UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

OCD - HOBBS 09|23|2020 RECEIVED

FORM APPROVED

OMB No. 1004-0137	
Expires: January 31, 201	8

5. Lease Serial No.

NMLC0068281A

APPLICATION FOR	PERMIT TO	DRILL	OR REENTER

APPLICATION FOR PERMIT TO DE	RILL OR I	REENTER		6. If Indian, Allote	e or Tribe	Name
1b. Type of Well: Oil Well Gas Well Oth	_	✓ Multiple Zone		7. If Unit or CA A ZIA HILLS BS/W 8. Lease Name and ZHU 1932 BS 7H [32]	C / NMNN	
2. Name of Operator CONOCOPHILLIPS COMPANY [217817]				9. API Well No.	30-025	-47777
	3b. Phone N (281)293-17	o. (include area cod 748	(e)	10. Field and Pool JENNINGS; BON	_	
4. Location of Well (Report location clearly and in accordance w. At surface NESW / 2239 FSL / 1546 FWL / LAT 32.027 At proposed prod. zone LOT 2 / 50 FSL / 22 FWL / LAT 3.	097 / LONG	-103.718049		11. Sec., T. R. M. SEC 19 / T26S /		•
14. Distance in miles and direction from nearest town or post office 44.5 miles	ce*			12. County or Pari LEA	sh	13. State
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any)	16. No of ac 321.15	res in lease	17. Spacii 611.97	ng Unit dedicated to	this well	
18. Distance from proposed location* to nearest well, drilling, completed,	19. Proposed 9383 feet /	1	20. BLM/ FED: ES	BIA Bond No. in fil	e	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3182 feet	22. Approxis 03/20/2020 24. Attack	mate date work will	start*	23. Estimated dura 90 days	ntion	
The following, completed in accordance with the requirements of (as applicable)			I, and the H	Iydraulic Fracturing	rule per 43	3 CFR 3162.3-3
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office). 		Item 20 above). 5. Operator certific	cation.	s unless covered by		`
25. Signature (Electronic Submission)	II.	(<i>Printed/Typed)</i> y Lee / Ph: (832)4	86-2510		Date 05/14/2	2019
Title Regulatory Coordinator					•	
Approved by (Signature)	Name	(Printed/Typed)			Date	

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.

CARLSBAD

Office

Cody Layton / Ph: (575)234-5959

Conditions of approval, if any, are attached.

Assistant Field Manager Lands & Minerals

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.

GCP Rec 09/23/2020





SL

(Electronic Submission)

Title

04/01/2020

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: | CONOCOPHILLIPS COMPANY

LEASE NO.: | NMLC0068281A

WELL NAME & NO.: ZHU 1932 BS 7H SURFACE HOLE FOOTAGE: 2239'/S & 1546'/W

BOTTOM HOLE FOOTAGE | 50'/S & 22'/W

LOCATION: | Section 19, T.26 S., R.32 E., NMPM

COUNTY: Lea County, New Mexico

COA

H2S	© Yes	O No	
Potash	None	© Secretary	© R-111-P
Cave/Karst Potential	© Low	• Medium	[©] High
Cave/Karst Potential	© Critical		
Variance	© None	Flex Hose	Other Other
Wellhead	© Conventional	• Multibowl	© Both
Other	☐4 String Area	☐ Capitan Reef	□WIPP
Other	Fluid Filled	☐ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	□ СОМ	□ Unit

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the Cherry and Brushy Canyon formations. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

Casing Design:

- 1. The 13-3/8 inch surface casing shall be set at approximately 1313 feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after

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Approval Date: 04/01/2020

- completing the cement job.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8** hours or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

Option 1 (Single Stage):

Cement to surface. If cement does not circulate see B.1.a, c-d above.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
 Excess cement calculates to -24%, additional cement might be required.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
 - Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
- ❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

Cement should tie-back at least 200 feet into previous casing string.
 Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **3000 (3M)** psi.

Option 2:

- 1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 2500 psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Eddy County
 Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
 - Lea County
 Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
 393-3612
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
- 3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

- 1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
- 2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
- 8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including

- lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
- b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion 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.

OTA03252020

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U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Application Data Report

04/02/2020

Operator Name: CONOCOPHILLIPS COMPANY

Well Name: ZHU 1932 BS Well Number: 7H

Well Type: OIL WELL Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - General

BLM Office: CARLSBAD User: Jeremy Lee Title: Regulatory Coordinator

Federal/Indian APD: FED Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMLC0068281A Lease Acres: 321.15

Surface access agreement in place? Allotted? Reservation:

Agreement in place? YES Federal or Indian agreement: FEDERAL

Agreement number: NMNM138329X

Agreement name:

Keep application confidential? NO

Permitting Agent? NO APD Operator: CONOCOPHILLIPS COMPANY

Operator letter of designation:

Operator Info

Operator Organization Name: CONOCOPHILLIPS COMPANY

Operator Address: PO Box 2197
Zip: 77252

Operator PO Box:

Operator City: Houston State: TX

Operator Phone: (281)293-1748

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO Master Development Plan name:

Well in Master SUPO? NO Master SUPO name:

Well in Master Drilling Plan? NO Master Drilling Plan name:

Well Name: ZHU 1932 BS Well Number: 7H Well API Number:

Field Name: JENNINGS; BONE Pool Name: BONE SPRING

SPRING, WEST

Is the proposed well in an area containing other mineral resources? NONE

Well Name: ZHU 1932 BS Well Number: 7H

Is the proposed well in an area containing other mineral resources? NONE

Is the proposed well in a Helium production area? N Use Existing Well Pad? NO New surface disturbance?

Type of Well Pad: MULTIPLE WELL Multiple Well Pad Name: ZIA Number: 3

Well Class: HORIZONTAL

HILLS 19 PAD

Number of Legs: 1

Well Work Type: Drill
Well Type: OIL WELL
Describe Well Type:
Well sub-Type: INFILL

Describe sub-type:

Reservoir well spacing assigned acres Measurement: 611.97 Acres

Well plat: ZH_1932_BS_7H_C_102_20190514144507.pdf

Well work start Date: 03/20/2020 Duration: 90 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 Vertical Datum: NAVD88

Survey number: Reference Datum:

	- ,		-																
Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this lease?
SHL Leg #1	223 9	FSL	154 6	FW L	26S	32E	19	Aliquot NESW	32.02709 7	- 103.7180 49	LEA	NEW MEXI CO	NEW MEXI CO	F	NMLC0 068281 A	318 2	0	0	
KOP Leg #1	270 0	FSL	165	FW L	26S	32E	19	Lot 2	32.02817 4	- 103.7229 69	LEA	NEW MEXI CO	NEW MEXI CO	F	NMLC0 068281 A	- 546 1	878 4	864 3	
PPP Leg #1-1	219 9	FSL	22	FW L	26S	32E	19	Lot 3	32.02703 5	- 103.7229 66	LEA	NEW MEXI CO	NEW MEXI CO	F	NMLC0 068281 A	- 594 2	953 9	912 4	

Well Name: ZHU 1932 BS Well Number: 7H

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this lease?
EXIT Leg #1	100	FSL	22	FW L	26S	32E	31	Lot 2	32.00047 8	- 103.7228 13	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 120910	- 620 1	191 86	938 3	
BHL Leg #1	50	FSL	22	FW L	26S	32E	31	Lot 2	32.00034	- 103.7228 12	LEA	1	NEW MEXI CO	F	NMNM 120910	- 620 1	192 86	938 3	



BUREAU OF LAND MANAGEMENT

Drilling Plan Data Report

04/02/2020

APD ID: 10400041573

Submission Date: 05/14/2019

Highlighted data reflects the most

Operator Name: CONOCOPHILLIPS COMPANY

recent changes

Well Name: ZHU 1932 BS

Well Number: 7H

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
450178	QUATERNARY	3183	22	22		NONE	N
450179	RUSTLER	2070	1113	1113	ANHYDRITE, DOLOMITE	NONE	N
450180	SALADO	1900	1283	1283	SALT	NONE	N
450181	CASTILE	910	2273	2273	SALT	NONE	N
450182	DELAWARE	-1066	4249	4249	SANDSTONE	NATURAL GAS, OIL	N
450183	CHERRY CANYON	-1974	5157	5157	SANDSTONE	NATURAL GAS, OIL	N
450184	BRUSHY CANYON	-3450	6633	6633	SANDSTONE	NATURAL GAS, OIL	N
450185	BONE SPRING	-4835	8018	8018	SANDSTONE	NATURAL GAS, OIL	Y
663303	BONE SPRING 1ST	-6026	9209	9209	SANDSTONE	NATURAL GAS, OIL	Y
663304	BONE SPRING 2ND	-6734	9917	9917	SANDSTONE	NATURAL GAS, OIL	N
663305	BONE SPRING 3RD	-7236	10419	10419	LIMESTONE	NATURAL GAS, OIL	N

Section 2 - Blowout Prevention

Rating Depth: 9383 Pressure Rating (PSI): 10M

Equipment: Rotating Head, Annular Preventer, Pipe/Blind Rams, Kill Lines, Choke Lines, Adapter Spool

Requesting Variance? YES

Variance request: A variance to use flexible choke line(s) from the BOP to Choke Manifold. Testing certificate is attached in "Flexhose Variance data" document. A variance to use a multibowl wellhead system. Please see attached in section 8 of drilling plan. A variance is requested to use a 5M annular and test the annular to 100% of its working pressure. The variance is requested in conjunction with the attached well control plan.

Testing Procedure: BOP/BOPE will be isolated from the casing and tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. BOPE controls will be installed prior to drilling under the surface casing and will be used until the completion of drilling operations. The intermediate interval and the

Well Name: ZHU 1932 BS Well Number: 7H

production interval will be tested per 10M working system requirements. See attached "Drill Plan" document.

Choke Diagram Attachment:

10M_Choke_Manifold_20190502150726.pdf

BOP Diagram Attachment:

10M_BOPE_System_20190502150738.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	1313	0	1313			1313	J-55		OTHER - BTC	2.73	4.41	DRY	12.7	DRY	12.7
2	INTERMED IATE	12.2 5	9.625	NEW	API	N	0	10047	0	9383			10047	OTH ER		OTHER - BTC	1.29	1.28	DRY	2.3	DRY	2.3
3	PRODUCTI ON	8.5	5.5	NEW	API	N	0	19286	0	9383			19286	OTH ER		OTHER - TXP	4.03	3.2	DRY	3.88	DRY	3.88

Casing Attachments

Casing ID: 1 String Type: SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

ZHU_1932_BS_7H_Casing_Design_20190506145736.pdf

13.375_54.5_lb_J55_20190508063830.pdf

Well Name: ZHU 1932 BS Well Number: 7H

Casing Attachments

Casing ID: 2 String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

ZHU_1932_BS_7H_Casing_Design_20190506145925.pdf 9.625_40_lb_L_80_IC_20190508063841.pdf

Casing ID: 3 String Type:PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

ZHU_1932_BS_7H_Casing_Design_20190506150049.pdf

5.5_20_lb_P_110_ICY_20190508063851.pdf

Section 4 - Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	913	1100	1.73	12.8	1902	200	Control Set 'C'	1.0% CaCl2, 1.0% SMS, 1.0% OGC-60, ¼ lb/sk Polyflake, ½ ppb FiberBlock
SURFACE	Tail		913	1313	660	1.33	14.8	868	200	0:1:0 'Type III'	0.5% CaCl2, ¼ lb/sk Polyflake, ½ ppb FiberBlock

Well Name: ZHU 1932 BS Well Number: 7H

String Type	Lead/Tail	Stage Tool Depth	Тор МБ	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
INTERMEDIATE	Lead		0	5157	2370	1.73	11	4087	200		10% NaCl, 0.9% CFR, 0.7% CFL-4, 0.1% LTR, 0.2% SPC-II, 0.4% CDF-4P, ¼ lb/sk Polyflake, ½ ppb FiberBlock

INTERMEDIATE	Lead	5157	813	8284	620	2.7	11	1665	70	WBL	0.5% CFL-4, 0.6% LTR, 0.2% SPC-II, 0.4% CDF-4P, ¼ lb/sk Polyflake, ½ ppb FiberBlock
INTERMEDIATE	Tail		8284	1004 7	480	1.59	13.2	756	30	Thermal 35	10% NaCl, 0.9% CFR, 0.7% CFL-4, 0.1% LTR, 0.2% SPC-II, 0.4% CDF-4P, ¼ lb/sk Polyflake, ½ ppb FiberBlock
PRODUCTION	Lead		0	1928 6	0	0	0	0	0	No Lead	No Lead
PRODUCTION	Tail		7784	1928 6	2453	1.19	15.6	2918	10	1:1:0 'Poz:Lafarge G'	20% Silica Flour, 8% Silica Flume, 2% FWCA-H (FWC-2), 0.3% HTR, 0.5% CR-4 (MCR-4), 1% TAE-1 (SEA-1), 1% CFL-4, 0.2% CFR-5, 0.3% ASM-3 (AS-3)

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. See attached "Drill Plan" for additional information.

Describe the mud monitoring system utilized: Closed-loop mud system using steel mud containers will be on location.

Mud monitoring of any changes in levels (gains or losses) will use Pressure Volume Temperature, Pason, Visual Observations. See attached "Drill Plan" for additional information.

Well Name: ZHU 1932 BS Well Number: 7H

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	ЬН	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	1313	OTHER : Fresh Water	8.34	8.6							
1313	9383	OTHER : Emulsified Brine	8.6	9.2							
9383	9383	OTHER : Brine	8.6	9.2							

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Production tests will be conducted multiple times per week, through a test separator, during first months following completion. Thereafter, tests will be less frequently. See attached "Drill Plan" for additional information.

List of open and cased hole logs run in the well:

GR

Coring operation description for the well:

No coring operation is planned at this time.

ConocoPhillips Company requests a variance to the requirement to run a neutron porosity log for any wells within one mile of an existing well with a neutron porosity log (vertical well, or vertical portion of a horizontal well). If there is an existing neutron log within one mile, ConocoPhillips requests to log gamma ray only. If there is not an existing neutron log within one mile, ConocoPhillips request to run a GR/N log on the vertical section of one well per pad.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 6568 Anticipated Surface Pressure: 4503.74

Anticipated Bottom Hole Temperature(F): 285

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Well Name: ZHU 1932 BS Well Number: 7H

Hydrogen sulfide drilling operations plan:

ZIA_HILLS_19_PAD_3_H2S_C_Plan_20190409122039.pdf Zia_Hills_19_Pad_3_Rig_Layout_20190514145300.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

ZHU_1932_BS_7H_WP03_20190514145335.pdf ZHU_1932_BS_7H_Drill_Plan_20200214120121.pdf

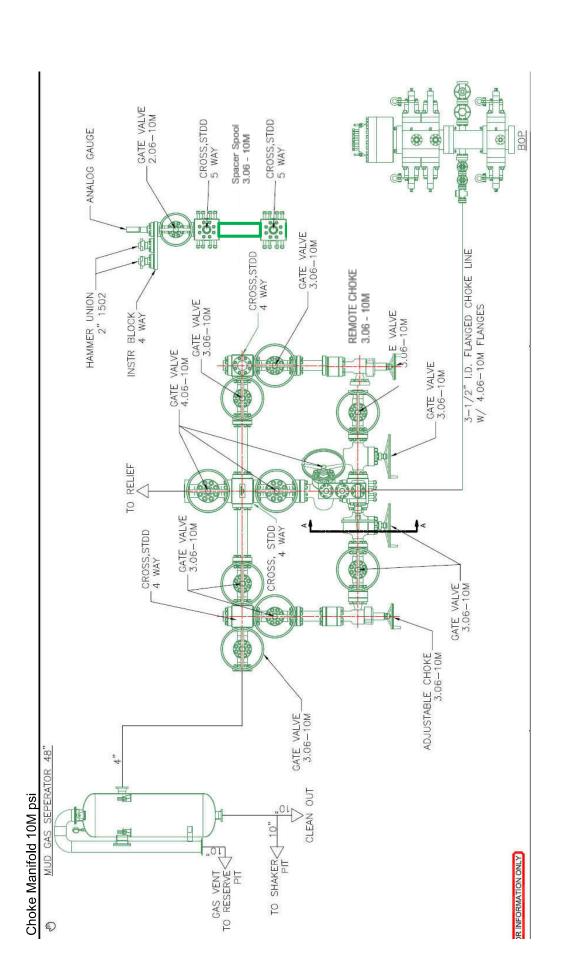
Other proposed operations facets description:

