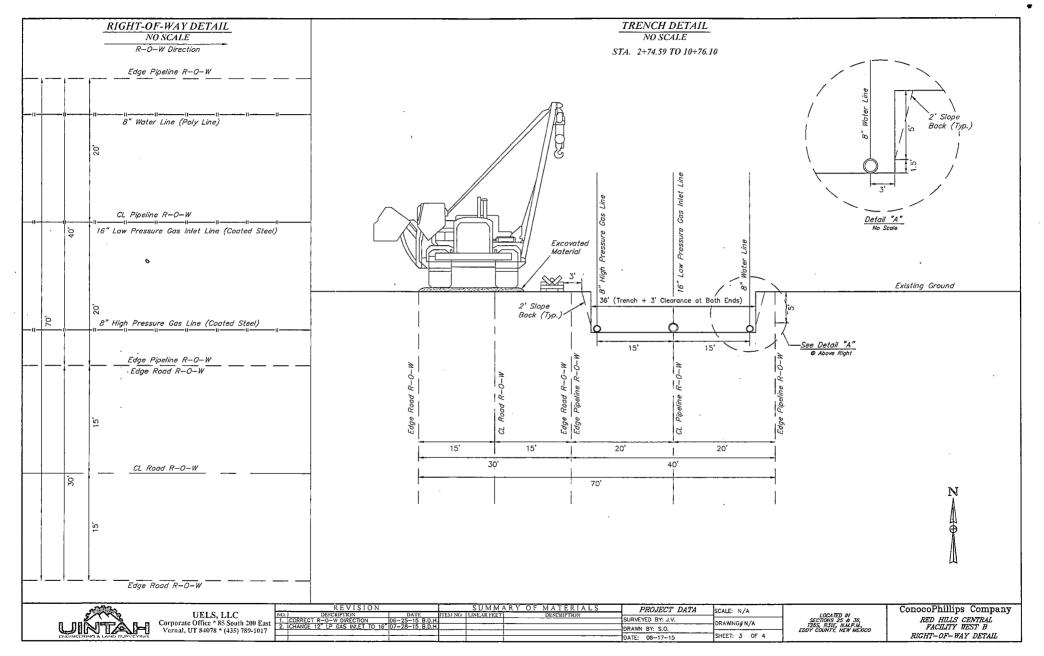






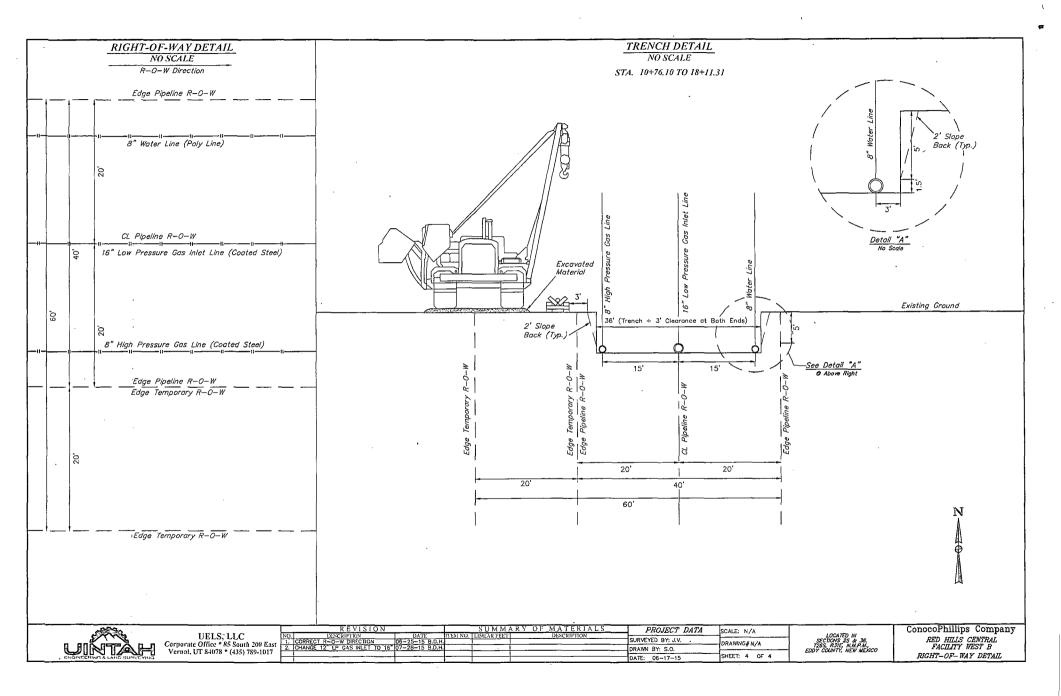


