

HOBBS OCD
JUN 05 2013

ATS-13-442

Form 3160-3
(March 2012)

RECEIVED

OCD Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NM LC 029405B

6. If Indian, Allottee or Tribe Name
N/A

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

8. Lease Name and Well No.
Ruby Federal #24 <38653>

9. API Well No.
30-025-41205

10. Field and Pool, or Exploratory
Maljamar; Yeso West <44500>

11. Sec., T. R. M. or Blk. and Survey or Area
Section 18, T17S, R32E

12. County or Parish
Lea County

13. State
NM

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator ConocoPhillips Company

3a. Address P.O. Box 51810
Midland, Texas 79710-1810

3b. Phone No. (include area code)
432-688-6913

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface 2310' FSL and 1650' FWL; UL K, Section 18, T17S, R32E
At proposed prod. zone 2310' FSL and 1650' FWL; UL K, Section 18, T17S, R32E

14. Distance in miles and direction from nearest town or post office*
Approximately 3 miles south of Maljamar, New Mexico

15. Distance from proposed* location to nearest property or lease line, ft.
(Also to nearest drig. unit line, if any)
1650' FWL

16. No. of acres in lease
1601.9

17. Spacing Unit dedicated to this well
40 acre

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
Approximately 725'

19. Proposed Depth
6910' MD/TVD

20. BLM/BIA Bond No. on file
ES 0085

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3952' GL

22. Approximate date work will start*
09/24/2013

23. Estimated duration
10 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature Susan B. Maunder

Name (Printed/Typed)
Susan B. Maunder

Date
2-20-2013

Title
Senior Regulatory Specialist

Approved by (Signature) /s/George MacDonell

Name (Printed/Typed)
/s/George MacDonell

Date
JUN - 3 2013

Title
FIELD MANAGER

Office
CARLSBAD FIELD OFFICE

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

Roswell Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

JUN 06 2013

Drilling Plan
ConocoPhillips Company
Maljamar, Yeso, west

Ruby Federal #24

Lea County, New Mexico

1. Estimated tops of geological markers and estimated depths to water, oil, or gas formations:

The ranges of depths for the formation tops, thicknesses, and planned Total Depths for all the wells to be drilled under this Master Drilling Plan are presented in the table below.

The datum for these depths is RKB (which is 13' above Ground Level).

Formations	Top Depths FT MD	Contents
Quaternary	Surface	Fresh Water
Rustler	669	Anhydrite
Salado (top of salt)	841	Salt
Tansill	1844	Gas, Oil and Water
Yates	2053	Gas, Oil and Water
Seven Rivers	2338	Gas, Oil and Water
Queen	2979	Gas, Oil and Water
Grayburg	3401	Gas, Oil and Water
San Andres	3778	Gas, Oil and Water
Glorieta	5242	Gas, Oil and Water
Paddock	5323	Gas, Oil and Water
Blinberry	5669	Gas, Oil and Water
Tubb	6710	Gas, Oil and Water
Deepest estimated perforation	6710	Deepest estimated perf. is ~ Top of Tubb
Total Depth (maximum)	6910	200' below deepest estimated perforation

All of the water bearing formations identified above will be protected by setting of the 8-5/8" surface casing 25' – 70' into the Rustler formation and circulating of cement from casing shoe to surface in accordance with the provisions of Onshore Oil and Gas Order No. 2 and New Mexico Oil Conservation Division Title 19.

The targeted oil and gas bearing formations identified above will be protected by setting of the 5-1/2" production casing 10' off bottom of TD and circulating of cement from casing shoe to surface in accordance with the provisions of Onshore Oil and Gas Order No. 2 and New Mexico Oil Conservation Division Title 19.

2. Proposed casing program:

Type	Hole Size	Interval MD RKB (ft)		OD	Wt	Gr	Conn	MIY	Col	Jt Str	Safety Factors Calculated per ConocoPhillips Corporate Criteria		
		From	To								Burst DF	Collapse DF	Jt Str DF (Tension) Dry/Buoyant
Cond	20	0	40' – 85' (30' – 75' BGL)	16	0.5" wall	B	Line Pipe	N/A	N/A	N/A	NA	NA	NA
Alt. Cond	20	0	40' – 85' (30' – 75' BGL)	13-3/8	48#	H-40	PE	1730	740	N/A	NA	NA	NA
Surf	12-1/4	0	604 739'	8-5/8	24#	J-55	STC	2950	1370	244	1.61	4.17	3.73
Prod	7-7/8	0	6855' – 6900'	5-1/2	17#	L-80	LTC	7740	6290	338	2.16	2.53	2.01

The casing will be suitable for H₂S Service. All casing will be new.