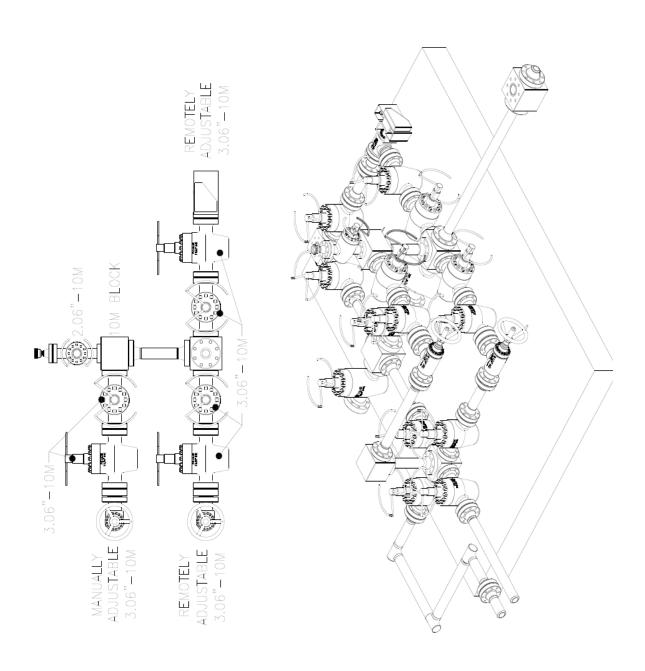
Other proposed operations facets attachment:

Zia_Hills_19_Pad_3_Drill_Waste_Containment_20190503074622.pdf
Kelly_Cock_20190503083827.pdf
ZHU_1932_BS_7H__Drilling_Plan_20190506151913.pdf
ZHU_1932_BS_7H_Cement_20190506151932.pdf
ZHU_1932_BS_7H_10H_Gas_Capture_Plan_20190506151956.pdf

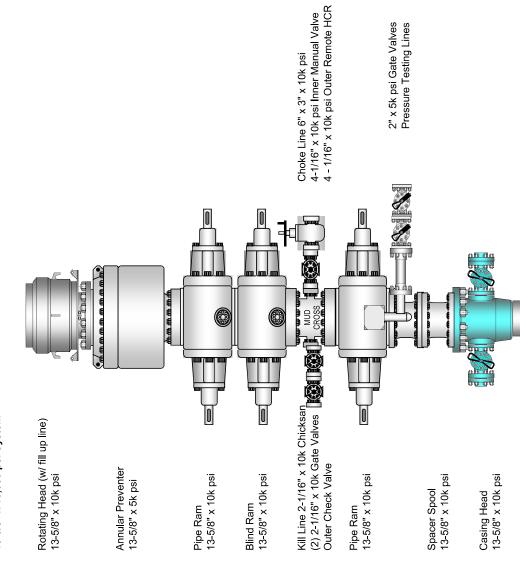
Other Variance attachment:

Zia_Hills_19_Pad_3_Flexhose_Variance_20190503074836.pdf Wild_Well_Control_Plan_20190409123424.pdf SD_053032_01_Pg_1_3_String__20200214115328.pdf





BOPE Configuration & Specifications 13-5/8" x 10,000 psi System



Lea, Co, NM
Sec 19 T26S R32E
ZHU 1932 BS 7H

5/2/2019

	1,313' TVD
	1.313' MD
	Setting Depth:
	N INFORMATION
	RFACE CASING DESIG
	S

	3S) Surface Casing Test Pressure = 1,500 psi	Pressure Test Prior to Drill Out	
	TENSION (1k LE	API / CoP	909 / 772
	BURST (PSI)	API / CoP	2,730 / 2,320
	DRIFT ID COLLAPSE (PSI) BURST (PSI) TENSION (1k LBS)	API / CoP	1,130 / 960
	DRIFT ID	(Inches)	12.459
	BOREID	(Inches)	12.612
E DATA:	CPLG	TYPE	BTC
PERFORMANCE	GRADE		J-55
MENSIONAL / P	WEIGHT	(LB/FT)	54.5
PIPE BODY DI	SIZE	(Inches)	13.375

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	to Drill Out		Minimum Design / Safety Factors COP	Tension (Body &		Actual Design / Safety Eactors	Tension (Body)	12.70
	Pressure Test Prior to Drill Out		Minimum Desigr	Collapse	1.05	Actual Design	Collapse	273
	Pre			Burst	1.15		Burst	1111
	API / CoP	909 / 772				TENSION (1k LBS)	API / CoP	622 / 606
	API / CoP	2,730 / 2,320				BURST (PSI)	API / CoP	0 730 / 2 320
	API / CoP	1,130 / 960				COLLAPSE (PSI) BURST (PSI)	API / CoP	1 130 / 960 2 730 / 2 320
	(Inches)	12.459			NCE DATA:	CPLG	TYPE	RTC
	(Inches)	12.612			MENSIONAL / PERFORMANCE DATA:	DRIFT	(Inches)	12 459
	TYPE	BTC			DIMENSIONAL	۵	(Inches)	12 612
GRADE		J-55			CONNECTION	ОО	(Inches)	14 375
_	(LB/FT)	54.5			•			

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Actual Design / Safety Factors Collapse Tension (Body)	12.70	14.63			Production Casing Test Pressure = TBD		fety Factors	Tension (Body & Connection)	1.40	Actual Design / Safety Factors	Tension (Body)	2.30	2.68
Actual Desig Collapse	2.73				on Casing Test		Minimum Design / Safety Factors	Collapse	1.05	Actual Desig	Collapse	1.29	
Burst	4.41				Producti		Minin	Burst	1.15		Burst	1.28	
TENSION (1k LBS) API / CoP	909 / 772		9,383' TVD		TENSION (1k LBS)	API / CoP	916 / 654			TENSION (1k LBS)	API / CoP	947 / 676	
BURST (PSI) API / CoP	2,730 / 2,320		10,047' MD		BURST (PSI)	API / CoP	5,750 / 5000			BURST (PSI)	API / CoP	5,750 / 5000	
COLLAPSE (PSI) API / CoP	1,130 / 960		Setting Depth: 10,047' MD		COLLAPSE (PSI)	API / CoP	3,870 / 3,685			COLLAPSE (PSI)	API / CoP	3,870 / 3,685	
CPLG TYPE	ВТС				DRIFT ID	(Inches)	8.75		ICE DATA:	CPLG	TYPE	BTC	
DRIFT (Inches)	12.459		z		BOREID	(Inches)	8.835		MENSIONAL / PERFORMANCE DATA:	DRIFT	(Inches)	8.75	
ID (Inches)	12.612		NFORMATIO	: DATA:	CPLG	TYPE	BTC			Q	(Inches)	8.835	
OD (Inches)	14.375		IG DESIGN II	ERFORMANCE	CDADE	GNADE	L80-IC		CONNECTION DIN	00	(Inches)	10.625	
			INTERMEDIATE CASING DESIGN INFORMATION	PIPE BODY DIMENSIONAL / PERFORMANCE DATA:	WEIGHT	(LB/FT)	40.0		•				-
			INTERME	PIPE BODY DII	SIZE	(Inches)	9.625						

CONNICO	CONNECTION DIMENSIONAL (DEDECOMANCE DATA)	1010	CINAMOC	. V F V C ::				Burst	e e	ပိ
OD OD	IION DIMENSI	ONAL / PEN	DRIFT	CPLG	COLLAPSE (PSI)	BURST (PSI)	BURST (PSI) TENSION (1k LBS)	1.13	1.03 Actual Design / Safe	/ Safe
(Inches)	s) (Inches)		(Inches)	TYPE	API/CoP	API / CoP	API / CoP	Burst	Collapse	Tens
10.625	5 8.835		8.75	BTC	3,870 / 3,685	5,750 / 5000	947 / 676	1.28	1.29	
PRODUCTION CASING DESIGN INFORMATION	ATION				Setting Depth: 19,286' MD	19,286' MD	9,383' TVD			

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ressure = TBD		fety Factors	Tension (Body & Connection)	1.40	Actual Design / Safety Factors	Tension (Body)	3.88	4.52
Production Casing Test Pressure = TBD		Minimum Design / Safety Factors	Collapse	1.05	Actual Desig	Collapse	4.03	
Production		Minin	Burst	1.15		Burst	3.20	
TENSION (1k LBS)	API / CoP	729 / 521			TENSION (1k LBS)	API / CoP	729 / 521	
_	API / CoP	14,360 / 12,487			BURST (PSI)	API / CoP	14,360 / 12,487	
	API / CoP	12,100 / 11,524			COLLAPSE (PSI)	API / CoP	12,100 / 11,524	
DRIFT ID	(Inches)	4.653		CE DATA:	CPLG	TYPE	TXP	
BOREID	(Inches)	4.778		AL / PERFORMANCE DATA:	DRIFT	(Inches)	4.653	
CPLG	TYPE	TXP			Q	(Inches)	4.766	
GRADE		P-110 ICY		CONNECTION DIMENSION	8	(Inches)	6.1	
WEIGHT	(LB/FT)	20		Į				1
SIZE	(Inches)	5.5						

TXP® BTC Printed on: 22/04/2019

	Min. Wall Thickness	87.5%	(*)GradeP110- ICY	
Outside 5.500 in. Diameter	Connection C Option	DD REGULAR	Coupling	Pipe Body
Wall Thickness 0.361 in.	Drift	API Standard	Body: White	1st Band: White
Grade P110-ICY*	Туре	Casing	1st Band: Pale Green	2nd Band: Pale Green
			2nd Band: -	3rd Band: Pale Green
			3rd Band: -	4th Band: -

) A T A				
PIPE BODY D	DATA				
Nominal OD	5.500 in.	Nominal Weight	20 lbs/ft	Drift	4.653 in.
Nominal ID	4.778 in.	Wall Thickness	0.361 in.	Plain End Weight	19.83 lbs/ft
OD Tolerance	API				
Performance					
Body Yield Strength	729 x1000 lbs	Internal Yield	14360 psi	SMYS	125000 psi
Collapse	12100 psi				
CONNECTION Geometry	N DATA			•	
Connection	6.100 in.	Coupling Length	9.450 in.	Connection ID	4.766 in.
Make-up Loss	4.204 in.	Threads per in	5	Connection OD Option	REGULAR
Performance					
Tension Efficiency	100.0 %	Joint Yield Strength	729.000 x1000 lbs	Internal Pressure Capacity [1]	14360.000 psi
Compression Efficiency	100 %	Compression Strength	729,000 ×1000 lbs	Max, Allowable Bending	104 °/100 ft
External Pressure Capacity	12100.000 psi				
Make-Up Tord	ques				
Minimum	11540 ft-lbs	Optimum	12820 ft-lbs	Maximum	14100 ft-lbs
Operation Lim	nit Torques				
Operating Torque	22700 ft-lbs	Yield Torque	25250 ft-lbs		

Notes

TXP® BTC - 5.5 in. - 15.5 / 17 / 23 / 26 lbs/ft

[1] Internal Pressure Capacity related to structural resistance only. Internal pressure leak resistance as per section 10.3 API 5C3 / ISO 10400 - 2007.

Datasheet is also valid for Special Bevel option when applicable - except for Coupling Face Load, which will be reduced. Please contact a local Tenaris technical sales representative.

For further information on concepts indicated in this datasheet, download the Datasheet Manual from www.tenaris.com

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Lea, Co, NM
Sec 19 T26S R32E
ZHU 1932 BS 7H

5/2/2019

	1,313' TVD
	1.313' MD
	Setting Depth:
	N INFORMATION
	RFACE CASING DESIG
	S

	3S) Surface Casing Test Pressure = 1,500 psi	Pressure Test Prior to Drill Out	
	TENSION (1k LE	API / CoP	909 / 772
	BURST (PSI)	API / CoP	2,730 / 2,320
	DRIFT ID COLLAPSE (PSI) BURST (PSI) TENSION (1k LBS)	API / CoP	1,130 / 960
	DRIFT ID	(Inches)	12.459
	BOREID	(Inches)	12.612
E DATA:	CPLG	TYPE	BTC
PERFORMANCE	GRADE		J-55
MENSIONAL / P	WEIGHT	(LB/FT)	54.5
PIPE BODY DI	SIZE	(Inches)	13.375

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	to Drill Out		Minimum Design / Safety Factors COP	Tension (Body &		Actual Design / Safety Eactors	Tension (Body)	12.70
	Pressure Test Prior to Drill Out		Minimum Desigr	Collapse	1.05	Actual Design	Collapse	273
	Pre			Burst	1.15		Burst	1111
	API / CoP	909 / 772				TENSION (1k LBS)	API / CoP	622 / 606
	API / CoP	2,730 / 2,320				BURST (PSI)	API / CoP	0 730 / 2 320
	API / CoP	1,130 / 960				COLLAPSE (PSI) BURST (PSI)	API / CoP	1 130 / 960 2 730 / 2 320
	(Inches)	12.459			NCE DATA:	CPLG	TYPE	RTC
	(Inches)	12.612			MENSIONAL / PERFORMANCE DATA:	DRIFT	(Inches)	12 459
	TYPE	BTC			DIMENSIONAL	۵	(Inches)	12 612
GRADE		J-55			CONNECTION	ОО	(Inches)	14 375
_	(LB/FT)	54.5			•			

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Actual Design / Safety Factors Collapse Tension (Body)	12.70	14.63			Production Casing Test Pressure = TBD		fety Factors	Tension (Body & Connection)	1.40	Actual Design / Safety Factors	Tension (Body)	2.30	2.68
Actual Desig Collapse	2.73				on Casing Test		Minimum Design / Safety Factors	Collapse	1.05	Actual Desig	Collapse	1.29	
Burst	4.41				Producti		Minin	Burst	1.15		Burst	1.28	
TENSION (1k LBS) API / CoP	909 / 772		9,383' TVD		TENSION (1k LBS)	API / CoP	916 / 654			TENSION (1k LBS)	API / CoP	947 / 676	
BURST (PSI) API / CoP	2,730 / 2,320		10,047' MD		BURST (PSI)	API / CoP	5,750 / 5000			BURST (PSI)	API / CoP	5,750 / 5000	
COLLAPSE (PSI) API / CoP	1,130 / 960		Setting Depth: 10,047' MD		COLLAPSE (PSI)	API / CoP	3,870 / 3,685			COLLAPSE (PSI)	API / CoP	3,870 / 3,685	
CPLG TYPE	ВТС				DRIFT ID	(Inches)	8.75		ICE DATA:	CPLG	TYPE	BTC	
DRIFT (Inches)	12.459		z		BOREID	(Inches)	8.835		MENSIONAL / PERFORMANCE DATA:	DRIFT	(Inches)	8.75	
ID (Inches)	12.612		NFORMATIO	: DATA:	CPLG	TYPE	BTC			Q	(Inches)	8.835	
OD (Inches)	14.375		IG DESIGN II	ERFORMANCE	CDADE	GNADE	L80-IC		CONNECTION DIN	00	(Inches)	10.625	
			INTERMEDIATE CASING DESIGN INFORMATION	PIPE BODY DIMENSIONAL / PERFORMANCE DATA:	WEIGHT	(LB/FT)	40.0		•				-
			INTERME	PIPE BODY DII	SIZE	(Inches)	9.625						

CONNICO	CONNECTION DIMENSIONAL (DEDECOMANCE DATA)	1010	CINAMOC	. V F V C ::				Burst	e e	ပိ
OD OD	IION DIMENSI	ONAL / PEN	DRIFT	CPLG	COLLAPSE (PSI)	BURST (PSI)	BURST (PSI) TENSION (1k LBS)	1.13	1.03 Actual Design / Safe	/ Safe
(Inches)	s) (Inches)		(Inches)	TYPE	API/CoP	API / CoP	API / CoP	Burst	Collapse	Tens
10.625	5 8.835		8.75	BTC	3,870 / 3,685	5,750 / 5000	947 / 676	1.28	1.29	
PRODUCTION CASING DESIGN INFORMATION	ATION				Setting Depth: 19,286' MD	19,286' MD	9,383' TVD			