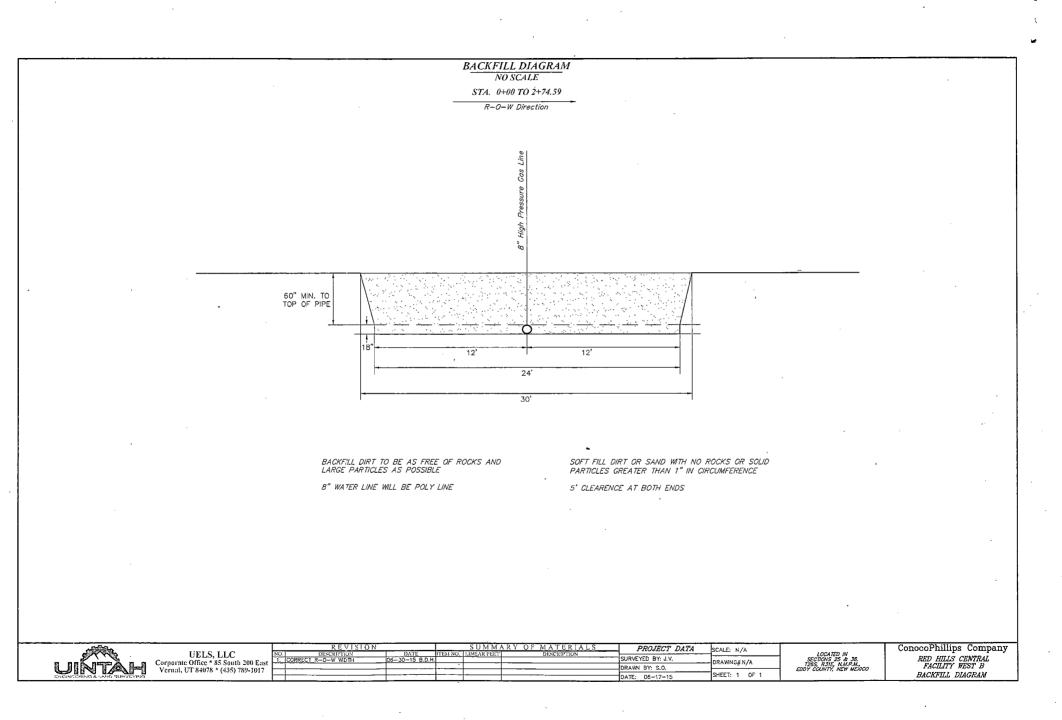


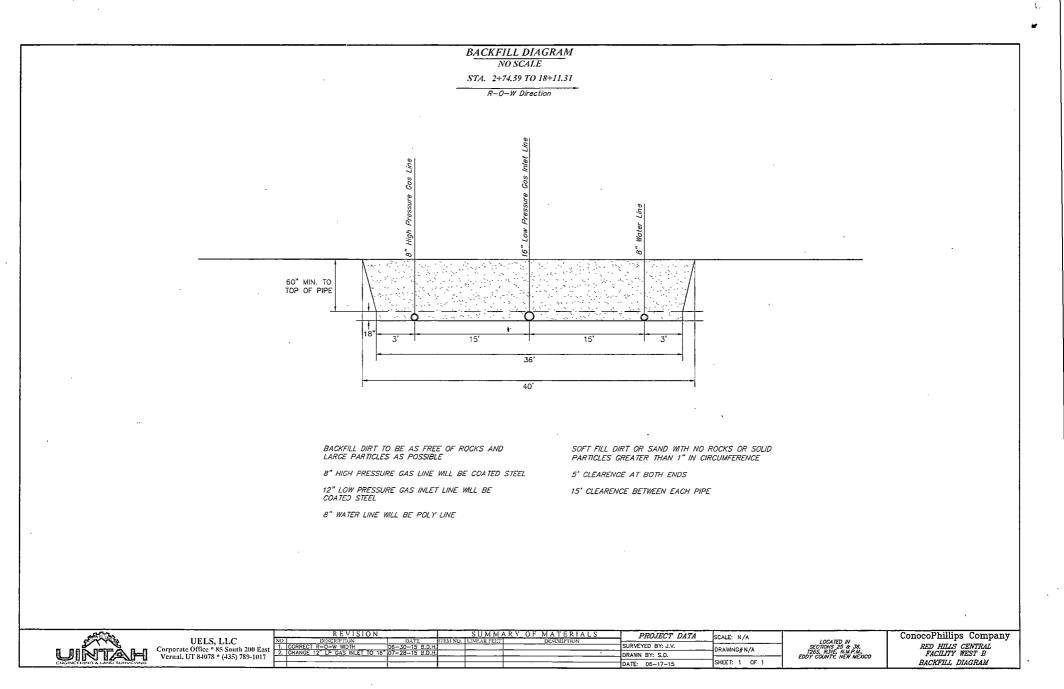