The surface and production casing will be set approximately 10' off bottom and we will drill the hole with a 45' range uncertainty for casing set depth to fit the casing string so that the cementing head is positioned at the floor for the cement job.

The production casing will be set 155' to 200' below the deepest estimated perforation to provide rathole for the pumping completion and for the logs to get deep enough to log the interval of interest.

Casing Design (Safety) Factors - BLM Criteria:

Type	Depth	Wt	MIY	Col	Jt Str	Drill Fluid	Burst	Collapse	Tensile-Dry	Tens-Bouy
Surface Casing	739	24	2950	1370	244000	8.5	9.03	4.19	13.8	15.8
Production Casing	6900'	17	7740	6290	338000	10	2.16	1.75	2.88	3.40

Casing Design (Safety) Factors – Additional ConocoPhillips Criteria:

ConocoPhillips casing design policy establishes Corporate Minimum Design Factors (see table below) and requires that service life load cases be considered and provided for in the casing design.

ConocoPhillips Corporate Criteria for Minimum Design Factors

	Burst	Collapse	Axial
Casing Design Factors	1.15	1.05	1.4

Type	Depth	Wt	MIY	CoI	Jt Str	Pipe Yiel MW	Burst	Collapse	Tensile
Surface Casing (8-5/8" 24# J-55 STC)	739	24	2950	1370	244000	381000	8.5	1.23	6.38
Production Casing (5-1/2" 17# L-80 LTC)	6983	17	7740	6290	338000	397000	10	1.15	2.03

Burst Design (Safety) Factors - ConocoPhillips Criteria

The maximum internal (burst) load on the Surface Casing occurs when the surface casing is tested to 1000 psi (pressured up to 1100 psi). The maximum internal (burst) load on the Production Casing occurs during the fracture stimulation where the maximum allowable working pressure (MAWP) is the pressure that would fit ConocoPhillips Corporate Criteria for Minimum Design Factors.

Surface Casing Test Pressure = 1000 psi

Surface Rated Working Pressure = 3000 psi

Surface Casing Burst Design Factor = Burst Rating / Maximum Pressure during Casing Pressure Test

Production Casing MAWP for the Fracture Stimulation = Minimum Internal Yield / Production Casing Burst Design Factor

Surface Casing Burst Design Factor:

$$\text{Designed CSFG (Test Pressure + MWP)} \leq \left(\frac{1000}{\text{MIY}} + \frac{384}{\text{CoI}} \right) / \left(\frac{739}{\text{Pipe Yiel MW}} \times 0.052 \right) - 0.5 \leq 35.52$$

$$\text{MPSP (CSFG - GG)} = \frac{739}{\text{MIY}} \times 0.052 \times \frac{35.52}{\text{CoI}} - \frac{739}{\text{Pipe Yiel MW}} = \frac{1291}{\text{Pipe Yiel MW}}$$

$$\text{MPSP (PPTD - GG)} = \frac{6983}{\text{MIY}} \times 0.052 \times \frac{8.55}{\text{CoI}} - \frac{6983}{\text{Pipe Yiel MW}} = \frac{2406}{\text{Pipe Yiel MW}}$$

$$\text{MPSP (0.375 x BHP)} = \frac{0.375}{\text{MIY}} \times \frac{6983}{\text{CoI}} \times \frac{0.052}{\text{Pipe Yiel MW}} = \frac{1164}{\text{Pipe Yiel MW}}$$

$$\text{MPCS (CSFG)} = \frac{739}{\text{MIY}} \times 0.052 \times \frac{35.52}{\text{CoI}} = \frac{1365}{\text{CoI}}$$

$$\text{Burst Design Factor} = \frac{2950}{\text{MIY}} / \frac{2406}{\text{CoI}} = 1.23$$

Production Casing Burst Design Factor:

$$\text{MPSP (SRWP)} = \frac{3000}{\text{MIY}} \times 0.052 \times \frac{8.55}{\text{CoI}} - \frac{6983}{\text{Pipe Yiel MW}} = \frac{2406}{\text{Pipe Yiel MW}}$$

$$\text{MPSP (PPTD - GG)} = \frac{6983}{\text{MIY}} \times 0.052 \times \frac{8.55}{\text{CoI}} - \frac{6983}{\text{Pipe Yiel MW}} = \frac{2406}{\text{Pipe Yiel MW}}$$

$$\text{MPSP (0.375 x BHP)} = \frac{0.375}{\text{MIY}} \times \frac{6983}{\text{CoI}} \times \frac{0.052}{\text{Pipe Yiel MW}} = \frac{1164}{\text{Pipe Yiel MW}}$$

$$\text{Burst Design Factor (Max. MPSP)} = \frac{7740}{\text{MIY}} / \frac{3000}{\text{CoI}} = 2.58$$

$$\text{MAWP for the Fracture Stimulation} = \frac{7740}{\text{MIY}} / \frac{1.15}{\text{CoI}} = 6730$$

Collapse Design (Safety) Factors - ConocoPhillips Criteria

The maximum collapse load on the Surface Casing occurs when the pressure is released after bumping the plug on the surface casing cement job. The maximum collapse load on the production casing occurs with the well is pumped off on production. We plan to cement the production casing to surface, and therefore the external pressure profile on the production casing should be equal to the pore pressure of the horizons on the outside of the casing which we estimate to be 8.55 ppg gradient.