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ressure = TBD		fety Factors	Tension (Body & Connection)	1.40	Actual Design / Safety Factors	Tension (Body)	3.88	4.52
Production Casing Test Pressure = TBD		Minimum Design / Safety Factors	Collapse	1.05	Actual Desig	Collapse	4.03	
Production		Minin	Burst	1.15		Burst	3.20	
TENSION (1k LBS)	API / CoP	729 / 521			TENSION (1k LBS)	API / CoP	729 / 521	
_	API / CoP	14,360 / 12,487			BURST (PSI)	API / CoP	14,360 / 12,487	
	API / CoP	12,100 / 11,524			COLLAPSE (PSI)	API / CoP	12,100 / 11,524	
DRIFT ID	(Inches)	4.653		CE DATA:	CPLG	TYPE	TXP	
BOREID	(Inches)	4.778		AL / PERFORMANCE DATA:	DRIFT	(Inches)	4.653	
CPLG	TYPE	TXP			Q	(Inches)	4.766	
GRADE		P-110 ICY		CONNECTION DIMENSION	8	(Inches)	6.1	
WEIGHT	(LB/FT)	20		Į				1
SIZE	(Inches)	5.5						

TXP® BTC Printed on: 22/04/2019 (*)GradeJ55 (Casing) 87.5% Min. Wall **Thickness** Outside 13.375 in. Connection OD REGULAR Coupling Pipe Body Diameter Option Wall Thickness 0.380 in. **API Standard** Body: Bright Green Drift 1st Band: Bright Green Grade J55 (Casing)* Type Casing 1st Band: 2nd Band: -White 2nd Band: -3rd Band: -3rd Band: -4th Band: -

PIPE BODY D	DATA				
Geometry					
Nominal OD	13.375 in.	Nominal Weight	54.5 lbs/ft	Drift	12.459 in.
Nominal ID	12.615 in.	Wa ll Thickness	0.380 in.	Plain End Weight	52.79 lbs/ft
OD Tolerance	API				
Performance					
Body Yield Strength	853 x1000 lbs	Internal Yield	2730 psi	SMYS	55000 psi
Collapse	1130 psi				
CONNECTIO	N DATA				
Geometry					
Connection OD	14.375 in.	Coupling Length	10.825 in.	Connection ID	12.603 in.
Make-up Loss	4.891 in.	Threads per in	5	Connection OD Option	REGULAR
Performance					
Tension Efficiency	100.0 %	Joint Yield Strength	853.000 x1000 lbs	Internal Pressure Capacity [1]	2730.000 psi
Compression Efficiency	100 %	Compression Strength	853.000 x1000 lbs	Max. Allowable Bending	19 °/100 ft
External Pressure Capacity	1130.000 psi				
Make-Up Tord	ques				
Minimum	21610 ft-lbs	Optimum	24010 ft-lbs	Maximum	26410 ft-lbs
Operation Lim	nit Torques				
Operating Torque	54300 ft-lbs	Yield Torque	68700 ft-lbs		

Notes

[1] Internal Pressure Capacity related to structural resistance only. Internal pressure leak resistance as per section 10.3 API 5C3 / ISO 10400 - 2007.

Datasheet is also valid for Special Bevel option when applicable - except for Coupling Face Load, which will be reduced. Please contact a local Tenaris technical sales representative.

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Lea, Co, NM
Sec 19 T26S R32E
ZHU 1932 BS 7H

5/2/2019

	1,313' TVD
	1.313' MD
	Setting Depth:
	N INFORMATION
	RFACE CASING DESIG
	S

	3S) Surface Casing Test Pressure = 1,500 psi	Pressure Test Prior to Drill Out	
	TENSION (1k LE	API / CoP	909 / 772
	BURST (PSI)	API / CoP	2,730 / 2,320
	DRIFT ID COLLAPSE (PSI) BURST (PSI) TENSION (1k LBS)	API / CoP	1,130 / 960
	DRIFT ID	(Inches)	12.459
	BOREID	(Inches)	12.612
E DATA:	CPLG	TYPE	BTC
PERFORMANCE	GRADE		J-55
MENSIONAL / P	WEIGHT	(LB/FT)	54.5
PIPE BODY DI	SIZE	(Inches)	13.375

			6					å
	to Drill Out		Minimum Design / Safety Factors COP	Tension (Body &		Actual Design / Safety Eactors	Tension (Body)	12.70
	Pressure Test Prior to Drill Out		Minimum Desigr	Collapse	1.05	Actual Design	Collapse	273
	Pre			Burst	1.15		Burst	1111
	API / CoP	909 / 772				TENSION (1k LBS)	API / CoP	622 / 606
	API / CoP	2,730 / 2,320				BURST (PSI)	API / CoP	0 730 / 2 320
	API / CoP	1,130 / 960				COLLAPSE (PSI) BURST (PSI)	API / CoP	1 130 / 960 2 730 / 2 320
	(Inches)	12.459			NCE DATA:	CPLG	TYPE	RTC
	(Inches)	12.612			MENSIONAL / PERFORMANCE DATA:	DRIFT	(Inches)	12 459
	TYPE	BTC			DIMENSIONAL	Ω	(Inches)	12 612
GRADE		J-55			CONNECTION	ОО	(Inches)	14 375
_	(LB/FT)	54.5			•			

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Actual Design / Safety Factors Collapse Tension (Body)	12.70	14.63			Production Casing Test Pressure = TBD		fety Factors	Tension (Body & Connection)	1.40	Actual Design / Safety Factors	Tension (Body)	2.30	2.68
Actual Desig Collapse	2.73				on Casing Test		Minimum Design / Safety Factors	Collapse	1.05	Actual Desig	Collapse	1.29	
Burst	4.41				Producti		Minin	Burst	1.15		Burst	1.28	
TENSION (1k LBS) API / CoP	909 / 772		9,383' TVD		TENSION (1k LBS)	API / CoP	916 / 654			TENSION (1k LBS)	API / CoP	947 / 676	
BURST (PSI) API / CoP	2,730 / 2,320		10,047' MD		BURST (PSI)	API / CoP	5,750 / 5000			BURST (PSI)	API / CoP	5,750 / 5000	
COLLAPSE (PSI) API / CoP	1,130 / 960		Setting Depth: 10,047' MD		COLLAPSE (PSI)	API / CoP	3,870 / 3,685			COLLAPSE (PSI)	API / CoP	3,870 / 3,685	
CPLG TYPE	ВТС				DRIFT ID	(Inches)	8.75		ICE DATA:	CPLG	TYPE	BTC	
DRIFT (Inches)	12.459		z		BOREID	(Inches)	8.835		MENSIONAL / PERFORMANCE DATA:	DRIFT	(Inches)	8.75	
ID (Inches)	12.612		NFORMATIO	: DATA:	CPLG	TYPE	BTC			Q	(Inches)	8.835	
OD (Inches)	14.375		IG DESIGN II	ERFORMANCE	CDADE	GNADE	L80-IC		CONNECTION DIN	00	(Inches)	10.625	
			INTERMEDIATE CASING DESIGN INFORMATION	PIPE BODY DIMENSIONAL / PERFORMANCE DATA:	WEIGHT	(LB/FT)	40.0		•				-
			INTERME	PIPE BODY DII	SIZE	(Inches)	9.625						

CONNICO	CONNECTION DIMENSIONAL (DEDECOMANCE DATA)	1010	CINAMOC	. V F V C ::				Burst	e e	ပိ
OD OD	IION DIMENSI	ONAL / PEN	DRIFT	CPLG	COLLAPSE (PSI)	BURST (PSI)	BURST (PSI) TENSION (1k LBS)	1.13	1.03 Actual Design / Safe	/ Safe
(Inches)	s) (Inches)		(Inches)	TYPE	API/CoP	API / CoP	API / CoP	Burst	Collapse	Tens
10.625	5 8.835		8.75	BTC	3,870 / 3,685	5,750 / 5000	947 / 676	1.28	1.29	
PRODUCTION CASING DESIGN INFORMATION	ATION				Setting Depth: 19,286' MD	19,286' MD	9,383' TVD			

Dry Bouyed

							Dry	Bouyed
ressure = TBD		fety Factors	Tension (Body & Connection)	1.40	Actual Design / Safety Factors	Tension (Body)	3.88	4.52
Production Casing Test Pressure = TBD		Minimum Design / Safety Factors	Collapse	1.05	Actual Desig	Collapse	4.03	
Production		Minin	Burst	1.15		Burst	3.20	
TENSION (1k LBS)	API / CoP	729 / 521			TENSION (1k LBS)	API / CoP	729 / 521	
_	API / CoP	14,360 / 12,487			BURST (PSI)	API / CoP	14,360 / 12,487	
	API / CoP	12,100 / 11,524			COLLAPSE (PSI)	API / CoP	12,100 / 11,524	
DRIFT ID	(Inches)	4.653		CE DATA:	CPLG	TYPE	TXP	
BOREID	(Inches)	4.778		AL / PERFORMANCE DATA:	DRIFT	(Inches)	4.653	
CPLG	TYPE	TXP			Q	(Inches)	4.766	
GRADE		P-110 ICY		CONNECTION DIMENSION	8	(Inches)	6.1	
WEIGHT	(LB/FT)	20		Į				1
SIZE	(Inches)	5.5						

TXP® BTC Printed on: 22/04/2019 Min. Wall 87.5% (*)GradeL80-IC **Thickness** Connection OD REGULAR Option 9.625 in. Coupling Pipe Body Outside Diameter Wall Thickness 0.395 in. Drift API Standard Body: Red 1st Band: Red L80-IC* Grade Type Casing 1st Band: 2nd Band: Brown Brown

2nd Band: - 3rd Band: Pale Green

3rd Band: - 4th Band: -

					Jiu Daliu	
PIPE BODY D	DATA					
Geometry						
Nominal OD	9.625 in.	Nominal Weight	40 lbs/ft	Drift	8.679 in.	
Nominal ID	8.835 in.	Wall Thickness	0.395 in.	Plain End Weight	38.97 lbs/ft	
OD Tolerance	API					
Performance						
Body Yield Strength	916 x1000 lbs	Internal Yield	5750 psi	SMYS	80000 psi	
Collapse	3870 psi					
CONNECTIO	N DATA					
Geometry						
Connection OD	10.625 in.	Coupling Length	10.825 in.	Connection ID	8.823 in.	
Make-up Loss	4.891 in.	Threads per in	5	Connection OD Option	REGULAR	
Performance						
Tension Efficiency	100.0 %	Joint Yield Strength	916.000 x1000 lbs	Internal Pressure Capacity [1]	5750.000 psi	
Compression Efficiency	100 %	Compression Strength	916.000 x1000 lbs	Max. Allowable Bending	38 °/100 ft	
External Pressure Capacity	3870.000 psi					
Make-Up Torques						
Minimum	18860 ft-lbs	Optimum	20960 ft-lbs	Maximum	23060 ft-lbs	
Operation Limit Torques						
Operating Torque	35600 ft-lbs	Yield Torque	43400 ft-lbs			

Notes

This connection is fully interchangeable with:

[1] Internal Pressure Capacity related to structural resistance only. Internal pressure leak resistance as per section 10.3 API 5C3 / ISO 10400 - 2007.

Datasheet is also valid for Special Bevel option when applicable - except for Coupling Face Load, which will be reduced. Please contact a local Tenaris technical sales representative.

For further information on concepts indicated in this datasheet, download the Datasheet Manual from www.tenaris.com

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H₂S Contingency Plan November 2016

H₂S Contingency Plan Holders:

Attached is an H₂S Contingency Plan for COPC Permian Drilling working in the West Texas and Southeastern New Mexico areas operated by ConocoPhillips Company.

If you have any question regarding this plan, please call Matt Oster (830) 583-1297, or Ryan Vacarella (985) 217-7594.

Table of Contents

Section

- I. Purpose
- II. Scope
- III. Procedures
- IV. Emergency Equipment and Maintenance

Emergency Equipment Suppliers
General Information
H2S Safety Equipment and Monitoring Systems

- V. Emergency Call List
- VI. Public/Media Relations
- VII. Pubic Notification/Evacuation
- VIII. Forms/Reports



HYDROGEN SULFIDE (H₂S) OPERATIONS

Contingency Plan For Permian Drilling Operations

ConocoPhillips Company

Mid-Continent Business Unit Permian Asset Area

I.PURPOSE

The purpose of this Contingency Plan is to provide an organized plan of action for alerting and protecting the public following the release of a potentially hazardous volume of hydrogen sulfide. This plan prescribes mandatory safety procedures to be followed in the event of a release of H₂S into the atmosphere from exploration and production operations included in the scope of this plan. The extent of action taken will be determined by the supervisor and will depend on the severity and extent of H₂S release. Release of H₂S must be reported to the Drilling Superintendent and documented on the IADC and in Wellview.

II. SCOPE

This Contingency plan shall cover the West Texas and Southeastern New Mexico areas, which contain H2S gas and could result in a release where the R.O.E. is greater than 100 ppm at 50' and less than 3000' and does not include a public area and 500 ppm R.O.E. does not include a public road. Radius of exposure is defined as the maximum distance from the source of release that a specified calculated average concentration of H₂S could exist under specific weather conditions.

III. PROCEDURES

First E	<u>Imployee on Scene</u>
	Assess the incident and <u>ensure your own safety</u> .
	Note the following:
	 Location of the incident. Nature of the incident. Wind direction and weather conditions. Other assistance that may be needed.
	Call local supervisory personnel (refer to Section V: Emergency Call List) until personal contact is made with a person on the list.
	Perform emergency assessment and response as needed. The response may include rescue and/or evacuation of personnel, shutting in a system and/or notification of nearby residents/public (refer to Section VII: Public Notification/Evacuation).
	Secure the site.
	Follow the direction of the On-scene Incident Commander (first ConocoPhillips supervisor arriving on-scene).
First S	Supervisor on Scene (ConocoPhillips On-scene Incident Commander)
	Becomes ConocoPhillips' On-scene Incident Commander upon arrival to location.
	Follow the principles of the D.E.C.I.D.E. process below to assess the incident. (Note wind direction and weather conditions and ensure everyone's safety).
	DETECT the problem ESTIMATE likely harm without intervention CHOOSE response objectives IDENTIFY action options DO the best option EVALUATE the progress

C	(refer to Section VIII: Forms/Reports).
C	Call your supervisor (refer to Section V: Emergency Call List).
(((Perform emergency response as necessary. (This may include notification & evacuation of all personnel and/or nearby residents/public (refer to Section VII: Public Notification/Evacuation), requesting assistance from ConocoPhillips personnel or outside agencies (refer to Section V: Emergency Call List) and obtaining any safety equipment that may be required (refer to Section IV: Emergency Equipment and Maintenance).
1	Notify appropriate local emergency response agencies of the incident as needed. Also notify the appropriate regulatory agencies. (refer to Section V: Emergency Call List).
i	Ensure site security.
	— Set barricades and /or warning signs at or beyond the calculated 100 ppm H ₂ S radius of exposure (ROE). All manned barricades must be equipped with an H ₂ S monitor and a 2-way radio.
	— Set roadblocks and staging area as determined.
	Establish the Incident Command Structure by designating appropriate onscene response personnel as follows:
 	Recording Secretary Public Information Officer Safety/Medical Officer Decontamination Officer
	Have the "Recording Secretary" begin documenting the incident on the "Incident Log" (refer to Section VIII: Forms/Reports).
9	If needed, request radio silence on all channels that use your radio tower stating that, until further notice, the channels should be used for emergency communications only.
—— I	Perform a Site Characterization and designate the following:
1	Hot Zone Hazardous Area Warm Zone Preparation & Decontamination Area Cold Zone Safe Area

AND

On-Scene Incident Command Post Public Relations Briefing Area Staging Area Triage Area Decontamination Area	(Cold Zone) (Cold Zone) (Cold Zone) (Cold Zone) (Warm Zone)
Refer all media personnel to ConocoPhillips' On-Scen Officer (refer to Section VI: Public Media Relations).	e Public Information
Coordinate the attempt to stop the release of H ₂ S. Yo closing upstream and downstream valves to shut-off and/or plugging or clamping leaks. Igniting escaping toxicity hazard should be used ONLY AS A LAST RE be determined if the gas can be safely ignited, taking there is a possibility of a widespread flammable atmo	gas supply sources, gas to reduce the ESORT . (It must first into consideration if
Once the emergency is over, return the situation to no	rmal by:
Confirming the absence of H_2S and combustible area,	gas throughout the
Discontinuing the radio silence on all channels, emergency incident is over,	stating that the
Removing all barricades and warning signs,	
Allowing evacuees to return to the area, and	
Advising all parties previously notified that the en	mergency has ended.
Ensure the proper regulatory authorities/agencies are incident (refer to Section V: Emergency Call List).	notified of the
 Clean up the site. (Be sure all contractor crews have HAZWOPER training.) 	had appropriate
Report completion of the cleanup to the Asset Environe (Environmentalist will report this to the proper State ar agencies.)	