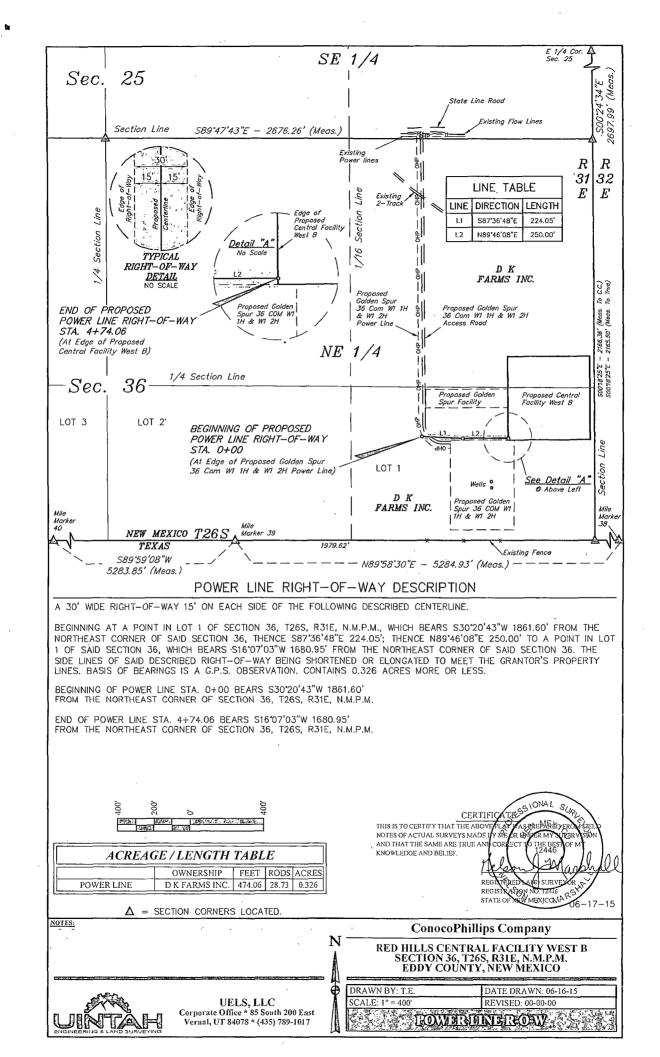
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