Surface Casing Collapse Design Factor = Collapse Rating / (Cement Column Hydrostatic Pressure - Displacement Fluid Hydrostatic Pressure)

Production Casing Collapse Design Factor = Collapse Rating / Maximum Possible Pore Pressure

Surface Casing Collapse Design Factor:

$$\text{Collapse Design Factor} = \frac{1370}{\text{CoI}} / \left(\frac{300}{\text{MIY}} \times 0.052 \times \frac{14.8}{\text{Pipe Yiel MW}} \right) + \left(\frac{439}{\text{CoI}} \times 0.052 \times \frac{13.6}{\text{Pipe Yiel MW}} \right) - 327$$

$$\text{Collapse Design Factor} = \frac{1370}{\text{CoI}} / \frac{215}{\text{MIY}} = 6.38$$

Production Casing Collapse Design Factor:

$$\text{Collapse Design Factor} = \frac{6290}{\text{CoI}} / \left(\frac{8.55}{\text{MIY}} \times 0.052 \times \frac{6983}{\text{Pipe Yiel MW}} \right)$$

$$\text{Collapse Design Factor} = \frac{6290}{\text{CoI}} / \frac{3105}{\text{MIY}} = 2.03$$

Joint Strength Design (Safety) Factors - ConocoPhillips Criteria

The maximum axial (tension) load occurs if casing were to get stuck and pulled on to try to get it unstuck.

Maximum Allowable Hookload = Joint Strength Rating / Axial Design Factor

Overpull Margin (Air Wt) = Maximum Allowable Hook Load - Air Wt of the String

Overpull Margin (Bouyant) = Maximum Allowable Hook Load - Air Wt of the String

Surface Casing (Minimum Pipe Yield)

$$\text{Max Hookload (Air Wt)} = 17736$$

$$\text{Max Hookload (Bouyant) + Overpull} = 100,000 + \left(\frac{17736}{\text{MIY}} \times 0.870 \right) = 115434$$

$$\text{Tensile Design Factor} = \frac{397000}{\text{MIY}} / \frac{115434}{\text{CoI}} = 3.44$$

$$\text{Actual Overpull Margin to Satisfy COP min DF} = \frac{397000}{\text{MIY}} / \frac{1.40}{\text{CoI}} - \frac{15434}{\text{Pipe Yiel MW}} = 268137$$

Production Casing (Minimum Pipe Yield)

$$\text{Max Hookload (Air Wt)} = 118711$$

$$\text{Max Hookload (Bouyant) + Overpull} = 100,000 + \left(\frac{118711}{\text{MIY}} \times 0.847 \right) = 200587$$

$$\text{Tensile Design Factor} = \frac{381000}{\text{MIY}} / \frac{200587}{\text{CoI}} = 1.90$$

$$\text{Actual Overpull Margin to Satisfy COP min DF} = \frac{381000}{\text{MIY}} / \frac{1.40}{\text{CoI}} - \frac{100587}{\text{Pipe Yiel MW}} = 171556$$

Surface Casing (Minimum Jt Strength)

$$\text{Max Hookload (Air Wt)} = 17736$$

$$\text{Max Hookload (Bouyant) + Overpull} = 100,000 + \left(\frac{17736}{\text{MIY}} \times 0.870 \right) = 115434$$

$$\text{Tensile Design Factor} = \frac{244000}{\text{MIY}} / \frac{115434}{\text{CoI}} = 2.11$$

$$\text{Actual Overpull Margin to Satisfy COP min DF} = \frac{244000}{\text{MIY}} / \frac{1.40}{\text{CoI}} - \frac{15434}{\text{Pipe Yiel MW}} = 158851$$

Surface Casing (Minimum Jt Strength)

$$\text{Max Hookload (Air Wt)} = 118711$$

$$\text{Max Hookload (Bouyant) + Overpull} = 100,000 + \left(\frac{118711}{\text{MIY}} \times 0.847 \right) = 200587$$

$$\text{Tensile Design Factor} = \frac{338000}{\text{MIY}} / \frac{200587}{\text{CoI}} = 1.69$$

$$\text{Actual Overpull Margin to Satisfy COP min DF} = \frac{338000}{\text{MIY}} / \frac{1.40}{\text{CoI}} - \frac{100587}{\text{Pipe Yiel MW}} = 140841$$

3. Proposed cementing program:

16" or 13-3/8" Conductor:

Cement to surface with rathole mix, ready mix or Class C Neat cement.
(Note: The gravel used in the cement is not to exceed 3/8" diameter)
TOC at surface.