 Fill out all required incident reports and send originals to the Safety
Department. (Keep a copy for your records.)
Company employee receiving occupational injury or illnesses.
 Company employee involved in a vehicle accident while driving a company vehicle.
Company property that is damaged or lost.
 Accident involving the public or a contractor; includes personal injuries, vehicle accidents, and property damage. Also includes any situation, which could result in a claim against the Company.
Hazardous Material Spill/Release Report Form
Emergency Drill Report
 Assist the Safety Department in the investigation of the incident. Review the factors that caused or allowed the incident to occur, and modify operating, maintenance, and/or surveillance procedures as needed. Make appropriate repairs and train or retrain employees in the use and operation of the system.
If this incident was simulated for practice in emergency response, complete the Emergency Drill Report found in Section VIII: Forms/Reports and submit a copy to the Drilling Manager. (Keep one copy in area files to document exercising of the plan.)

Emergency Procedures Responsibility

In the event of a release of potentially hazardous amounts of H2S, all personnel will immediately proceed upwind/ crosswind to the nearest designated briefing area. The COPC Drilling Rep. will immediately, upon assessing the situation, set this into action by taking the proper procedures to contain the gas and notify appropriate people and agencies.

- 1. In an emergency situation, the Drilling Rep. on duty will have complete responsibility and will take whatever action is deemed necessary in an emergency situation to insure the personnel's safety, to protect the well and to prevent property damage.
- 2. The Toolpusher will assume all responsibilities of the Drilling Rep. in an emergency situation in the event the Drilling Rep. becomes incapacitated.
- 3. Advise each contractor, service company, and all others entering the site that H2S may be encountered and the potential hazards that may exist.
- 4. Authorize the evacuation of local residents if H2S threatens their safety.
- 5. Keep the number of persons on location to a minimum during hazardous operations.
- 6. Direct corrective actions to control the flow of gas.
- 7. Has full responsibility for igniting escaping gas to reduce the toxicity hazard.

This should be used **ONLY AS A LAST RESORT**.

IV. **EMERGENCY EQUIPMENT and MAINTENANCE**

Emergency Equipment Suppliers

DXP/ Safety International - Odessa, Tx.

H₂S monitors 432.580.3770

Breathing air includes cascade systems

First aid and medical supplies

Safety equipment

H2S Specialist

Total Safety US Odessa, Tx/ Hobs, NM

432.561.5049 Odessa H₂S monitors 575.392.2973 Hobbs

Breathing air includes cascade systems

First aid and medical supplies

Safety equipment

DXP/ Indian Fire & Safety - Hobbs, NM 575.393.3093

H₂S monitors

Breathing air including cascade systems trailer mounted

30 minute air packs

Safety Equipment

TC Safety - Odessa, Tx.

H₂S monitors 432.413.8240

Cascade systems trailer mounted

30 minute air packs

Safety Equipment

H2S Specialist

Secorp Industries - Odessa, Tx.

432.614.2565

H2S Monitor Systems

Cascade Systems

H2S Specialist

H2S, CPR, First Aid Training

Emergency Equipment and Maintenance (continued)

General Information

Materials used for repair should be suitable for use where H₂S concentrations exceed 100 ppm. In general, carbon steels having low-yield strengths and a hardness below RC-22 are suitable. The engineering staff should be consulted if any doubt exists on material specifications.

Appropriate signs should be maintained in good condition at location entrance and other locations as specified in Texas Rule 36 and NMOCD Rule 118.

All notification lists should be kept current with changes in names, telephone numbers, etc.

All shutdown devices, alarms, monitors, breathing air systems, etc., should be maintained in accordance with applicable regulations.

All personnel working in H₂S areas shall have received training on the hazards, characteristics, and properties of H₂S, and on procedures and safety equipment applicable for use in H₂S areas.

H2S Safety Equipment and Monitoring Systems

An H2S emergency response package will be maintained at locations requiring H2S monitoring. The package will contain at a minimum the following:

- 3 Fixed H2S sensors located as follows:
 - 1 on the rig floor
 - 1 at the Bell Nipple
 - 1 at the Shale Shaker or Flowline
- 1 <u>Entrance Warning Sign located at the main entrance to the location, with warning signs and colored flags to determine the current status for entry into the location.</u>
- 2 Windsocks that are clearly visible.
- 1 <u>Audible</u> warning system located on rig floor
- 2 Visual warning systems (Beacon Lights)
 - 1 Located at the rig floor
 - 1 Located in the mud mixing room

Note: All alarms (audible and visual) should be set to alarm at 10 ppm.

- 2 Briefing areas clearly marked
 - 2 SCBA's at each briefing area
 - 1- SCBA located at the Drilling Reps office

Note:

- 1. All SCBA's must be positive pressure type only!!!
- 2. All SCBA's must either be Scott or Drager brand.
- 3. All SCBA's face pieces should be <u>size large</u>, unless otherwise specified by the Drilling Supervisor.
- 5 <u>Emergency Escape Paks</u> located at Top Doghouse.

Note: Ensure provisions are included for any personnel working above rig floor in derrick.

1 – <u>Tri or Quad gas monitor</u> located at the Drilling Reps office. This will be used to determine if the work area if safe to re-enter prior to returning to work following any alarm.

V. EMERGENCY CALL LIST:

The following is a <u>priority</u> list of personnel to contact in an emergency situation:

Supervisory Personnel Office No. Cellphone Drilling Supt. (Unconventional) Scott Nicholson 432 688 9065 432.230.8010 Field Superintendents: Clint Case 432.688.6878 940.231.2839 Safety Support: **Matt Oster** 830.583.1245 601.540.6988 Ryan Vaccarella 985.217.7594 NA Supt Operations-SEMN/Shale Mike Neuschafer 432.688.6834 713.419.9919 MCBU Safety Coordinator James Buzan 432.688.6860 832 630 4320 Manger GCBU/MCBU D & C

EMERGENCY CALL LIST: State Officials

832.513.9308

Office: 432.684.5581

832.486.6191

Regulatory Agencies

Texas Railroad Commission (District 8)

Midland, Texas

Seth Crissman

New Mexico Oil Conservation Commission Office: 575.393.6161

P. O. Box 1980

Hobbs, New Mexico 88240-1980

Office: 575.234.5972

Fax: 575.885.9264

Bureau of Land Mngt.

Carlsbad Field Office 620 E. Greene St. Carlsbad, NM 88220

EMERGENCY CALL LIST: Local Officials

Refer to the <u>Location Information Sheet</u>
Note: The LIS should include any area residents (i.e. rancher's house, etc)

VI. Public Media Relations

The **Public Information Officer** becomes the ConocoPhillips on-scene contact (once designated by the Phillips On-Scene Incident Commander).

Confers with Houston Office's Human Relations Representative, who is responsible for assisting in the coordination of local public relations duties.

Answer media questions honestly and **only with facts.** do not speculate about the cause, amount of damage, or the potential impact of the incident of the community, company, employees, or environment. (This information will be formally determined in the incident investigation.)

If you are comfortable answering a question or if you are unsure of the answer, use terms such as the following:

- "I do not know. I will try to find out."
- I am not qualified to answer that question, but I will try to find someone who can."
- "It is under investigation."

Note:

Do Not Say "No Comment." (This implies a cover-up.)

Do Not Disclose Names of Injured or Dead! Confer with the Houston Office's Human Relations Representative, who is responsible for providing that information.

VII. Public Notification/Evacuation

Alert and/or Evacuate People within the Exposure Area

1. <u>Public Notification</u> – If the escape of gas could result in a hazard to area residents, the general public, or employees, the person <u>first</u> observing the leak should take <u>immediate</u> steps to cause notification of any nearby residents. The avoidance of injury or loss of life should be of prime consideration and given top priority in all cases. If the incident is of such magnitude, or at such location as to create a hazardous situation, local authorities will be requested to assist in the evacuation and roadblocks of the designated area until the situation can be returned to normal.

Note: Bilingual employees may be needed to assist in notification of residents.

2. <u>Evacuation Procedures</u> – Evacuation will proceed upwind from the source of the release of H₂S. Extreme caution should be exercised in order to avoid any depressions or low-lying areas in the terrain. The public area within the radius of exposure should be evacuated in a southwesterly and southeasterly direction so as to avoid the prevailing southern wind direction.

Roadblocks and the staging area should be established as necessary for current wind conditions.

Note: In all situations, consideration should be given to wind direction and weather conditions. H₂S is heavier than air and can settle in low spots. Shifts in wind direction can also change the location of possible hazardous areas.

VIII. FORMS & REPORTS

- I. Incident Log
- II. Preliminary Emergency Information Sheet
- III. Emergency Drill Report
- IV. Onshore Hazardous Material Spill/Release Report Form
- V. Immediate Report of Occupational Injury or Illness Report of Accident-Public Contractor Report of Loss or Damage to Company Property Report of Automotive Incident

ConocoPhillips MCBU - Permian-Panhandle Gold Data

Planning - NM East State Zone - 3001 ZIA HILLS 1932 BS 7H ZIA HILLS 1932 BS 7H

ZIA HILLS 1932 BS 7H

Plan: ZIA HILLS 1932 BS 7H_WP3 - 3D-2

Standard Planning Report

07 May, 2019

ConocoPhillips

Planning Report

Database: EDT 14 Central Planning

Company: ConocoPhillips MCBU - Permian-Panhandle Golc

Project: Planning - NM East State Zone - 3001

Site: ZIA HILLS 1932 BS 7H Well: ZIA HILLS 1932 BS 7H Wellbore: ZIA HILLS 1932 BS 7H

Design: ZIA HILLS 1932 BS 7H_WP3 - 3D-2

Local Co-ordinate Reference:

TVD Reference:
MD Reference:

North Reference:

Survey Calculation Method:

Well ZIA HILLS 1932 BS 7H

RKB @ 3203.83ft RKB @ 3203.83ft

Grid

Minimum Curvature

Project Planning - NM East State Zone - 3001, Permian Basin - New Mexico - East/South East, Planning Project for Perm	an wells in NM
---	----------------

Map System: Geo Datum:

Map Zone:

US State Plane 1927 (Exact solution)

NAD 1927 (NADCON CONUS)

New Mexico East 3001

System Datum:

Mean Sea Level

Using geodetic scale factor

Site ZIA HILLS 1932 BS 7H

Northing: 374,082.510 usft Latitude: 32° 1' 37.100 N Site Position: 103° 43' 3.281 W From: Мар Easting: 690,826.615 usft Longitude: **Position Uncertainty:** 0.00 ft Slot Radius: 13-3/16" **Grid Convergence:** 0.33°

Well ZIA HILLS 1932 BS 7H

 Well Position
 +N/-S
 0.00 ft
 Northing:
 374,082.510 usft
 Latitude:
 32° 1' 37.100 N

 +E/-W
 0.00 ft
 Easting:
 690,826.615 usft
 Longitude:
 103° 43' 3.281 W

Position Uncertainty 2.00 ft Wellhead Elevation: ft Ground Level: 3,177.83ft

Wellbore ZIA HILLS 1932 BS 7H

 Magnetics
 Model Name
 Sample Date (°)
 Declination (°)
 Dip Angle (°)
 Field Strength (nT)

 BGGM2018
 2/14/2019
 6.92
 59.77
 47,667.02438627

Design ZIA HILLS 1932 BS 7H_WP3 - 3D-2

Audit Notes:

Version:Phase:PLANTie On Depth:0.00

 Vertical Section:
 Depth From (TVD) (ft) (ft) (ft) (ft) (ft)
 +N/-S +E/-W (ft) (ft) (ft) (°)
 Direction (°)

 0.00
 0.00
 0.00
 188.50

Plan Sections	s									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,963.43	11.45	285.05	1,958.36	19.74	-73.43	1.50	1.50	0.00	285.05	
8,783.93	11.45	285.05	8,643.08	371.30	-1,381.13	0.00	0.00	0.00	0.00	
9,946.94	90.00	179.55	9,383.30	-345.00	-1,520.00	8.00	6.75	-9.07	-105.20	
19,285.82	90.00	179.55	9,383.26	-9,683.59	-1,446.87	0.00	0.00	0.00	0.00	ZIA HILLS 19 407H

ConocoPhillips

Planning Report

EDT 14 Central Planning Database:

ConocoPhillips MCBU - Permian-Panhandle Golc Company:

Project: Planning - NM East State Zone - 3001

Site: ZIA HILLS 1932 BS 7H Well: ZIA HILLS 1932 BS 7H ZIA HILLS 1932 BS 7H ZIA HILLS 1932 BS 7H_WP3 - 3D-2 Wellbore:

Design:

Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference: **Survey Calculation Method:** Well ZIA HILLS 1932 BS 7H

RKB @ 3203.83ft RKB @ 3203.83ft

Grid

Minimum Curvature

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00 1,200.00 1,963.43 8,783.93 9,946.94	0.00 0.00 11.45 11.45 90.00	0.00 0.00 285.05 285.05 179.55	0.00 1,200.00 1,958.36 8,643.08 9,383.30	0.00 0.00 19.74 371.30 -345.00	0.00 0.00 -73.43 -1,381.13 -1,520.00	0.00 0.00 -8.67 -163.13 565.83	0.00 0.00 1.50 0.00 8.00	0.00 0.00 1.50 0.00 6.75	0.00 0.00 0.00 0.00 -9.07
19,285.82	90.00	179.55	9,383.26	-9,683.59	-1,446.87	9,791.09	0.00	0.00	0.00

Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
ZIA HILLS 19 407H k - plan misses targ - Point			8,667.06 8783.93ft M		-1,528.15 TVD, 371.30	,	689,298.540	32° 1' 43.483 N	103° 43' 20.989 W
ZIA HILLS 19 407H k - plan misses targ - Point			8,667.06 8783.93ft M		-1,529.15 TVD, 371.30	374,845.829 N, -1381.13 E)	689,297.540	32° 1' 44.740 N	103° 43' 20.992 W
ZIA HILLS 19 407H V - plan misses targ - Point			10,693 . 57 t 9946 . 94ft		-1,529.15 0 TVD, -345.	374,845.829 00 N, -1520.00 E	689,297.540 E)	32° 1' 44.740 N	103° 43' 20.992 W
ZIA HILLS 19 407H V - plan misses targ - Point			9,928.27 9820.75ft M		-1,526.82 TVD, -219.4	374,465.620 5 N, -1518.86 E)	689,299.877	32° 1' 40.977 N	103° 43' 20.990 W
ZIA HILLS 19 407H E - plan hits target o - Point		0.00	9,383.26	-9,683.59	-1,446.87	364,399.415	689,379.816	32° 0' 1.356 N	103° 43' 20.722 W
ZIA HILLS 19 407H k - plan misses targ - Point			8,667.06 8815.70ft M	383.13 1D (8674.25	-1,526.82 TVD, 372.24	374,465.620 1 N, -1387.22 E)	689,299.877	32° 1' 40.977 N	103° 43' 20.990 W

Casing Points							
	Measured Depth (ft)	Vertical Depth (ft)		Name	Casing Diameter (")	Hole Diameter (")	
	1,200.00	1,200.00	13 3/8"		13-3/8	17-1/2	
	9,975.00	9,383.30	9 5/8"		9-5/8	12-1/4	
	19,326.00		5 1/2"		5-1/2	8-1/2	



ELEVATIONS:

WELL: ZHU 1932 BS 7H

GL

3,177.8'

SURFACE LOC: Sec 19 T26S R32E **BH LOC:** Sec 31 T26S R32E

WELL PLAN SUMMARY

1280 Extended Reach Single Lateral

2329' FSL 1546' FWL 50' FSL

22' FWL

Date: Feb 14, 2020 Version: 1 Prepared by: M. Callahan

COUNTY,STATE: Lea, Co, NM API No.: TRRC Permit:

BLM Permit:

37.1" N 32° WH Coord.: LAT

AFE: WAF.OND. Drilling Network No.:
Invoice Handler ID: VENNECP
COST ESTIMATE DRILLING COMPLETION

ELEVATIONS:	GL KB	3,177.8° +27.0'				(NAD-2		LON	103°	43'	37.1" N 3.28" W		FACILITIES	
2011 1 002	FORMATION	TOP.	T) (D	OUBOEA									TOTAL	
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	FORMATION 1		<u>TVD</u>	SUBSEA		Ohiondina								
17-1/2" x 13-3/8"	Quaternary F Base of Fresh V		22 326	3,183 2,879	Fresh Water	<u>Objective</u>		in a constant						
2111113	Base of Fresh v Rustler	water	1,113	2,079	Fresh Water	inis well is i	o be anii	ea with s	arety and	protection	on of the enviro	nment as tr	ie primary or	ojectives.
	Top of Salt	t	1,113	1,922	Salt	The objective	re is to dr	ill a 1280	single lat	eral well	in the Bone Si	rings 1st S	and formatio	n and completed with 5-
	Castille	•	2,273	932	Salt	1/2"cemente			onigio iai	oral won	in the Bone of	ingo roco	ana formatio	ir and completed with c
	Delaware Base of	of Salt	4,249	(1,044)	Gas / Oil		74 545g	•						
5	Delaware Base (or our	7,2-10	(1,044)	Odo / Oii	Notes								
	Charn, Canu		5,157	(1,952)	Gas / Oil		Lwill bo d	rillod with	Pottorno	n 256 or	a like kind rig.			
20	Cherry Canyo Brushy Canyo		6,633	(3,428)	Gas / Oil						il and informat	on		
1990	Bone Spring		8,018	(4,814)		3.) Offset we					iii and imonnat	OII.		
	Bone Springs 1st		9,209	(6,004)		4.) The prim								
722	Bone Springs 2nd		9,917	(6,712)		5.) Surface:					10'			
720	Bone Springs 3rd		10,419	(7,215)	Gas / Oil	6.) Int: 11.45	515° max	ະ., 0°/ 100)'; svy eve	ry 90' (s	vy every 30' in	build and dr	op, 30' in cu	rve)
1 5 2	Wolfcamp		11,448	(8,243)	Gas / Oil									
12-1/4" X 9-5/8"	Wolfcamp 1	1	11,653	(8,448)	Gas / Oil		o be expe	acted in (Cherry and	d Brushy	Canyon forma	tions. Overp	oressure may	be encountered throughout
						Delaware.								
200														
100														
9 9						<u>Goals</u>								
						Have no los	t time or r	recordab	le accider	ıts.				
1 1 1 2						Have no spi	lls or adv	erse env	ironmenta	I impact	•			
						Have no stu	ck pipe ir	ncidents.						
						Avoid lost ci	rculation	incidents	3.					
<i>III III</i>						Maintain we	II control	and follo	w Conocc	Phillips	well control pol	cy.		
						Obtain good					•			
III III;						Deliver usat	-		duction de	epartmei	nt.			
8	8-1/2" X 5-1/2"	Toe	Sleeve MD: 1	9135.82, 10	0' FSL	CONTAC	TS							
-												Of	ffice	Cell
	TARGET		19,286	9,383	Gas / Oil	l .	Drilling F	naineer	Mike Ca	llahan			86-2480	907-231-2176
9 5/8 in. shoe 10046.94' MD 1984'FNL		n Dip Rate:			Gas / Oil	l '	Dilling Li	igirieer.	WING OF	manan		002-40	30-2-00	307-231-2170
1984 FNL		i Dip Rate:		(up dip)	0 / 0"				lask Da			204.20	06-5620	423-512-0347
	PBTD		19,286	9,383	Gas / Oil	_			Josh Da					423-512-0347
						On.	site Drillir		Greg Ri			432-30	09-9007	
									Manny (
Estimated BH Static Tempe	rature (°F):	285				Fi	eld Drillin	g Supt.:	James 7			830-58	83-4828	956-229-1393
Max. Anticipated BH Pressu		0.700 psi/ft	6,568 psi	13	.5 ppg				Patrick '		ın			432-215-7079
Max Anticipated Surface Pro			3,606 psi						Troy Mo				86-2575	346-242-4551
DRILLING FLUID:	<u>Type</u>			<u>rval</u>	<u>Density</u>		<u>PV</u>	<u>YP</u>	рH	<u>FL</u>	<u>LGS</u>	<u>NaCl</u>	<u>Remarks</u>	
Surface:	Fresh Wate			D)	ррд 8.6		cP :	#/ 100ft2 2 - 6	7.5-8.5	mL NC	% by vol	ppb sol 10,000	Rig Tanks	
Intermediate 1:	Emulsified Br		1383' -	- 1,313' 10047'	9.2		1-5	2 - 6	7.5-8.5	NC	< 5.0 < 5.0	180,000	Rig Tanks	
Production:	Brine	IIIIe	10047'		9.2		1 - 3	8-14	9.5-10	< 8	< 8.0		Rig Tanks	
Reference Drilling Fluids Pro			10047	10200	0.2	00 70 1	0 20	0 14	0.0 10	- 0	- 0.0	400 00	rug rumo	
CASING:		TOP (MD)	BTM (MD)	Length	Size	Wt G	rade	Conne	ction		BOP:			
Surface:	17-1/2"	27'	1,313'	1,286'	13 3/8		J-55	BT				COP Class	s 3 Well Con	trol Requirements
		ACP/E	OV Tool run 1	00' below wa	ater board dept	th if necessar								
Intermediate	12-1/4"	27'	10,047'	10,020'			ry				Rig -	13-5/8"x	10M psi Ran	ns / 4-1/16"x10M psi Manifo
Production:			10,047	10,020	9 5/8		ry 80 -I C	вто					10M psi Ran lead, Annula	
i roddolloll.	8-1/2"	27'	19,286'	19,259'	9 5/8 5 1/2		80 -I C	BT0 TXI				Rotating H	lead, Annula , Blind Ram,	r Preventer,
T Toddollott.	8-1/2"					40.00 L8	80 -I C					Rotating H Pipe Ram, Mud Cross	lead, Annula	r Preventer,
T Toddollon.	8-1/2"					40.00 L8	80 -I C				Stackup -	Rotating H Pipe Ram, Mud Cross Pipe Ram	lead, Annula , Blind Ram, s (Choke & K	r Preventer, (ill Valves),
T TOURGE	8-1/2"					40.00 L8	80 -I C				Stackup -	Rotating H Pipe Ram, Mud Cross Pipe Ram Closed loc	lead, Annula , Blind Ram, s (Choke & k	r Preventer,
	8-1/2"					40.00 L8	80 -I C				Stackup - Waste Handling:	Rotating H Pipe Ram, Mud Cross Pipe Ram Closed loc approved	lead, Annula , Blind Ram, s (Choke & k op cuttings di facility.	r Preventer, (ill Valves), sposal system with haul off
CENTRALIZATION:						40.00 L8	80 -I C				Stackup -	Rotating H Pipe Ram, Mud Cross Pipe Ram Closed loc approved Float Base	lead, Annula , Blind Ram, s (Choke & K op cuttings di facility. ed Electronic	r Preventer, ill Valves), sposal system with haul off PVT with Flow Sensor and
CENTRALIZATION: Surface Casing: 1	per 4 joints.	27'	19,286'	19,259'	5 1/2	40.00 L8 20.00 P-1	80-IC 10 ICY				Stackup - Waste Handling:	Rotating H Pipe Ram, Mud Cross Pipe Ram Closed loc approved Float Base	lead, Annula , Blind Ram, s (Choke & K op cuttings di facility. ed Electronic	r Preventer, (ill Valves), sposal system with haul off
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si		27' rom FC to 7	19,286' ,800'. 1 per 2 jc	19,259' ints 7,800' to	5 1/2 2,300'. 1 per 4 jo	40.00 Lt 20.00 P-1	80-IC 10 ICY surface.	TXI	P		Stackup - Waste Handling:	Rotating H Pipe Ram, Mud Cross Pipe Ram Closed loc approved Float Base Gravity Tri	lead, Annula , Blind Ram, s (Choke & k op cuttings di facility. ed Electronic ip Tank, Alar	r Preventer, ill Valves), sposal system with haul off PVT with Flow Sensor and
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si	per 4 joints. Shoe joint. 1 per joint fr	27' rom FC to 7	19,286' ,800'. 1 per 2 jc	19,259' ints 7,800' to ng 1 per 2 join	5 1/2 2,300'. 1 per 4 jo	40.00 Lt 20.00 P-1	80-IC 10 ICY surface.	TXI	P		Stackup - Waste Handling: Mud Pit: Wellhead:	Rotating H Pipe Ram, Mud Cross Pipe Ram Closed loc approved Float Base Gravity Tri	lead, Annula , Blind Ram, s (Choke & k op cuttings di facility. ed Electronic ip Tank, Alar	r Preventer, ill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS ing Head - "A" Section)
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si Production Liner: R CEMENT:	per 4 joints. Shoe joint. 1 per joint fr Rigid body 1 per 2 joint	27' from FC to 7 ts TD to Int 5	19,286' ,800'. 1 per 2 jc Shoe. Bow Sprii	19,259' ints 7,800' to ng 1 per 2 join <u>S</u> I	5 1/2 2,300'. 1 per 4 jo nts Int shoe to 100	40.00 Lt 20.00 P-1 bints 2,300' to s 0' above KOP.	80-IC 10 ICY surface. 1 per 4 joi Leac	TXI ints to surf d Set 'C' + ;	P ace		Stackup - Waste Handling: Mud Pit: Wellhead: Tail 660 sx Type 'lll	Rotating F Pipe Ram, Mud Cross Pipe Ram Closed loc approved Float Base Gravity Tri 13-5/8" x 1	lead, Annula , Blind Ram, s (Choke & K op cuttings di facility. ed Electronic ip Tank, Alar 10M psi (Cas COMM Cemer	r Preventer, (ill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS ing Head - "A" Section) ENTS ted to surface w/ 200%XS
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si Production Liner: R CEMENT: Surface:	per 4 joints. Shoe joint. 1 per joint fi Rigid body 1 per 2 joint Hole 17-1/2"X13-3/8"	27' rom FC to 7 ts TD to Int 8 MD 1,313'	19,286' ,800'. 1 per 2 jc Shoe. Bow Sprii <u>TVD</u> 1,313'	19,259' ints 7,800' to ng 1 per 2 join Su 20	5 1/2 2,300°. 1 per 4 jo ts Int shoe to 10t pacer bbl FW	40.00 L8 20.00 P-1 sints 2,300° to s 0° above KOP.	80-IC 10 ICY surface. 1 per 4 joi Leac Control S .5ppg 2.6	ints to surf d Set 'C' + ; 66 ft3/sk	P ace		Waste Handling: Mud Pit: Wellhead: Tail 660 sx Type 'll 13ppg 1.34	Rotating F Pipe Ram, Mud Cross Pipe Ram Closed loc approved - Float Base Gravity Tri 13-5/8" x 1	lead, Annula , Blind Ram, s (Choke & K op cuttings di facility. ed Electronic ip Tank, Alar 10M psi (Cas COMM Cemer Add Fil	r Preventer, ill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS ing Head - "A" Section) ENTS tied to surface w/ 200%XS berBlock
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si Production Liner: R CEMENT:	per 4 joints. Shoe joint. 1 per joint fi Rigid body 1 per 2 joint Hole 17-1/2"X13-3/8"	27' from FC to 7 ts TD to Int 5	19,286' ,800'. 1 per 2 jc Shoe. Bow Sprir <u>TVD</u>	19,259' iints 7,800' to ng 1 per 2 join 20 40 bbl Ir	5 1/2 2,300°. 1 per 4 jo nts Int shoe to 100 pacer bbl FW nvert Spacer	40.00 Lt 20.00 P-1 bints 2,300° to s 0° above KOP. 1100 sx 11 620	80-IC 10 ICY surface. 1 per 4 joi Leac Control \$.5ppg 2.6 0 sx WBL	TXI ints to surf <u>d</u> Set 'C' + ; 66 ft3/sk _ + adds	P ace		Waste Handling: Mud Pit: Wellihead: Tail 660 sx Type 'III 13ppg 1.34 '130 sx Thermal '130 sx	Rotating I- Pipe Ram, Mud Cross Pipe Ram Closed loc approved : Float Base Gravity Tri 13-5/8" x 1 1+ adds 13/sk 15+ adds	lead, Annula, Blind Ram, s (Choke & k op cuttings di facility. ed Electronic ip Tank, Alar 10M psi (Cas Common Add Fil TOC 5	r Preventer, ill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS ing Head - "A" Section) ENTS ted to surface w/ 200%XS berBlock 00' into previous casing sho
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si Production Liner: R CEMENT: Surface:	per 4 joints. Shoe joint. 1 per joint fi Rigid body 1 per 2 joint Hole 17-1/2"X13-3/8"	27' rom FC to 7 ts TD to Int 8 MD 1,313'	19,286' ,800'. 1 per 2 jc Shoe. Bow Sprii <u>TVD</u> 1,313'	19,259' iints 7,800' to ng 1 per 2 join 20 40 bbl Ir	5 1/2 2,300°. 1 per 4 jo ts Int shoe to 10t pacer bbl FW	40.00 Lt 20.00 P-1 bints 2,300° to s 0° above KOP. 1100 sx 11 620	80-IC 10 ICY surface. 1 per 4 joi Leac Control S .5ppg 2.6	TXI ints to surf <u>d</u> Set 'C' + ; 66 ft3/sk _ + adds	P ace		Waste Handling: Mud Pit: Wellhead: Tail 660 sx Type 'll 13ppg 1.34	Rotating I- Pipe Ram, Mud Cross Pipe Ram Closed loc approved : Float Base Gravity Tri 13-5/8" x 1 1+ adds 13/sk 15+ adds	lead, Annula, Blind Ram, s (Choke & k op cuttings di facility. ed Electronic ip Tank, Alar 10M psi (Cas COMM Cemer Add Fill TOC 5 w/ 70%	r Preventer, (ill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS ing Head - "A" Section) ENTS ited to surface w/ 200%XS oerBlock 00' into previous casing sho sl. / 30%T XS calc'd on 12.2
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CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si Production Liner: R CEMENT: Surface:	per 4 joints. Shoe joint. 1 per joint fi Rigid body 1 per 2 joint Hole 17-1/2"X13-3/8"	27' rom FC to 7 ts TD to Int 8 MD 1,313'	19,286' ,800'. 1 per 2 jc Shoe. Bow Sprii <u>TVD</u> 1,313'	19,259' ints 7,800' to ng 1 per 2 join Si 20 40 bbl Ir + 100	5 1/2 2,300°. 1 per 4 jo nts Int shoe to 100 pacer bbl FW nvert Spacer	40.00 Le 20.00 P-1 sints 2,300° to s 0° above KOP. 1100 sx 11 620 11 2453 sx 1:1:	surface. 1 per 4 joi Leac Control S .5ppg 2.6 0 sx WBL .5ppg 1.7	ints to surf d Set 'C' + ; 66 ft3/sk _ + adds 77 ft3/sk afarge G	Pace adds '+20% S	48	Waste Handling: Mud Pit: Wellihead: Tail 660 sx Type 'III 13ppg 1.34 '130 sx Thermal '130 sx	Rotating I- Pipe Ram, Mud Cross Pipe Ram Closed loc approved : Float Base Gravity Tri 13-5/8" x 1 1+ adds 13/sk 15+ adds	dead, Annula, Blind Ram, s (Choke & k op cuttings difacility. de Electronic p Tank, Alar Commer Add Fil TOC 5 w/ 70% Add Fil Cemer	r Preventer, Ill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS ing Head - "A" Section) ENTS ted to surface w/ 200%XS oerBlock 00' into previous casing sho s.L / 30%T XS calc'd on 12.2 oerBlock ted to TOL w/ 10% XS calc'd ted to TOL w/ 10% XS calc'd
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: SI Production Liner: R CEMENT: Surface: Intermediate: Production:	per 4 joints. Shoe joint. 1 per joint fi Rigid body 1 per 2 joint Hole 17-1/2"X13-3/8" 12-1/4"X9-5/8" 8-1/2"X5-1/2"	27' from FC to 7 ts TD to Int 5 MD 1,313' 10,047'	19,286' ,800'. 1 per 2 jc Shoe. Bow Sprii TVD 1,313' 9,383	19,259' ints 7,800' to ng 1 per 2 join Si 20 40 bbl Ir + 100	5 1/2 2,300'. 1 per 4 jo tts Int shoe to 10t pacer bbl FW nvert Spacer 0 bbl SW	40.00 Le 20.00 P-1 20.00 P	surface. 1 per 4 joi Leac 5.5ppg 2.6 0 sx WBL .5ppg 1.7 0 'Poz:La Silica Fun	ints to surf d Set 'C' + : 66 ft3/sk _ + adds 77 ft3/sk afarge G me + add	Pace adds '+20% S	48	Waste Handling: Mud Pit: Wellihead: Tail 660 sx Type 'III 13ppg 1.34 '130 sx Thermal '130 sx	Rotating I- Pipe Ram, Mud Cross Pipe Ram Closed loc approved : Float Base Gravity Tri 13-5/8" x 1 1+ adds 13/sk 15+ adds	lead, Annula, Blind Ram, s (Choke & k op cuttings di facility. ad Electronic ip Tank, Alar Common Common Add Fil TOC 55 W/ 70% Add Fil Cemeron 8.5'	r Preventer, (ill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS sing Head - "A" Section) ENTS tied to surface w/ 200%XS oerBlock 00' into previous casing sho 5L / 30%T XS calc'd on 12.2 oerBlock tied to TOL w/ 10% XS calc'd hole, Displ. = volume to file hole, Displ. = volume to file
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si Production Liner: R CEMENT: Intermediate: Production: Reference Cementing Reco	per 4 joints. Shoe joint. 1 per joint fi Rigid body 1 per 2 joint Hole 17-1/2"X13-3/8" 12-1/4"X9-5/8" 8-1/2"X5-1/2"	27' from FC to 7 ts TD to Int 5 MD 1,313' 10,047'	19,286' ,800'. 1 per 2 jc Shoe. Bow Sprii TVD 1,313' 9,383	19,259' ints 7,800' to ng 1 per 2 join Si 20 40 bbl Ir + 100	5 1/2 2,300'. 1 per 4 jo tts Int shoe to 10t pacer bbl FW nvert Spacer 0 bbl SW	40.00 Le 20.00 P-1 20.00 P	surface. 1 per 4 joi Leac Control S .5ppg 2.6 0 sx WBL .5ppg 1.7	ints to surf d Set 'C' + : 66 ft3/sk _ + adds 77 ft3/sk afarge G me + add	Pace adds '+20% S	48	Waste Handling: Mud Pit: Wellihead: Tail 660 sx Type 'III 13ppg 1.34 '130 sx Thermal '130 sx	Rotating I- Pipe Ram, Mud Cross Pipe Ram Closed loc approved : Float Base Gravity Tri 13-5/8" x 1 1+ adds 13/sk 15+ adds	lead, Annula, Blind Ram, s (Choke & k op cuttings di facility. ad Electronic ip Tank, Alar Common Common Add Fil TOC 55 W/ 70% Add Fil Cemeron 8.5'	r Preventer, Ill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS ing Head - "A" Section) ENTS ted to surface w/ 200%XS oerBlock 00' into previous casing sho s.L / 30%T XS calc'd on 12.2 oerBlock ted to TOL w/ 10% XS calc'd ted to TOL w/ 10% XS calc'd
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si Production Liner: R CEMENT: Surface: Intermediate: Production: Reference Cementing Reco	per 4 joints. Shoe joint. 1 per joint fr Rigid body 1 per 2 joint Hole 17-1/2"X13-3/8" 12-1/4"X9-5/8" 8-1/2"X5-1/2" Commendation	27' rrom FC to 7 ts TD to Int 8 MD 1,313' 10,047'	19,286' ,800'. 1 per 2 jc Shoe. Bow Sprii TVD 1,313' 9,383	19,259' iints 7,800' to ng 1 per 2 join Si 20 40 bbl Ir + 100 40 bbl	5 1/2 2,300°. 1 per 4 jo nts Int shoe to 100 pacer bbl FW nvert Spacer 0 bbl SW I Visweep	40.00 Li 20.00 P-1 bints 2,300' to s 0' above KOP. 1100 sx 11 620 11 2453 sx 1:1: Flour + 8% 5	surface. 1 per 4 joi Leac Control \$.5ppg 2.6 0 sx WBL .5ppg 1.7 :0 'Poz:La Silica Fun .6 ppg 1.1	ints to surf d Set 'C' + ; 66 ft3/sk	race adds '+20% S	48 ilica	Waste Handling: Mud Pit: Wellhead: Tail 660 sx Type "Ill 13ppg 1.34 30 sx Thermal 3 15ppg 1.63	Rotating I- Pipe Ram, Mud Cross Pipe Ram Closed loc approved : Float Bass Gravity Tri 13-5/8" x 1 2 + adds 13/sk 13/sk	lead, Annula, Blind Ram, s (Choke & k op cuttings di facility. ad Electronic ip Tank, Alar Common Common Add Fil TOC 55 W/ 70% Add Fil Cemeron 8.5'	r Preventer, ill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS ing Head - "A" Section) ENTS ted to surface w/ 200%XS oberBlock 00' into previous casing sho L / 30%T XS calc'd on 12.2 oberBlock ted to TOL w/ 10% XS calc' hole, Displ. = volume to flo /-/- half shoe track
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si Production Liner: R CEMENT: Surface: Intermediate: Production: Reference Cementing Reco	per 4 joints. Shoe joint. 1 per joint fr Rigid body 1 per 2 joint Hole 17-1/2"X13-3/8" 12-1/4"X9-5/8" 8-1/2"X5-1/2" Commendation	27' from FC to 7 ts TD to Int 5 MD 1,313' 10,047'	19,286' ,800'. 1 per 2 jc Shoe. Bow Sprii TVD 1,313' 9,383	19,259' ints 7,800' to ng 1 per 2 join Si 20 40 bbl Ir + 100	5 1/2 2,300'. 1 per 4 jo tts Int shoe to 10t pacer bbl FW nvert Spacer 0 bbl SW	40.00 Li 20.00 P-1 bints 2,300° to s 0° above KOP. 1100 sx 11 620 11 2453 sx 1:1: Flour + 8% 3	surface. 1 per 4 joi Leac Control 8 .5ppg 2.6 0 sx WBL .5ppg 1.7 :0 'Poz:La Silica Fun .6 ppg 1.1	ints to surf d Set 'C' + : 66 ft3/sk _ + adds 77 ft3/sk afarge G me + add	Pace adds '+20% S	48 ilica	Waste Handling: Mud Pit: Wellihead: Tail 660 sx Type 'III 13ppg 1.34 '130 sx Thermal '130 sx	Rotating I- Pipe Ram, Mud Cross Pipe Ram Closed loc approved : Float Bass Gravity Tri 13-5/8" x 1 2 + adds 13/sk 13/sk	lead, Annula, Blind Ram, s (Choke & k op cuttings di facility. de Electronic p Tank, Alar 10M psi (Cass COMM Cemer Add Fill TOC 5 w/ 70% Add Fill Cemer on 8.5' collar +	r Preventer, ill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS ing Head - "A" Section) ENTS ted to surface w/ 200%XS oberBlock 00' into previous casing sho L / 30%T XS calc'd on 12.2 oberBlock ted to TOL w/ 10% XS calc' hole, Displ. = volume to flo /-/- half shoe track
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si Production Liner: R CEMENT: Surface: Intermediate: Production: Reference Cementing Reco DIRECTIONAL PLAN: Comments Build @ 1.5°/1	per 4 joints. Shoe joint. 1 per joint fi Rigid body 1 per 2 joint Hole 17-1/2"X13-3/8" 12-1/4"X9-5/8" 8-1/2"X5-1/2" Commendation	27' rom FC to 7 ts TD to Int 8 MD 1,313' 10,047' 19,286'	19,286' ,800'. 1 per 2 jc Shoe. Bow Sprii TVD 1,313' 9,383 9,383'	19,259' sints 7,800' to ang 1 per 2 join	5 1/2 2,300°. 1 per 4 jo nts Int shoe to 100 pacer bbl FW evert Spacer 0 bbl SW I Visweep	40.00 Li 20.00 P-1 bints 2,300° to s 0° above KOP. 1100 sx 11 620 11 2453 sx 1:1: Flour + 8% 3	surface. 1 per 4 joi Leac Control S 5.5ppg 2.6 0 sx WBL 5.5ppg 1.7 10 'Poz:Le Silica Fun 6 ppg 1.1	ints to surfi d Set 'C' + ; 36 ft3/sk _ + adds 77 ft3/sk afarge G me + add 19ft3/sk DLS	Pacee adds '+ 20% Si s	48 ilica <u>S</u>	Waste Handling: Mud Pit: Wellhead: Tail 660 sx Type "Ill 13ppg 1.34 30 sx Thermal 3 15ppg 1.63	Rotating I- Pipe Ram, Mud Cross Pipe Ram Closed loc approved : Float Bass Gravity Tri 13-5/8" x 1 2 + adds 13/sk 13/sk	lead, Annula , Blind Ram, s (Choke & k) p cuttings di facility. de Electronic p Tank, Alar 10M psi (Cas COMM Cemer Add Fil TOC 5 W 70% Add Fil Cemer on 8.5° collar 4	r Preventer, ill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS ing Head - "A" Section) ENTS ted to surface w/ 200%XS oberBlock 00' into previous casing sho L / 30%T XS calc'd on 12.2 oberBlock ted to TOL w/ 10% XS calc' hole, Displ. = volume to flo /-/- half shoe track
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si Production Liner: R CEMENT: Surface: Intermediate: Production: Reference Cementing Reco DIRECTIONAL PLAN: Comments Build @ 1.5°/1 End Build @ 1	per 4 joints. Shoe joint. 1 per joint fi Rigid body 1 per 2 joint Hole 17-1/2"X13-3/8" 12-1/4"X9-5/8" 8-1/2"X5-1/2" commendation	27' rom FC to 7 ts TD to Int 8 MD 1,313' 10,047' 19,286' MD (ft) 1,200' 1,963'	19,286' ,800'. 1 per 2 jc Shoe. Bow Sprii TVD 1,313' 9,383 9,383' INC (deg) 0 11	19,259' sints 7,800' to ag 1 per 2 join	5 1/2 2,300'. 1 per 4 jo nts Int shoe to 100 pacer bbl FW evert Spacer 0 bbl SW I Visweep TVD (ft) 1,200' 1,958'	40.00 Li 20.00 P-1 bints 2,300' to s 0' above KOP. 1100 sx 11 620 11 2453 sx 1:1: Flour + 8% 3 15 NS (ft) 0 20	surface. 1 per 4 joi Leac Control 8.5ppg 2.6 0 sx WBL .5ppg 1.7 0 'Poz:La Silica Fun .6 ppg 1. EW (ft) 0 -73	TXI ints to surf d Set 'C' + : 66 ft3/sk	Padds '+ 20% Sis VS (ft) 0 -9	48 illica <u>\$</u> Sec 19 Sec 19	Waste Handling: Mud Pit: Wellhead: Tail 600 sx Type 'III 13ppg 1.63 ' 15ppg 1.63 ' EC-T-R 9 726S R32E 9 726S R32E	Rotating I- Pipe Ram, Mud Cross Pipe Ram Closed loc approved Float Base Gravity Tri 13-5/8" x 1 4 + adds 13/sk 55 + adds 13/sk Sectio 2329" F: 2349" F:	lead, Annula, Blind Ram, s (Choke & k op cuttings di facility. ad Electronic p Tank, Alar 10M psi (Cas Common Camer Add Fill TOC 5 w/ 70% Add Fill Cemer on 8.5' collar + 10M psi (Las Line Dista Camer Line Dista Camer 1546 Els L 1546 SL 1473	r Preventer, ill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS ing Head - "A" Section) ENTS ted to surface w/ 200%XS berBlock 00' into previous casing sho sl. / 30%T XS calc'd on 12.2 berBlock ted to TOL w/ 10% XS calc' hole, Displ. = volume to flo /- half shoe track ince "FWL "FWL
CENTRALIZATION: Surface Casing: 1 Intermediate Casing: Si Production Liner: R CEMENT: Surface: Intermediate: Production: Reference Cementing Reco DIRECTIONAL PLAN: Comments Build @ 1.5°/1	per 4 joints. Shoe joint. 1 per joint fi Rigid body 1 per 2 joint Hole 17-1/2"X13-3/8" 12-1/4"X9-5/8" 8-1/2"X5-1/2" commendation	27' from FC to 7 ts TD to Int 8 MD 1,313' 10,047' 19,286' MD (ft) 1,200'	19,286' .800'. 1 per 2 jc Shoe. Bow Sprii TVD 1,313' 9,383 9,383' INC (deg) 0	19,259' sints 7,800' to ag 1 per 2 joint ST 20 1 40 bbl Ir + 100 40 bbl (deg) 0	5 1/2 2,300'. 1 per 4 jo nts Int shoe to 100 pacer bbl FW evert Spacer 0 bbl SW I Visweep TVD (ft) 1,200'	40.00 Lt 20.00 P-1	surface. 1 per 4 joi Leac 5.5ppg 2.6 0 sx WBL 5.5ppg 1.7 0 'Poz:La Silica Fun 6.6 ppg 1.7	TXI ints to surf d Set 'C' + : 56 ft3/sk	race adds '+ 20% S's VS (ft) 0	48 ilica Sec 19 Sec 19 Sec 19 Sec 19	Waste Handling: Mud Pit: Wellhead: Tail 660 sx Type 'III 13ppg 1.34 30 sx Thermal 15ppg 1.63	Rotating I- Pipe Ram, Mud Cross Pipe Ram Closed loc approved Float Base Gravity Tri 13-5/8" x 1 2 + adds 13/sk 15 + adds 13/sk Sectio	lead, Annula Blind Ram, s (Choke & k Choke & k pfacility. de Electronic p Tank, Alar 10M psi (Cas COMM Cemer Add Fil TOC 5 W 70% Add Fil Cemer on 8.5' collar + un Line Dista SL 1473 SL 166' SL 1473 SL	r Preventer, Sill Valves), sposal system with haul off PVT with Flow Sensor and ms +/- 10 BBLS sing Head - "A" Section) ENTS tled to surface w/ 200%XS oberBlock 00' into previous casing sho L / 30%T XS calc'd on 12.2 oberBlock tled to TOL w/ 10% XS calc' hole, Displ. = volume to flo /- half shoe track ince ' FWL