8-5/8" Surface Casing & Cementing Program: 8-5/8" 24# J-55 STC

The intention for the cementing program for the Surface Casing is to:

- Place the Tail Slurry from the casing shoe to 300' above the casing shoe,
- Bring the Lead Slurry to surface.

Spacer: 20 bbls Fresh Water

Slurry		Intervals Ft MD		Weight ppg	Sx	Vol Cuft	Additives	Yield ft ³ /sx
Lead	Class C	Surface	394' – 439'	13.6	350	595	4%Bentonite 2%CaCl ₂ .125%Polyflake 0.2% antifoam Excess =230% based on gauge hole volume	1.70
Tail	Class C	394' – 439'	694' – 739'	14.8	200	268	1% CaCl ₂ Excess = 100% based on gauge hole volume	1.34

Displacement: Fresh Water.

Note: In accordance with the Pecos District Conditions of Approval, we will Wait on Cement (WOC) for a period of not less than 18 hrs after placement or until at least 500 psi compressive strength has been reached in both the Lead Slurry and Tail Slurry cements on the Surface Casing, whichever is greater.

5-1/2" Production Casing & Cementing Program: 5-1/2" 17# L-80 LTC

The intention for the cementing program for the Production Casing is to:

- Place the Tail Slurry from the casing shoe to a point approximately 200' above the top of the Paddock,
- Bring the Lead Slurry to surface.

Spacer: 20 bbls Fresh Water

Slurry		Intervals Ft MD		Weight ppg	Sx	Vol Cuft	Additives	Yield ft ³ /sx
Lead	50:50 Poz/C	Surface	5200'	11.8	1000	2640	10% Bentonite 8 lbs/sx Salt 0.4% Fluid loss additive 0.125% LCM if needed Excess = 220% or more if needed based on gauge hole volume	2.64
Tail	Class H	5200'	6855' – 6900'	16.4	650	696	0.2% Fluid loss additive 0.3% Dispersant 0.15% Retarder 0.2% Antifoam Excess = 100% or more if needed based on gauge hole volume	1.07

Displacement: Fresh Water with approximately 250 ppm gluteraldehyde biocide.

(Date: April 3, 2013)

ConocoPhillips respectfully requests an additional option to our cementing program. The intention of this alternative is to accommodate additional isolation of the Grayburg-San Andres formation with cement.

Alternate 5-1/2" Production Casing & Cementing Program – TXI/LW Option for Grayburg-San Andres:

The intention for cementing of the Production Casing is to:

- Place the Tail Slurry from the casing shoe to the top of the Grayburg-San Andres formation,
- Bring the Lead Slurry to surface.

Spacer: 20 bbls Fresh Water

Slurry		Intervals Ft MD		Weight ppg	Sx	Vol Cuft	Additives	Yield ft ³ /sx
Lead	50:50 Poz/C	Surface	3000'	11.8	500	1300	10% Bentonite 8 lbs/sx Salt 0.2%-0.4% Fluid loss additive 0.125 lb/sx LCM if needed Excess = 200% or more if needed based on gauge hole volume	2.6
Tail	TXI/LW	3000'	6855' – 6900'	13.2	1300	1820	0.5% Fluid loss additive 0.10% Retarder 0.2% Antifoam 0.125 lb/sx LCM if needed Excess = 150% or more if needed based on gauge hole volume	1.40

Displacement: Fresh Water with approximately 250 ppm glutaraldehyde biocide.

Proposal for Option to Adjust Production Casing Cement Volumes:

The production casing cement volume presented above are estimates based on gauge 7-7/8" hole. We will adjust these volumes based on the caliper log data for each well and our trends for amount of cement returns to surface. Also, if no caliper log is available for any particular well, we would propose an option to possibly increase the production casing cement volume to account for any uncertainty in regard to the hole volume.

4. Pressure Control Equipment:

A 11" 3M system will be installed, used, maintained, and tested accordingly as described in Onshore Oil and Gas Order No. 2.

Our BOP equipment will be:

- Rotating Head
- Annular BOP, 11" 3M
- Blind Ram, 11" 3M
- Pipe Ram, 11" 3M

After nipping up, and every 30 days thereafter or whenever any seal subject to test pressure is broken followed by related repairs, blowout preventors will be pressure tested. BOP will be inspected and operated at least daily to insure good working order. All pressure and operating tests will be done by an independent service company and recorded on the daily drilling reports. BOP will be tested using a test plug to isolate BOP stack from casing. BOP test will include a low pressure test from 250 to 300 psi for a minimum of 10 minutes or until requirements of test are met, whichever is longer. Ram type preventers and associated equipment will be tested to the approved stack working pressure of 3000 psi isolated by test plug. Annular type preventers will be tested to 50 percent of rated working pressure, and therefore will be tested to 1500 psi. Pressure will be held for at least 10 minutes or until provisions of test are met, whichever is longer. Valve on casing head below test plug will be open during testing of BOP stack. BOP will comply with all provisions of Onshore Oil and Gas Order No. 2 as specified. **See Attached**

(Date: April 3, 2013)

Page 5 of 9

BOPE Schematic. A variance is respectfully requested to allow for the use of flexible hose. The variance request is included as a separate enclosure with attachments.

5. Proposed Mud System

The mud systems that are proposed for use are as follows:

DEPTH	TYPE	Density ppg	FV sec/qt	API Fluid Loss cc/30 min	pH	Vol bbl
0 – Surface Casing Point	Fresh Water or Fresh Water Native Mud	8.5 – 9.0	28 – 40	N.C.	N.C.	120 – 160
Surface Casing Point to TD	Brine (Saturated NaCl ₂)	10	29	N.C.	10 – 11	1250 - 2500
Conversion to Mud at TD	Brine Based Mud (NaCl ₂)	10	34 – 45	5 – 10	10 – 11	0 - 1250

Drilling mud containing H₂S shall be degassed in accordance with API RP-49, item 5.14. H₂S Monitoring Alarm installed at the possum belly could be set as low as 5 to 10 ppm and go into high alarm. The gases shall be piped into the flare system. Gas detection equipment and pit level flow monitoring equipment will be on location. A percentage flow paddle installed in the flow line measures relative amount of mud flowing in non-pressurized return line. There are 4 mud probes in the system. One probe is installed in each of the individual tanks to measure the volume of the drilling fluid in individual mud and trip tanks at the well site. The mud probe data is collected by the Pit Volume Totalizer (PVT) system and the information is available real-time via display in the dog house and the company representative's office on location. ConocoPhillips Company will maintain sufficient mud and weighting material on location if hole conditions warrant.

No reserve pit will be built.

Proposal for Option to Not Mud Up at TD:

FW, Brine, and Mud volume presented above are estimates based on gauge 12-1/4" or 7-7/8" holes. We will adjust these volume based on hole conditions. We do not plan to keep any weighting material at the wellsite. Also, we propose an option to not mud up leaving only brine in the hole if we have good hole stability.

- 6. Logging, Coring, and Testing Program:** *See COA*
- No drill stem tests will be done
 - Mud logging planned for the production hole section (optional).
 - No whole cores are planned
 - The open hole electrical logging program is planned to be as follows:
 - Total Depth to 2500': Resistivity, Density, and Gamma Ray
 - Total Depth to surface Casing Shoe: Caliper
 - Total Depth to surface, Gamma Ray and Neutron
 - Formation pressure data (XPT) on electric line if needed (optional)
 - Rotary Sidewall Cores on electric line if needed (optional)
 - BHC or Dipole Sonic if needed (optional)
 - Spectral Gamma Ray if needed (optional)

7. Abnormal Pressures and Temperatures:

- No abnormal pressures are expected to be encountered.
- Loss of circulation is a possibility in the horizons below the Top of Grayburg. We expect that normal Loss of Circulation Material will be successful in healing any such loss of circulation events.
 - The bottom hole pressure is expected to be 8.55 ppg gradient.
 - The expected Bottom Hole Temperature is 115 degrees F.
- The estimated H₂S concentrations and ROE calculations for the gas in the zones to be penetrated are presented in the table below for the various producing horizons in this area:

FORMATION / ZONE	H2S (PPM)	Gas Rate (MCFD)	ROE 100 PPM	ROE 500 PPM
Grayburg / San Andres (from MCA)	14000	38	59	27
Yeso Group	400	433	34	15

ConocoPhillips will comply with the provisions of Oil and Gas Order # 6

8. Anticipated starting date and duration of operations:

Well pad and road constructions will begin as soon as all agency approvals are obtained. Anticipated date to drill these wells is late 2013 after receiving approval of the APD.

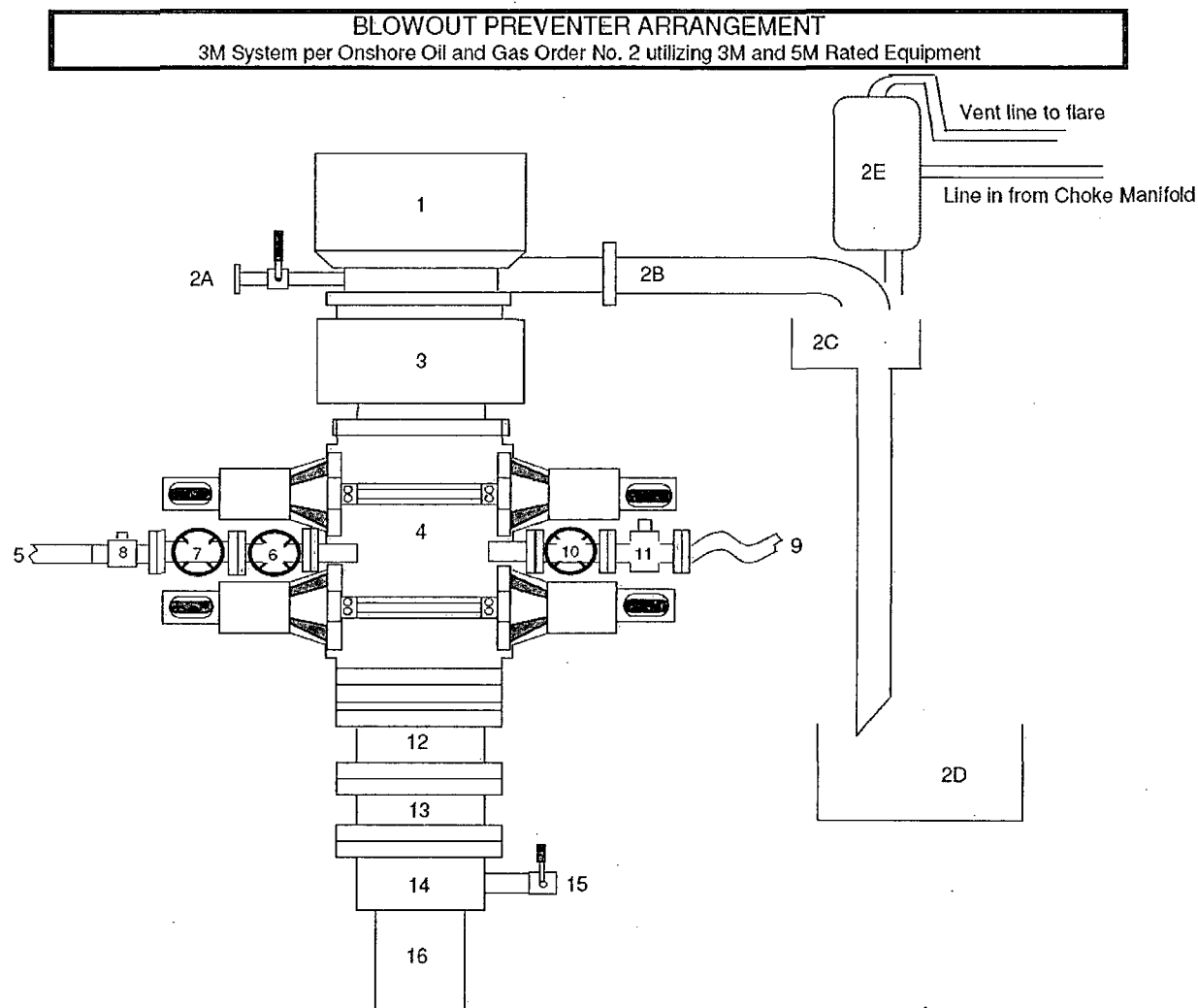
Attachments:

- Attachment # 1 BOP and Choke Manifold Schematic – 3M System
- Attachment # 2 Diagram of Choke Manifold Equipment

Contact Information:

Program prepared by:
James Chen
Drilling Engineer, ConocoPhillips Company
Phone (832) 486-2184
Cell (832) 768-1647
Date: 27 August 2012

Attachment # 1



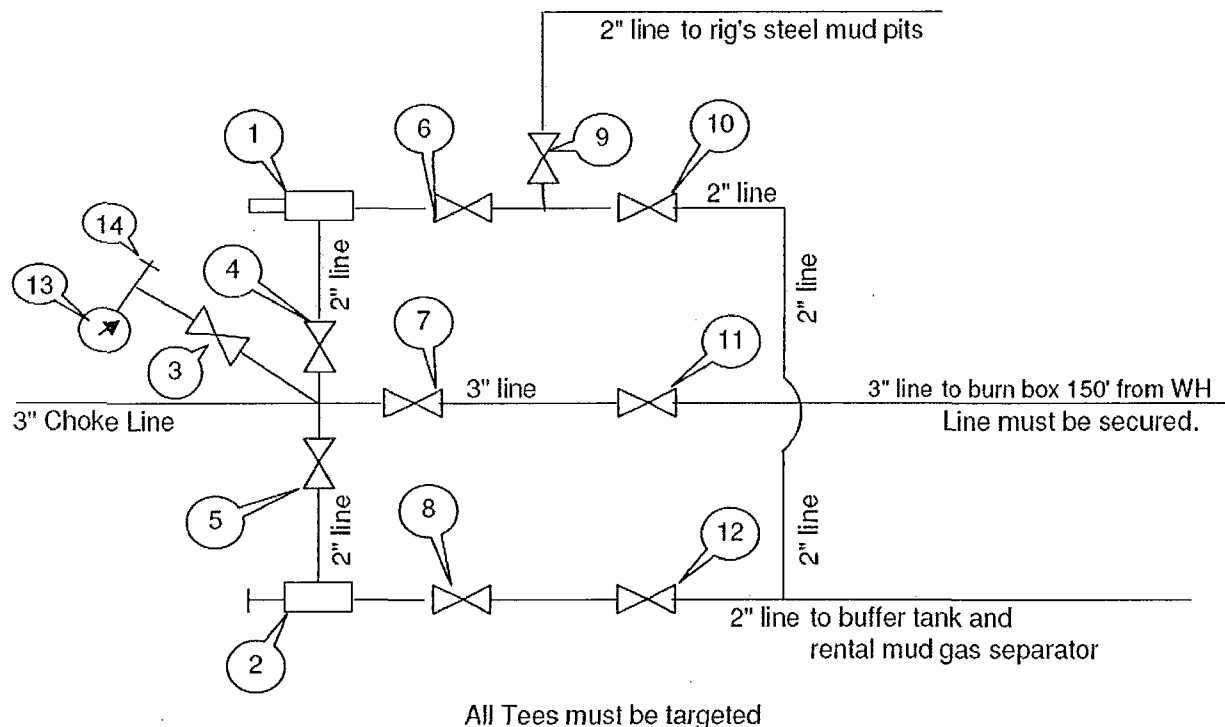
Item	Description
1	Rotating Head, 11"
2A	Fill up Line and Valve
2B	Flow Line (10")
2C	Shale Shakers and Solids Settling Tank
2D	Cuttings Bins for Zero Discharge
2E	Rental Mud Gas Separator with vent line to flare and return line to mud system
3	Annular BOP (11", 3M)
4	Double Ram (11", 3M, equipped with Blind Rams and Pipe Rams)
5	Kill Line (2" flexible hose, 3000 psi WP)
6	Kill Line Valve, Inner (3-1/8", 3000 psi WP)
7	Kill Line Valve, Outer (3-1/8", 3000 psi WP)
8	Kill Line Check Valve (2-1/16", 3000 psi WP)
9	Choke Line (5M Stainless Steel Collex Line, 3-1/8" 3M API Type 6B, 3000 psi WP)
10	Choke Line Valve, Inner (3-1/8", 3000 psi WP)
11	Choke Line Valve, Outer, (Hydraulically operated, 3-1/8", 3000 psi WP)
12	Adapter Flange (11" 5M to 11" 3M)
13	Spacer Spool (11", 5M)
14	Casing Head (11" 5M)
15	Ball Valve and Threaded Nipple on Casing Head Outlet, 2" 5M
16	Surface Casing

Submitted by: James Chen, Drilling Engineer, Mid-Continent Business Unit, ConocoPhillips Company, 25-Sep-2012

Attachment # 2

CHOKE MANIFOLD ARRANGEMENT

3M System per Onshore Oil and Gas Order No. 2 utilizing 3M and 5M Equipment



Item	Description
1	Remote Controlled Hydraulically Operated Adjustable Choke, 2-1/16", 3M
2	Manual Adjustable Choke, 2-1/16", 3M
3	Gate Valve, 2-1/16" 5M
4	Gate Valve, 2-1/16" 5M
5	Gate Valve, 2-1/16" 5M
6	Gate Valve, 2-1/16" 5M
7	Gate Valve, 3-1/8" 3M
8	Gate Valve, 2-1/16" 5M
9	Gate Valve, 2-1/16" 5M
10	Gate Valve, 2-1/16" 5M
11	Gate Valve, 3-1/8" 3M
12	Gate Valve, 2-1/16" 5M
13	Pressure Gauge
14	2" hammer union tie-in point for BOP Tester

We will test each valve to 3000 psi from the upstream side.

Drawn by:

Steven O. Moore

Chief Drilling Engineer, Mid-Continent Business Unit, ConocoPhillips Company

Date: 25-Sept-2012

Request for Variance

ConocoPhillips Company

Lease Number: NM LC 029405B

Well: Ruby Federal #24

Location: Sec. 18, T17S, R32E

Date: 02-20-13

Request:

ConocoPhillips Company respectfully requests a variance to install a flexible choke line instead of a straight choke line prescribed in the Onshore Order No. 2, III.A.2.b Minimum standards and enforcement provisions for choke manifold equipment. This request is made under the provision of Onshore Order No. 2, IV Variances from Minimum Standard. The rig to be used to drill this well is equipped with a flexible choke line if the requested variance is approved and determined that the proposed alternative meets the objectives of the applicable minimum standards.

Justifications:

The applicability of the flexible choke line will reduce the number of target tees required to make up from the choke valve to the choke manifold. This configuration will facilitate ease of rig up and BOPE Testing.

Attachments:

- Attachment # 1 Specification from Manufacturer
- Attachment # 2 Mill & Test Certification from Manufacturer

Contact Information:

Program prepared by:

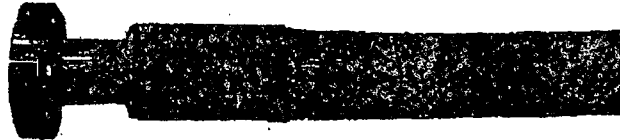
James Chen

Drilling Engineer, ConocoPhillips Company

Phone (832) 486-2184

Cell (832) 768-1647

Date: 26 September 2012



Reliance Eliminator Choke & Kill

This hose can be used as a choke hose which connects the BOP stack to the bleed-off manifold or a kill hose which connects the mud stand pipe to the BOP kill valve.

The Reliance Eliminator Choke & Kill hose contains a specially bonded compounded cover that replaces rubber covered Asbestos, Fibreglass and other fire retardant materials which are prone to damage. This high cut and gouge resistant cover overcomes costly repairs and downtime associated with older designs.

The Reliance Eliminator Choke & Kill hose has been verified by an independent engineer to meet and exceed EUB Directive 36 (700°C for 5 minutes).

Nom. ID		Nom OD		Weight		Min Bend Radius		Max WP	
in.	mm.	in.	mm.	lb/ft	kg/m	in.	mm.	psi	Mpa
3	76.2	5.11	129.79	14.5	21.46	48	1219.2	5000	34.47
3-1/2	88.9	5.79	147.06	20.14	29.80	54	1371.6	5000	34.47

Fittings

RC4X5055
RC3X5055
RC4X5575

Flanges

R35 - 3-1/8 5000# API Type 6B
R31 - 3-1/8 3000# API Type 6B

Hammer Unions

All Union Configurations

Other

LP Threaded Connection
Graylock
Custom Ends



Industrial Products USA, Ltd.

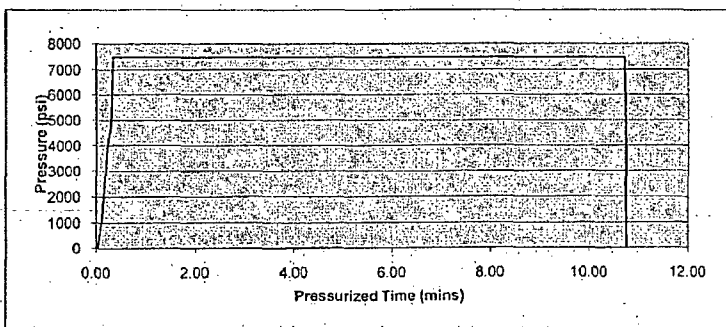
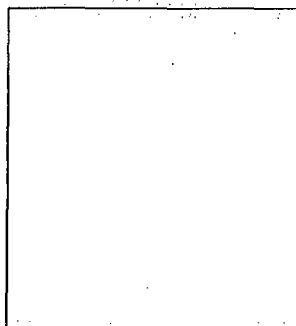
2030 E. 8th Street, Suite B • Greeley, CO 80631
Ph: (970) 346-3751 • Fax: (970) 353-3168 • Toll Free: (866) 771-9739

TEST CERTIFICATE

Customer: PRECISION DRILLING
P.O. #: RIG 822
Invoice #: 27792
Material: 3 1/2" FIREGUARD
Description: 3 1/2" X 10'
Coupling 1: 3 1/2" FLANGE R31
" Serial:
" Quality:
Coupling 2: 3 1/2" FLOATING R31
" Serial:
" Quality:
Working Pressure : 3000
Test Pressure: 7500
Duration (mins): 10

Cert No.: 27792

Date: 9/21/2012



Conducted By: FLORES M,
Test Technician

☒ Acceptable
☐ Not Acceptable