Reference Directional Plan FORMATION EVALUATION:

Toe Sleeve 2

Toe Sleeve 1

Mud Logging -One-Man: First surface hole to TD. First intermediate hole to TD

19,086'

19.1361

19,286'

90 90

180 180

9,383' 9,383'

-9499 -9549

-1447 -1447

0

MWD Surveys will be taken at 90' interval below surface casing, 30' while building curve, and every 90' while drilling lateral.

9,606

9.656

Mud Logging -Open Hole -Two-Man: PEX Intermediate Casing Point to TD None

Cased Hole -GR/CBL/USIT NA

MWD-200' above KOP to TD OUR WORK IS NEVER SO URGENT OR IMPORTANT THAT WE CANNOT TAKE THE TIME TO DO IT SAFELY!

Correlation Well:

150' FSL 100' FSL

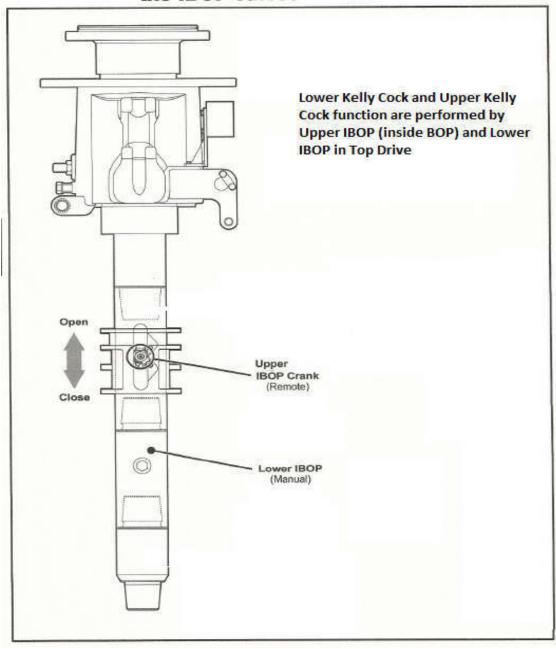
22' FWL 22' FWL

22' FWL

Sec 31 T26S R32E Sec 31 T26S R32E

PH-75 pipehandler

the IBOP valves



1. Target

TVD of target	9,383'	Pilot hole depth	N/A
MD at TD:	19,286'	Deepest expected fresh water:	300

2. Casing Program

ConocoPhillips Company respectfully requests to approve the following 3-string casing and cementing program with the 9-5/8" casing set in the Bone Spring. The intent for the casing and cementing program:

- Drill 17-1/2" surface hole to Rustler.
- Drill 12-1/4" hole from Rustler to Bone Spring with the same density mud (OBM or Saturated Brine).
- Case and cement the well with 13-3/8" surface, 9-5/8" intermediate and 5-1/2" production casing (3-strings).
- Isolate the Salt & Delaware utilizing Annulus Casing Packer and Stage Tool with 2-Stage Cement or Remediate with Bradenhead Squeeze if necessary.
- Bring cement for 13-3/8" casing and 9-5/8" casing to surface. Cement 5-1/2" casing to lap inside 9-5/8" casing shoe.
- 5-1/2" TXP buttress Casing Connection in 8-1/2" OH for minimum of 0.422 in clearance per Onshore Oil and Gas Order #2 III.B.

**COP Collapse Design: 1/3 Partial Evacuation to the next casing depth (TVD).

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	Y
Does the above casing design meet or exceed BLM's minimum standards? If not provide	Y
justification (loading assumptions, casing design criteria).	
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching	Y
the collapse pressure rating of the casing?	
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back	
500' into previous casing?	
the previous earning.	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	

Is 2 nd string set 100' to 600' below the base of salt?	
	ı
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

Cementing Program

DV tool depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.

Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Include Pilot Hole Cementing specs: NO PILOT HOLE.

Pilot hole depth N/A

Plug	Plug	%	No.	Wt.	Yld	Water	Slurry Description and
top	Bottom	Excess	Sacks	lb/gal	ft3/sack	gal/sk	Cement Type

4. Pressure Control Equipment

N A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре	√	Tested to:
			Annular	X	100% of working pressure
	1122		Blind Ram	X	
12-1/4"	11" or 13-5/8"	10M	Pipe Ram	X	750/ of working programs
	13-3/6		Double Ram	X	75% of working pressure
			Other*		
	11" or		Annular	X	100% of working pressure
8-1/2"	13-5/8"	10M	Blind Ram	X	75% of working pressure
	13-3/6		Pipe Ram	X	7576 of working pressure

Double Ram	X
Other*	

^{*}Specify if additional ram is utilized.

Note: A 11" or 13-5/8" BOPE will be utilize depending on availability and Rig Substructure Clearance.

BOP/BOPE will be isolated from the casing and tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. BOPE controls will be installed prior to drilling under the surface casing and will be used until the completion of drilling operations. The intermediate interval and the production interval will be tested per 10M working system requirements. A variance is requested to use a 5M annular and test the annular to 100% of its working pressure. This variance is requested in conjunction with the attached well control plan.

Pipe rams will be operationally checked each 24-hour period. Choke manifold will have one remotely operated valve and a manual adjustable valve in front of the choke manifold, as detailed in the Onshore Order 2. It currently contains one 10M hydraulic choke for a total of three choke branches (two manual and one hydraulic). Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

A Spudder Rig may be used to drill the surface and/or intermediate hole for economical reason depending on availability.

The wellhead will be installed and tested as soon as the surface casing is cemented. Prior to drilling out the surface casing, ConocoPhillips shall nipple up a 10M BOPE & choke arrangement with 10M components and test to the rated working pressure of a 10M BOPE system as it is subjected to the maximum anticipated surface pressure 5647 psi. The pressure test to MASP and 100% for annular shall be performed with a test plug after installing the casing head and nippling up the 10M BOPE system prior to drilling out the surface casing.

However, ConocoPhillips shall nipple up a 10M BOPE with 5M Annular Preventer if drilling out surface casing with Primary Rig.

Y	Forma	ation integrity test will be performed per Onshore Order #2.
	On Ex	xploratory wells or on that portion of any well approved for a 5M BOPE system or
	greate	r, a pressure integrity test of each casing shoe shall be performed. Will be tested in
	accord	lance with Onshore Oil and Gas Order #2 III.B.1.i.
	A var	iance is requested for the use of a flexible choke line from the BOP to Choke
3.7	Manif	old. See attached for specs and hydrostatic test chart.
Y	•	See attached data sheet & certification.
	N	Are anchors required by manufacturer?

- Y A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.
 - See attached schematic.

5. Mud Program

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain	PVT/MDTotco/Visual Monitoring
of fluid?	

6. Logging and Testing Procedures

8	555
Logg	ing, Coring and Testing.
X	GR from 200' above KOP to TD (GR as part of the BHA while drilling).
	No Logs are planned based on well control or offset log information.
	Drill stem test? If yes, explain
	Coring? If yes, explain
X	Dry samples taken 30' from intermediate 1 casing point to TD.

Addit	ional logs planned	Interval
	Resistivity	
	Density	
	CBL	
X	Mud log	
	PEX	
X	Bottom hole Gauge	

7. Drilling Conditions

Condition	Specify what type and where?
Abnormal Temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

varu	es and formations will be provided to the BEW.
N	H2S is present
Y	H2S Plan attached

8. Other facets of operation

Is this a walking operation? If yes, describe. Yes, please see below. Will be pre-setting casing? If yes, describe. Yes, please see below.

Spudder Rig and Batch Drilling Operations:

A blind flange cap of the same pressure rating as the wellhead will be secured to seal the wellbore on all casing strings. Pressure will be monitored via flanged port tied to a needle valve and pressure gauge to monitor pressures on each wellhead section and a means for intervention will be maintained while the drilling rig is not over the well.

Stage 1 2-568"
esing D. (In.) 8,225 sing D. (In.) 6,225 sing D. (In.) 1,226 sing D. (In.) 7,704, In. P.J.So) 2.7 sol Lead (Cu. F.) 1,665 olume (Sx) 6,297 (folds) 7,704, sing Comment Description:
edidine Casing (Lead): sing Dr (h) h h h h h h h h h h i. F-LSN) id Load (Cu. F.) olume (SN) (fbds) (fbds)

	Volume	0	0	0	
track)	Length	0	0		
BLS (half shoe	Capacity	11/198 bb//ft	.01493bblft		
Volume to Latch down collar +/15 BBLS (half shoe track)	Component	Drill Pipe	Liner (Liner top to Float Collar)	Total	

Gas Capture Plan Zia Hills 19 Federal Wells

ZHU 1932 BS Wells-Located in Sec. 19, T26S, R32E							
Well Name:	7H	8H	9H	10H			
Moll Leastion.	2239' FSL	2239' FSL	2239' FSL	2239' FSL			
Well Location:	1546' FWL	1579' FWL	1612' FWL	1645' FWL			
	-	-	-	-			
Production Facility Name:		Zia Hills-Buck C	F1				
Production Facility Location:	SWSE, Section 19, T26S, R32E						
Anticipated Completion Date:	60-120 days after drilling completed; dependent upon completion crew availability						
nitial Production Volumes:							
Oil (bopd)	865 BOPD	865 BOPD	865 BOPD	865 BOPD			
Gas (mcfd)	1,888 MSCFD 1,888 MSCFD 1,888 MSCFD 1,888 MSCFD						
Water (bwpd)	3,026 BWPD 3,026 BWPD 3,026 BWPD 3,026 BWPD						
Date of First Production:	<45 days following completion operations						
Expected Well Life Expectancy:	30 years	30 years	30 years	30 years			

CONTITECH RUBBER	No: QC-DB-	45 / 2012
Industrial Kft.	Page:	9 / 50



Hose Data Sheet

CRI Order No.	516273
Customer	ContiTech Beattie Co.
Customer Order No	PO5438 STOCK
Item No.	3
Hose Type	Flexible Hose
Standard	API SPEC 16 C
Inside dia in inches	3
Length	35 ft
Type of coupling one end	FLANGE 4 1/16" API SPEC 6A TYPE 6BX FOR 10000 PSIBX155 RING GROOVE
Type of coupling other end	FLANGE 4 1/16" API SPEC 6A TYPE 6BX FOR 10000 PSI BX155 RING GROOVE
H2S service NACE MR0175	Yes
Working Pressure	10 000 psi
Design Pressure	10 000 psi
Test Pressure	15 000 psi
Safety Factor	2,25
Marking	USUAL PHOENIX
Cover	NOT FIRE RESISTANT
Outside protection	St.steel outer wrap
Internal stripwound tube	No
Lining	OIL RESISTANT
Safety clamp	No
Lifting collar	No
Element C	No
Safety chain	No
Safety wire rope	No
Max.design temperature [°C]	100
Min.design temperature [°C]	-20
MBR operating [m]	1,60
MBR storage [m]	1,40
Type of packing	WOODEN CRATE ISPM-15



QC-DB- 45/2012

Page:

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Fluid Technology

Quality Document

INSPI	QUA	LITY (CATE		CERT.	V°:	184	
PURCHASER			Tech B			JAIL		P.O. N°:		005438	
CONTITECH O	RDER N°:	5162	73	HOS	E TYPE:	3"	ID		Choke a	nd Kill Hose	
HOSE SERIA	. Nº:	614	77	NON	MINAL / AC	TUAL L	ENGTH:		10,67	m / 10,71 m	
W.P. 68,9	MPa	10000	psi	T.P.	103,4	MPa	1500) psi	Duration:	60	min
See attachment. (1 page) ↑ 10 mm = 10 Min.											
→ 10 mm =	20 M	<i>I</i> IPa		-							
COUPL	INGS Type			Seria	i Nº			Quality		Heat No	
3" cou	pling with		1017	8	10173		Al	SI 4130		20231	
4 1/16" 10K	API Flange	end					Al	SI 4130		33051	
NC	T DESIG	NED F	OR W	ELL	TESTIN	NG			'	API Spec 16	С
Temperature rate: "B" All metal parts are flawless WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER INSPECTED AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT. STATEMENT OF CONFORMITY: We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements.											
			(COUN.	TRY OF OR	IGIN HU	NGARY/E	U			
Date:	ary 2012.	Inspi	ector			Quali	ty Contro		ContiTech Industria	1 KFr	

Contifech Rubber Industrial Kit Budbpeet of 10, Seeged H 6736 P.O.Boe 162 Sapged H-6701 Hungary

The Court of Coorgeld County as Floystry Court Repetity Court Res HU 66-09-000500 EU-WAT Hz: HU 106-09-000500 H4220405-26830003-00000000

ATTACHMENT OF QUALITY CONTROL INSPECTION AND TEST CERTIFICATE No: 182, 184, 185

Page: 1/1

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	+23.33 ec +23.62 ec +3652 ec	20 1 20 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2			Ш	Ш		
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1. DRILLING WELL CONTROL PLAN

1.1 WELL CONTROL - CERTIFICATIONS

Required IADC/IWCF Well Control Certifications Supervisor Level:

Any personnel who supervises or operates the BOP must possess a valid current IADC training certification and photo identification. This would include the onsite drilling supervisor, tool pusher/rig manager, driller, and any personnel that will be acting in these capacities. Another example of this may be a wireline or snubbing crew rigged up on the rig to assist the rig, the operator of each system must also have a valid control certification for their level of operation.

BLM recognizes IADC training as the industry approved <u>accredited</u> training. Online self-certifications will not be acceptable. Enforcement actions for the lack of a valid Supervisory Level certificate shall be prompt action to correct the deficiency. **Enforcement actions** include but are not limited to immediate replacement of personnel lacking certifications, drilling operations being shut down or installment of a 10M annular.

IADC Driller Level for all Drillers and general knowledge for the Assistant Driller, Derrick Hands, Floor Hands and Motor Hands is recognized by the BLM; however, a Driller Level certification will need to be presented only if acting in a temporary Driller Level certification capacity.

Well Control-Position/Roles

IADC Well control training and certification is targeted toward each role, e.g., Supervisor Level toward those who direct, Driller Level to those who act, Introductory to those who need to know.

Supervisor Level

- Specifies and has oversight that the correct actions are carried out
- Role is to supervise well control equipment, training, testing, and well control
 events
- Directs the testing of BOP and other well control equipment
- Regularly direct well control crew drills
- o Land based rigs usually runs the choke during a well kill operation
- Due to role on the rig, training and certification is targeted more toward management of well control and managing an influx out of the well

Driller Level

- Performs an action to prevent or respond to well control accident
- Role is to monitor the well via electronic devices while drilling and detect unplanned influxes
- Assist with the testing of BOP and other well control equipment
- Regularly assist with well control crew drills
- When influx is detected, responsible to close the BOP
- Due to role on the rig, training and certification is targeted more toward monitoring and shutting the well in (closing the BOP) when an influx is detected

(Well Control-Positions/Roles Continued)

Derrick Hand, Assistant Driller Introductory Level

- Role is to assist Driller with kick detection by physically monitoring the well at the mixing pits/tanks
- Regularly record mud weights/viscosity for analysis by the Supervisor level and mud engineer so pre-influx signs can be detected
- Mix required kill fluids as directed by Supervisor or Driller
- Due to role on the rig, training and certification is targeted more toward monitoring for influxes, either via mud samples or visual signs on the pits/tanks

• Motorman, Floor Hand Introductory Level

- o Role is to assist the Supervisor, Driller, or Derrick Hand with detecting influxes
- Be certain all valves are aligned for proper well control as directed by Supervisor
- Perform Supervisor or Driller assigned tasks during a well control event
- Due to role on the rig, training and certification is targeted more toward monitoring for influxes

1.2 WELL CONTROL-COMPONENT AND PREVENTER COMPATIBILITY CHECKLIST

The table below, which covers the drilling and casing of the 10M Stack portion of the well, outlines the tubulars and the compatible preventers in use. This table, combined with the mud program, documents that two barriers to flow can be maintained at all times, independent of the rating of the annular preventer.

o Example 8-3/4" Production hole section, 10M requirement

Component	OD	Preventer	RWP
Drill pipe	5"	Fixed lower 5"	10M
		Upper 4.5-7" VBR	
HWDP	5"	Fixed lower 5"	10M
		Upper 4.5-7" VBR	
Drill collars and MWD tools	6.25-6.75"	Upper 4.5-7" VBR	10M
Mud Motor	6.75"	Upper 4.5-7" VBR	10M
Production casing	5.5"	Upper 4.5-7" VBR	10M
ALL	0-13-5/8"	Annular	5M
Open-hole	-	Blind Rams	10M

• VBR = Variable Bore Ram. Compatible range listed in chart.

1.3 WELL CONTROL-BOP TESTING

BOP Test will be completed per Onshore Oil and Gas Order #2 Well Control requirements. The 5M Annular Preventer on a required 10M BOP stack will be tested to 70 % of rated working pressure including a 10 minute low pressure test. Pressure shall be maintained at least 10 minutes.

1.4 WELL CONTROL - DRILLS

The following drills are conducted and recorded in the Daily Drilling Report and the Contractor's reporting system while engaged in drilling operations:

Туре	Frequency	Objective	Comments	
Shallow gas kick drill - drilling	Once per well with crew on tour	Response training to a shallow gas influx	To be done prior to drilling surface hole if shallow gas is noted	
Kick drill - drilling	Once per week per crew	Response training to an influx while drilling (bit on bottom)	Only one kick drill per week	
Kick drill - tripping	Once per week per crew	influx while trinning (hit off	alternating between drilling and tripping.	
Choke drill	Once per well with crew on tour	Practice in operating the remotely operated choke with pressure in the well	Before drilling out of the last casing set above a prospective reservoir Include the scenario of flowing well with gas on drill floor as a table top	
H₂S drill	Prior to drilling into a potential H ₂ S zone/reservoir	Practice in use of respiratory equipment		

1.5 WELL CONTROL - MONITORING

- Drilling operations which utilize static fluid levels in the wellbore as the active barrier element, a
 means of accurately monitoring fill-up and displacement volumes during trips are available to the
 driller and operator. A recirculating trip tank is installed and equipped with a volume indicator
 easily read from the driller's / operator's position. This data is recorded on a calibrated chart
 recorder or digitally. The actual volumes are compared to the calculated volumes.
- The On-Site Supervisor ensures hole-filling and pit monitoring procedures are established and documented for every rig operation.
- The well is kept full of fluid with a known density and monitored at all times even when out of the hole.
- Flow checks are a minimum of 15 minutes.
- A flow check is made:
 - In the event of a drilling break.
 - After indications of down hole gains or losses.
 - Prior to all trips out of the hole.
 - After pulling into the casing shoe.
 - Before the BHA enters the BOP stack.
 - If trip displacement is incorrect.

Well Control-Monitoring (Continued)

- Prior to dropping a survey instrument.
- Prior to dropping a core ball.
- After a well kill operation.
- When the mud density is reduced in the well.
- Flow checks may be made at any time at the sole discretion of the driller or his designate. The Onsite Supervisor ensures that personnel are aware of this authority and the authority to close the well in immediately without further consultation.
- Record slow circulating rates (SCR) after each crew change, bit trip, and 500' of new hole drilled
 and after any variance greater than 0.2 ppg in MW. Slow pump rate recordings should include
 return flow percent, TVD, MD & pressure. SCR's will be done on all pumps at 30, 40 & 50 SPM.
 Pressures will be recorded at the choke panel. SCR will be recorded in the IADC daily report and
 MRO Wellview daily report
- Drilling blind (i.e. without returns) is permissible only in known lithology where the absence of hydrocarbons has been predetermined and written approval of the Drilling Manager.
- All open hole logs to be run with pack-off, lubricator or Drilling Manager approved alternative means.
- The Drilling Contractor has a fully working pit level totalizer / monitoring system with read out for the driller and an audible alarm set to 10 BBL gain / loss volume. Systems are selectable to enable monitoring of all pits in use. Pit volumes are monitored at all times, especially when transferring fluids. Both systems data is recorded on a calibrated chart recorder or electronically.
- The Drilling Contractor has a fully working return mud flow indicator with drillers display and an audible alarm, and is adjustable to record any variance in return volumes.

1.6 WELL CONTROL - SHUT IN

- The "hard shut in" method (i.e. against a closed choke using either an annular or ram type preventer) is the Company standard.
- The HCR(s) or failsafe valves are left closed during drilling to prevent any erosion and buildup of solids. The adjustable choke should also be left closed.
- The rig specific shut in procedure, the BOP configuration along with space-out position for the tool joints is posted in the Driller's control cabin or doghouse.
- No well kill operation commences until there is a plan agreed by the Superintendent, On-Site Supervisor and the Drilling Manager.
- During a well kill by circulation, constant bottom hole pressure is maintained throughout.
- Kill sheets are maintained by the Driller and posted in the Driller's control cabin or doghouse. The sheet is updated at a minimum every 500 feet.

2. SHUT-IN PROCEDURES:

2.1 PROCEDURE WHILE DRILLING

- Sound alarm (alert crew)
- Space out drill string Stop rotating, pick the drill string up off bottom, and space out to ensure no tool joint is located in the BOP element selected for initial closure.
- Shut down pumps (stop pumps and observe well.)
- Shut-in Well If flow is suspected or confirmed, close uppermost applicable BOP element. (HCR and choke will already be in the closed position.)
 - Note: Either the uppermost pipe ram or annular preventer can be used.
- Confirm shut-in
- Notify toolpusher/company representative
- Gather all relevant data required:
 - SIDPP and SICP
 - Hole Depth and Hole TVD
 - Pit gain
 - o Time
 - Kick Volume
 - Pipe depth
 - MW in, MW out
 - SPR's (Slow Pump Rate's)
- Regroup and identify forward plan (let well stabilize, update kill sheet, inventory mud additives and mud volumes on location)
- Company Representative, Drilling Superintendent, Drilling Engineer and Drilling Manager will discuss well control kill method to be utilized. A verbal Risk Assessment and preferred kill method will be finalized. Initial Risk Assessment will be finalized within 1 hour of initial shut in.
- No well kill operation commences until there is a plan agreed by the Superintendent, On-Site Supervisor and the Drilling Contractor PIC.
- Recheck all pressures and fluid volume on accumulator unit
- If pressure has built or is anticipated during the kill to reach 2,500 psi or greater, the annular preventer CANNOT be used as per Oil Company Well Control Policy, swap to the upper BOP pipe ram.

2.2 PROCEDURE WHILE TRIPPING

- Sound alarm (alert crew)
- Stab full opening safety valve in the drill string and close.
- Space out drill string (ensure no tool joint is located in the BOP element selected for initial closure).
- Shut down pumps (stop pumps and observe well.)
- Shut-in Well If flow is suspected or confirmed, close uppermost applicable BOP element. (HCR and choke will already be in the closed position.)
 - **Note:** Either the uppermost pipe ram or annular preventer can be used.
- Confirm shut-in
- Notify tool pusher/company representative
- Gather all relevant data required:
 - SIDPP and SICP
 - Hole Depth and Hole TVD
 - Pit gain

Procedure While Tripping (Continued)

- o Time
- Kick Volume
- o Pipe depth
- o MW in, MW out
- SPR's (Slow Pump Rate's)
- Regroup and identify forward plan (let well stabilize, update kill sheet, inventory mud additives and mud volumes on location)
- Company Representative, Drilling Superintendent, Drilling Engineer and Drilling Manager will
 discuss well control kill method to be utilized. A verbal Risk Assessment and preferred kill
 method will be finalized. Initial Risk Assessment will be finalized within 1 hour of initial shut in.
- No well kill operation commences until there is a plan agreed by the Superintendent, On-Site Supervisor and the Drilling Contractor PIC.
- Recheck all pressures and fluid volume on accumulator unit
 If pressure has built or is anticipated during the kill to reach X,XXX psi or greater, the annular
 preventer CANNOT be used as per Company Well Control Policy, swap to the upper BOP pipe
 ram.

2.3 PROCEDURE WHILE RUNNING CASING

- Sound alarm (alert crew)
- Stab crossover and full opening safety valve and close
- Space out casing (ensure no coupling is located in the BOP element selected for initial closure).
- Shut down pumps (stop pumps and observe well.)
- Shut-in Well If flow is suspected or confirmed, close uppermost applicable BOP element. (HCR and choke will already be in the closed position.)
 - O **Note:** Either the uppermost pipe ram or annular preventer can be used.
- Confirm shut-in
- Notify tool pusher/company representative
- Gather all relevant data required:
 - SIDPP and SICP
 - Hole Depth and Hole TVD
 - Pit gain
 - o Time
 - Kick Volume
 - Pipe depth
 - o MW in, MW out
 - SPR's (Slow Pump Rate's)
- Regroup and identify forward plan (let well stabilize, update kill sheet, inventory mud additives and mud volumes on location)
- Company Representative, Drilling Superintendent, Drilling Engineer and Drilling Manager will discuss well control kill method to be utilized. A verbal Risk Assessment and preferred kill method will be finalized. Initial Risk Assessment will be finalized within 1 hour of initial shut in.
- No well kill operation commences until there is a plan agreed by the Superintendent, On-Site Supervisor and the Drilling Contractor PIC.
- Recheck all pressures and fluid volume on accumulator unit
 If pressure has built or is anticipated during the kill to reach 2,500 psi or greater, the annular preventer CANNOT be used, swap to the upper BOP pipe ram.

2.4 Procedure With No Pipe in Hole (Open Hole)

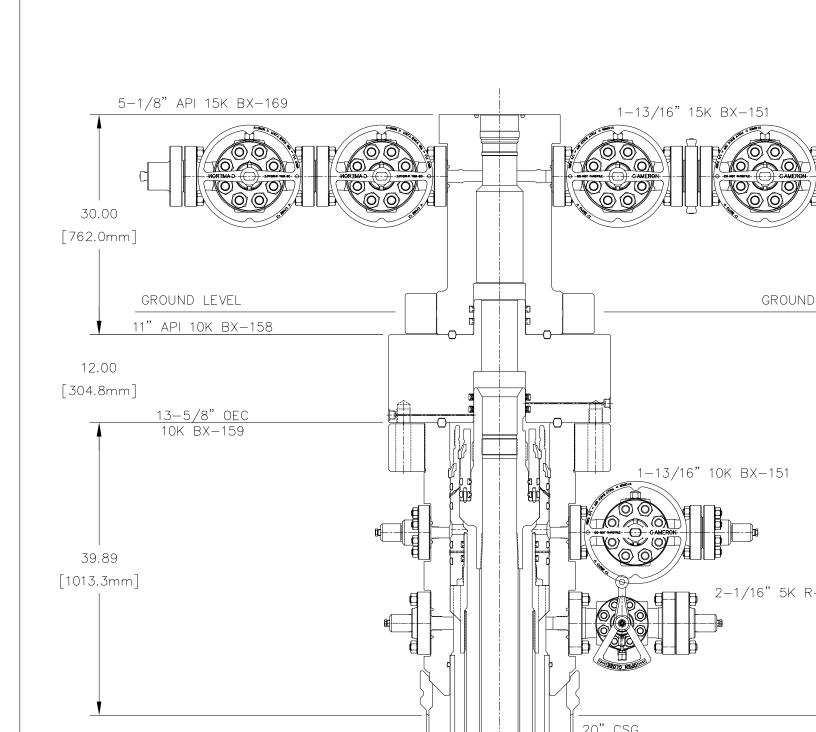
- Sound alarm (alert crew)
- Shut-in with blind rams or BSR. (HCR and choke will already be in the closed position.)
- Confirm shut-in
- Notify toolpusher/company representative
- Gather all relevant data required:
 - Shut-In Pressure
 - Hole Depth and Hole TVD
 - Pit gain
 - Time
 - Kick Volume
 - o MW in, MW out
 - SPR's (Slow Pump Rate's)
- Regroup and identify forward plan (let well stabilize, update kill sheet, inventory mud additives and mud volumes on location)
- Company Representative, Drilling Superintendent, Drilling Engineer and Drilling Manager will
 discuss well control kill method to be utilized. A verbal Risk Assessment and preferred kill
 method will be finalized. Initial Risk Assessment will be finalized within 1 hour of initial shut in.
- No well kill operation commences until there is a plan agreed by the Superintendent, On-Site Supervisor and the Drilling Contractor PIC.
- Recheck all pressures and fluid volume on accumulator unit.

2.5 PROCEDURE WHILE PULLING BHA THRU STACK

- PRIOR to pulling last joint of drill pipe thru the stack.
- Perform flow check, if flowing.
- Sound alarm (alert crew).
- Stab full opening safety valve and close
- Space out drill string with tool joint just beneath the upper pipe ram.
- Shut-in using upper pipe ram. (HCR and choke will already be in the closed position).
- Confirm shut-in.
- Notify toolpusher/company representative
- Read and record the following:
 - SIDPP and SICP
 - o Pit gain
 - o Time
 - Regroup and identify forward plan
- With BHA in the stack and compatible ram preventer and pipe combo immediately available.
 - Sound alarm (alert crew)
 - Stab crossover and full opening safety valve and close
 - Space out drill string with upset just beneath the compatible pipe ram.
 - Shut-in using compatible pipe ram. (HCR and choke will already be in the closed position.)
 - Confirm shut-in
 - Notify toolpusher/company representative
 - Read and record the following:
 - o SIDPP and SICP
 - Pit gain

Procedures While Pulling BHA thru Stack (Continued)

- o Time
- Regroup and identify forward plan
- With BHA in the stack and NO compatible ram preventer and pipe combo immediately available.
 - Sound alarm (alert crew)
 - If possible to pick up high enough, pull string clear of the stack and follow "Open Hole" scenario.
 - If impossible to pick up high enough to pull the string clear of the stack:
 - Stab crossover, make up one joint/stand of drill pipe, and full opening safety valve and close
 - Space out drill string with tool joint just beneath the upper pipe ram.
 - Shut-in using upper pipe ram. (HCR and choke will already be in the closed position.)
 - Confirm shut-in
 - Notify toolpusher/company representative
 - Read and record the following:
 - o SIDPP and SICP
 - Pit gain
 - o Time





U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

PWD Data Report

APD ID: 10400041573 **Submission Date:** 05/14/2019

Operator Name: CONOCOPHILLIPS COMPANY

Well Name: ZHU 1932 BS Well Number: 7H

Well Type: OIL WELL Well Work Type: Drill

Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Operator Name: CONOCOPHILLIPS COMPANY

Well Name: ZHU 1932 BS Well Number: 7H

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD disturbance (acres): PWD surface owner:

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Operator Name: CONOCOPHILLIPS COMPANY

Well Name: ZHU 1932 BS Well Number: 7H

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: PWD disturbance (acres):

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number: Injection well name:

Assigned injection well API number? Injection well API number:

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: PWD disturbance (acres):

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: PWD disturbance (acres):

Operator Name: CONOCOPHILLIPS COMPANY

Well Name: ZHU 1932 BS Well Number: 7H

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:



BUREAU OF LAND MANAGEMENT

Bond Info Data Report

04/02/2020

APD ID: 10400041573

Operator Name: CONOCOPHILLIPS COMPANY

Well Name: ZHU 1932 BS

Well Type: OIL WELL

Submission Date: 05/14/2019

Highlighted data reflects the most recent changes

Show Final Text

Well Number: 7H

Well Work Type: Drill

Bond Information

Federal/Indian APD: FED

BLM Bond number: ES0085

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

<u>District I</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
<u>District II</u>
811 S. First St., Artesia, NM 88210

Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

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

OCD - HOBBS 09/23/2020 DECEIVED

☐ AMENDED REPORT

Revised August 1, 2011

Submit one copy to appropriate

Form C-102

District Office

NG

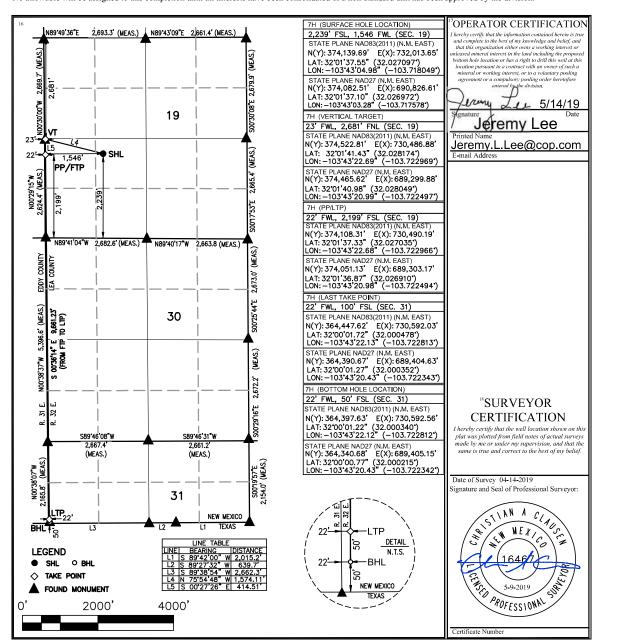
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WELL LOCATION AND ACREAGE DEDICATION PLAT

The second of th						
30-025-47	7777	[98009]	Bone Spring	ŽIA	HILLS;BONE S	PRI
327863		⁵ Property Name ZHU 1932 BS			⁶ Well Number 7H	
⁷ ogrid №. 217817		⁸ Operator Name ConocoPhillips Company			⁹ Elevation 3,181.7' (NAVD88)	
		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 26 S 32 E SOUTH WEST 19 2.239 1,546 LEA COUNTY Bottom Hole Location If Different From Surface UL or lot no. Range Section Township Lot Idn Feet from the North/South line Feet from the East/West line County LEA COUNTY 32 E SOUTH 31 26 S 50' 22' WEST **Dedicated Acres** ³Joint or Infill Consolidation Code 5Order No. 611.86

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.



District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Original to Appropriate District Office

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



GAS CAPTURE PLAN

☒ Original	Operator & OGRID No.: ConocoPhillips Company/ 217817
☐ Amended	Date: 4/9/19
Reason for Amendment:	

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
ZHU 1932 BS 7H, 8H, 9H, 10H	Pending	Sec. 19, T26S, 32E	Various		i idiod	Flaring is expected to be sporadic
007H 30-02	5-47777					

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to <u>Gas Transporter</u> and will be connected to <u>Gas Transporter</u> low/high pressure gathering system located in <u>XXXX</u> County, New Mexico. It will require <u>XXXXX</u>' of pipeline to connect the facility to low/high pressure gathering system. <u>Operator</u> provides (periodically) to <u>Gas Transporter</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>Operator</u> and <u>Gas Transporter</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>Gas Transporter</u> Processing Plant located in <u>Sec.XX</u>, <u>TWN XX</u>, RNG <u>XX</u>, <u>XXXX</u> County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on <u>Gas Transporter</u> system at that time. Based on current information, it is Operator's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas On lease
 - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines