

SEP 09 2013

30-025-41400

Surface Use Plan of Operations

RECEIVED

CONOCOPHILLIPS COMPANY

MCA Unit #514

810' FSL & 1300' FEL of Section 27-17S-32E

Federal Lease No: NM LC057210

Lea County, New Mexico

This location was finalized during an onsite visit conducted January 23 and 24 of 2013 with BLM representatives.

1. Access Road - Existing

- A. From the junction of Highway 529 and Maljamar, go north on Maljamar for 1.0 miles to lease road, on lease road go east 0.6 miles to lease road, go south on lease road 0.3 miles to proposed lease road.
- B. Proposed route to location - **See enclosed county map & vicinity map.**
- C. ConocoPhillips Company (COP) will utilize the existing well location of MCA #183 by building new lease road off of the MCA #183 south side to the proposed location.

2. Planned Access Roads

- A. Approximately 833' of new access road is needed between the existing well location MCA #183 and this location. The access point is on the location's south side.
- B. The road will be maintained, including Dust Suppression, and said maintenance will continue until final abandonment and reclamation of this drilling location.

3. Location of Existing Wells within a One-Mile Radius.

- A. There are no water wells within a one-mile radius
- B. There is no dry hole located within a one-mile radius.
- C. There are at least 4 plugged and abandoned wells within a one-mile radius.
- D. There are no saltwater disposal wells within a one-mile radius.
- E. There are at least 2 proposed drill wells within a one-mile radius.
- F. There are at least 19 producing/recently drilled wells within a one-mile radius.
- G. There are no shut-in wells within a one-mile radius.
- H. There are at least 10 injection wells within a one-mile radius.
- I. There are no monitoring or observation wells within a one-mile radius.
- J. There is no water source well within a one-mile radius.

4. Location of Existing and/or Proposed Facilities

A. Proposed Well Pad

- 1. A well pad will be constructed to accommodate the new well and associated production equipment. Planned dimensions are approximately 260 feet by 255 feet of working surface. Our intent is to perform interim reclamation to reduce the pad footprint after initial development phase is complete. Interim reclamation will be completed on the north, south and east sides. **See map titled "Interim Reclamation"**.
- 2. Topsoil will be stored to the east in a manner that avoids sand dunes.
- 3. About 250' of over head new power line will be installed to connect to existing power source. Approximately 150' of buried power line will be installed in the well pad.
- 4. This well will be placed on oil production. The production equipment may include but not limited to oil and water tanks.

SEP 12 2013

- B. 2F Production Header
 - 1. Produced fluid will utilize a flow line to 2F Production Header. The enclosed **MCA 500 Series Facility Map** shows approximately 2,350' of 2 7/8", J-55, above ground new flow line following the existing lease road. A utility corridor 20' wide is needed for flow line.
- C. Facilities Paint Color
 - 1. All above ground existing facilities are painted an earth tone color that blends with the surrounding area. Any proposed new facilities, not including flow and power lines, will be painted Shale Green.
- 5. Location and Type of Water Supply
 - A. Fresh water will be obtained from an approved source.
 - B. No water well will be drilled on this location.
- 6. Source of Construction Materials
 - A. Any materials needed in addition to what can be used from location and access road will be hauled in from a supplier having a permitted source of materials.
 - B. If production is established, any additional construction materials required for the surfacing of the access road and for installation of the production facilities will be purchased from a supplier having a permitted source of materials.
 - C. No construction materials will be taken from Federal lands without a prior approval from the appropriate Surface Management Agency.
- 7. Methods for Handling Waste Disposal
 - A. Hazardous substances as listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended, 42 U.S.C. 9601 et seq. and the regulations issued under CERCLA, will be disposed of in the appropriate pit.
 - B. Any spills of oil or any other potentially hazardous material will be cleaned up and removed immediately to an approved disposal site.
 - C. Sewage will be disposed of according to county and state requirements in a portable chemical toilet(s). Other waste and chemicals may not be disposed of on location. Waste will not be burned on location.
 - D. Garbage and trash will be contained in portable trash cages. The contents of the trash cages will be disposed of according to county and state regulations at an approved facility. Disposal of it or burning it will not be allowed on the well location.
 - E. After drilling rig has moved out of area, any scattered trash and litter will be removed from site.
 - F. All potentially hazardous areas will be fenced and will remain in this condition until entire area can be rehabilitated.
- 8. Ancillary Facilities

The production facilities are discussed under Item 4.
- 9. Well Site Layout
 - A. **See Enclosed Well Location Plat.**
 - B. Well Site Layout – **See Enclosed Well Pad Detail.**

- B. Well Site Layout – **See Enclosed Well Pad Detail.**
- C. Topsoil will be stripped from the location and access roads to be stockpiled, on the east side of the new location, and deposited apart from other excavated material.
- D. There will be no reserve pit on location. This well will be drilled via a closed loop system and the contents will be taken to an approved disposal site.

10. Plans for Reclamation of the Surface

- A. If this well is a producer, all site rehabilitation shall be completed within six months. Under normal weather conditions, the timetable for rehab will allow two months for backfill settling and two months to complete final re-contouring, and top-soiling. In the event of winter freeze-up, reclamation will be put on hold as determined by the BLM.
- B. At such time as the well is abandoned, ConocoPhillips Company will contact the BLM for development of the final rehabilitation plan. Upon abandonment, an erect dry hole marker welded to surface casing four feet below ground level will be installed. It will contain the same information as the well sign as directed by 43 CFR 3162.6 (30 CFR 221.22). The dry hole marker sealing the casing will have an 1/8" to 1/4" weep hole which will allow pressure to dissipate and make detection of any fluid seepage easier.
- C. If this well site is constructed and not drilled, the site and access road will be reclaimed or BLM approved special erosion control measures implemented within 90 days of site construction unless otherwise approved in writing by sundry notice.
- D. The unused portion of the site will be ripped prior to replacing the topsoil. The soil-banked material will be spread over the area. Reseeding will be an approved mixture by the BLM. If the broadcast method is utilized, the seed mixture shall be doubled.
There shall be no primary or secondary noxious weed seed in the native seed mixture.
- E. The entire disturbed location shall be fenced after seeding. When the location has been rehabilitated and vegetation re-established, the fence shall be removed or the fenced area reduced as required by the landowner or BLM.
- F. Weeds will be controlled on disturbed areas within the exterior limits of the well pad. The control methods will be in accordance with guidelines established by EPA, BLM, state, and local authorities.
- G. A pre-work onsite with the BLM and ConocoPhillips Company may be held for all phases of reclamation.

11. Surface Ownership
Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

12. Other Information

- A. ConocoPhillips Company may request that this well location be covered under the BLM MOA NM-930-2008-003 at a later date.
- B. ConocoPhillips Company will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. If historic or archaeological materials are uncovered, ConocoPhillips Company will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer, Bureau of Land Management.

Within five (5) working days the Authorized Officer will inform ConocoPhillips Company as to whether the materials appear eligible for the National Register of Historic Places; the mitigation measures the operator will likely have to undertake before the site can be

used (assuming in site preservation is not necessary); and a time frame for the Authorized

Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

- C. ConocoPhillips Company will protect, in place, all public land survey monuments, private property corner, and Forest service boundary markers. In the event that any such land markers or monuments are destroyed in the exercise of their rights, depending on the type of monument destroyed, the operator shall see that they are reestablished or referenced in accordance with (1) the procedures outlined in the "Manual of Instructions for the Survey of the Public Land of the United States", (2) the specifications of the county surveyor, or (3) the specification of the BLM.
- D. ConocoPhillips Company will comply with additional Conditions of Approval provided by BLM.

Operator Certification

CONOCOPHILLIPS COMPANY

CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application with bond coverage provided by Nationwide Bond ES0085. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

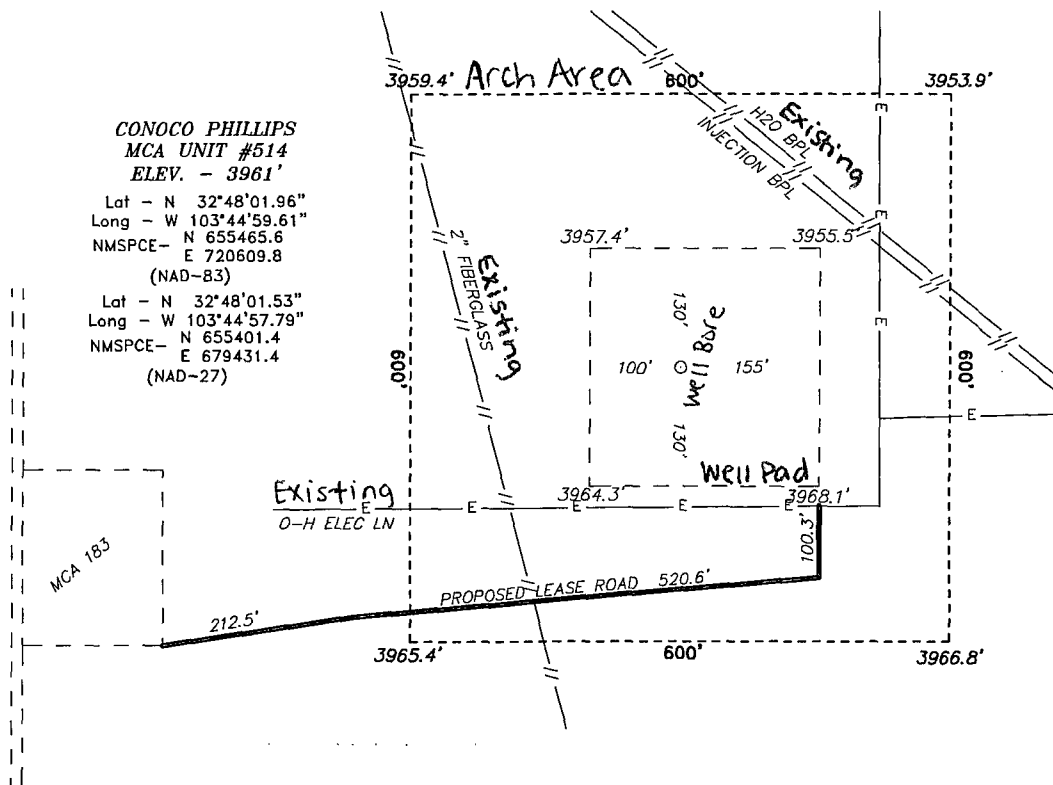
Susan B. Maunder

Susan B. Maunder
Senior Regulatory Specialist

Date:

2/26/13

SECTION 27, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, WELL PAD VICINITY, NEW MEXICO.



CONOCO PHILLIPS
MCA UNIT #514
ELEV. - 3961'
Lat - N 32°48'01.96"
Long - W 103°44'59.61"
NMSPCE- N 655465.6
E 720609.8
(NAD-83)
Lat - N 32°48'01.53"
Long - W 103°44'57.79"
NMSPCE- N 655401.4
E 679431.4
(NAD-27)

200 0 200 400 FEET
SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF HWY 529 AND MALJAMAR,
GO NORTH ON MALJAMAR FOR 1.0 MILES TO LEASE
ROAD, ON LEASE ROAD GO EAST 0.6 MILES TO
LEASE ROAD, GO SOUTH ON LEASE ROAD 0.3 MILES
TO PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786 -HOBBS, NEW MEXICO

W.O. Number: 28060 Drawn By: J. SMALL

Date: 02-21-2013 Disk: JMS 28060

ConocoPhillips

REF: MCA UNIT #514 / WELL PAD VICINITY

THE MCA UNIT #514 LOCATED 810'

FROM THE SOUTH LINE AND 1300' FROM THE EAST LINE OF

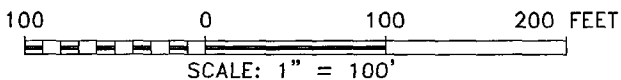
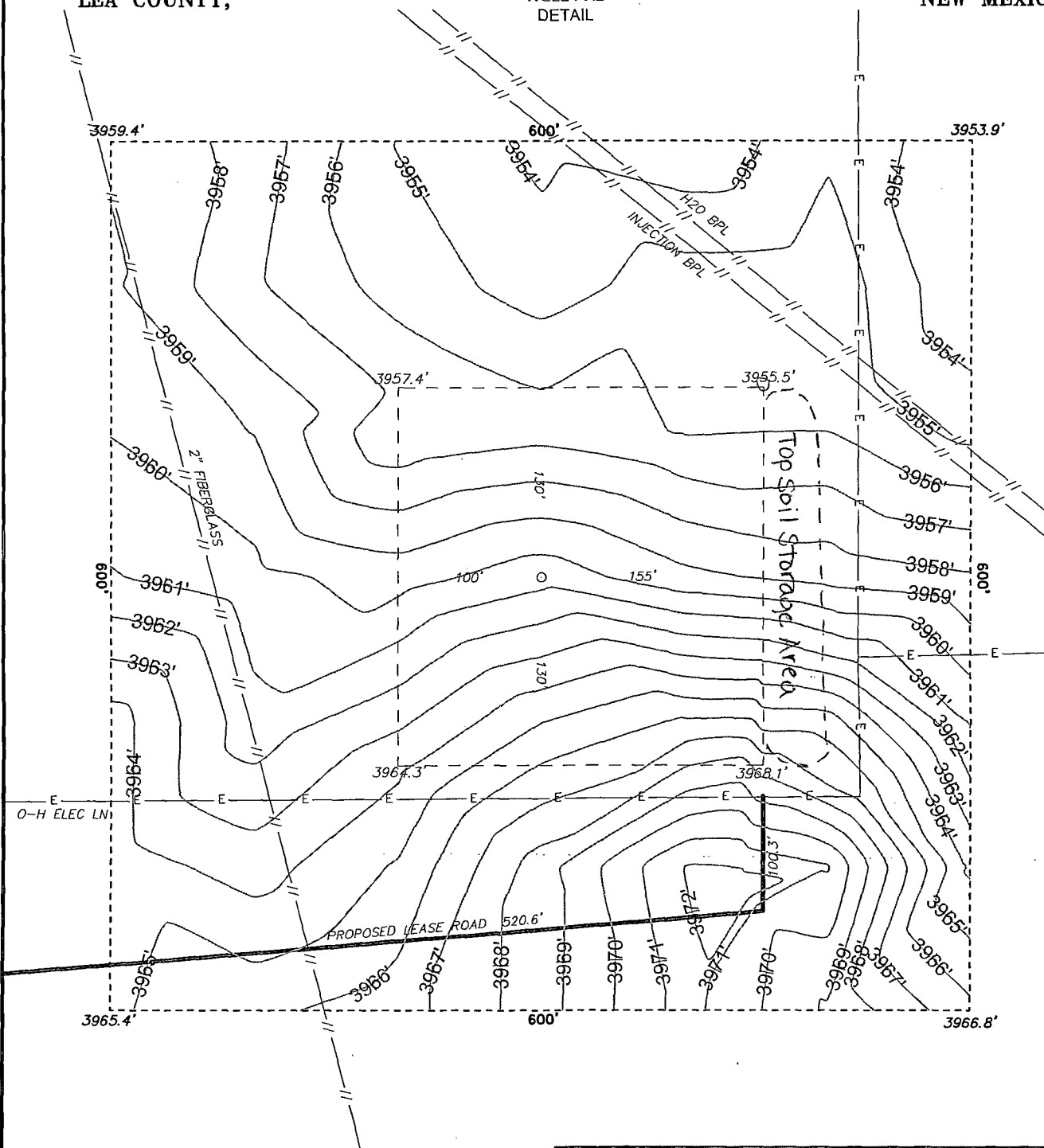
SECTION 27, TOWNSHIP 17 SOUTH, RANGE 32 EAST,

N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 02-18-2013 Sheet 2 of 10 Sheets

SECTION 27, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

WELL PAD
DETAIL



BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

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Date: 02-21-2013 Disk: JMS 28060

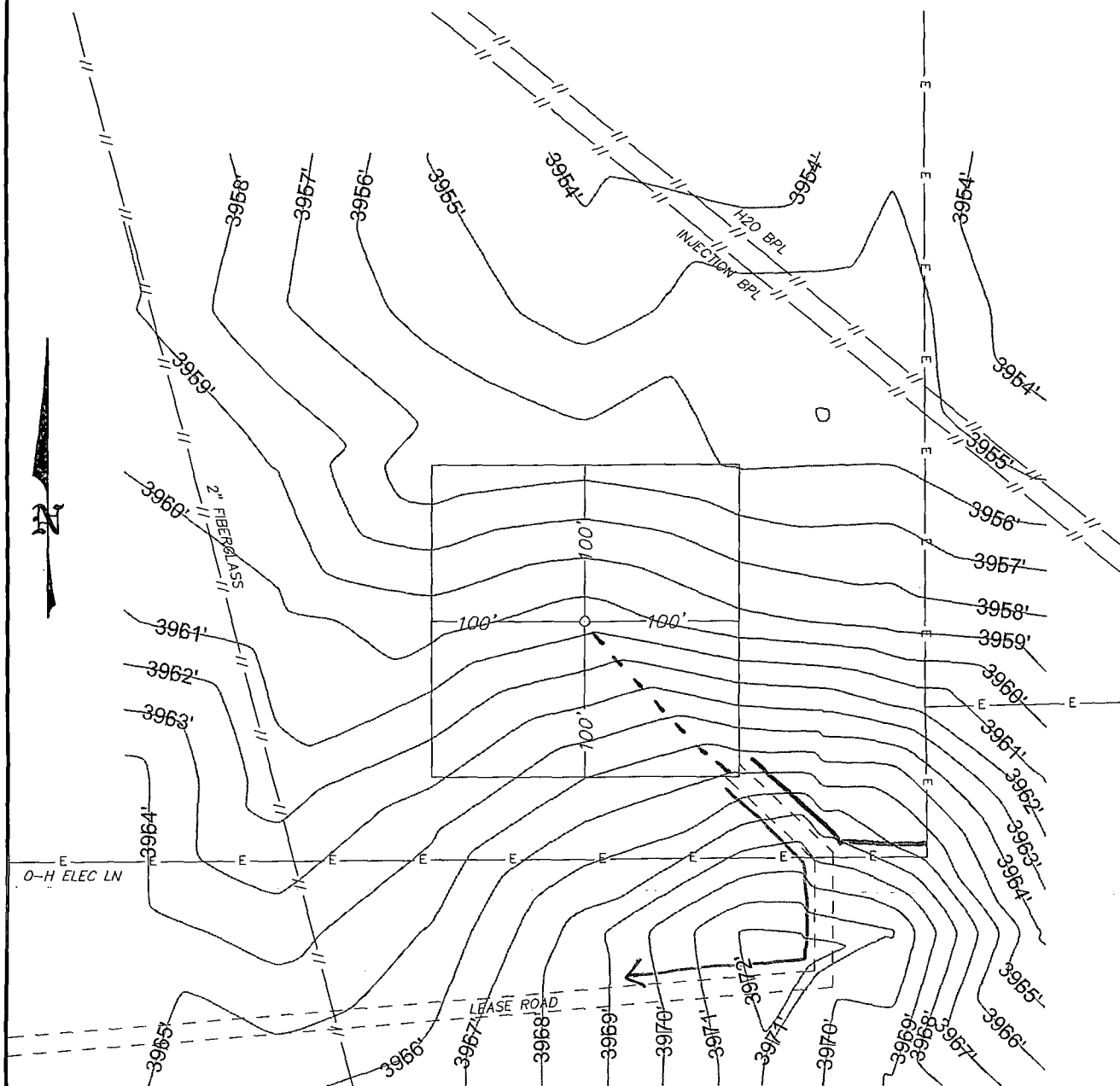
ConocoPhillips

REF: MCA UNIT #514 / WELL PAD DETAIL

THE MCA UNIT #514 LOCATED 810'
FROM THE SOUTH LINE AND 1300' FROM THE EAST LINE OF
SECTION 27, TOWNSHIP 17 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 02-18-2013 Sheet 3 of 10 Sheets

SECTION 27, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, INTERIM RECLAMATION NEW MEXICO.



See Facility Map
 — Flow Line (new)
 --- Buried Power Line (new)
 — Power Line (above ground - new)

100 0 100 200 FEET
 SCALE: 1" = 100'

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 28060

Drawn By: J. SMALL

Date: 02-21-2013

Disk: JMS 28060

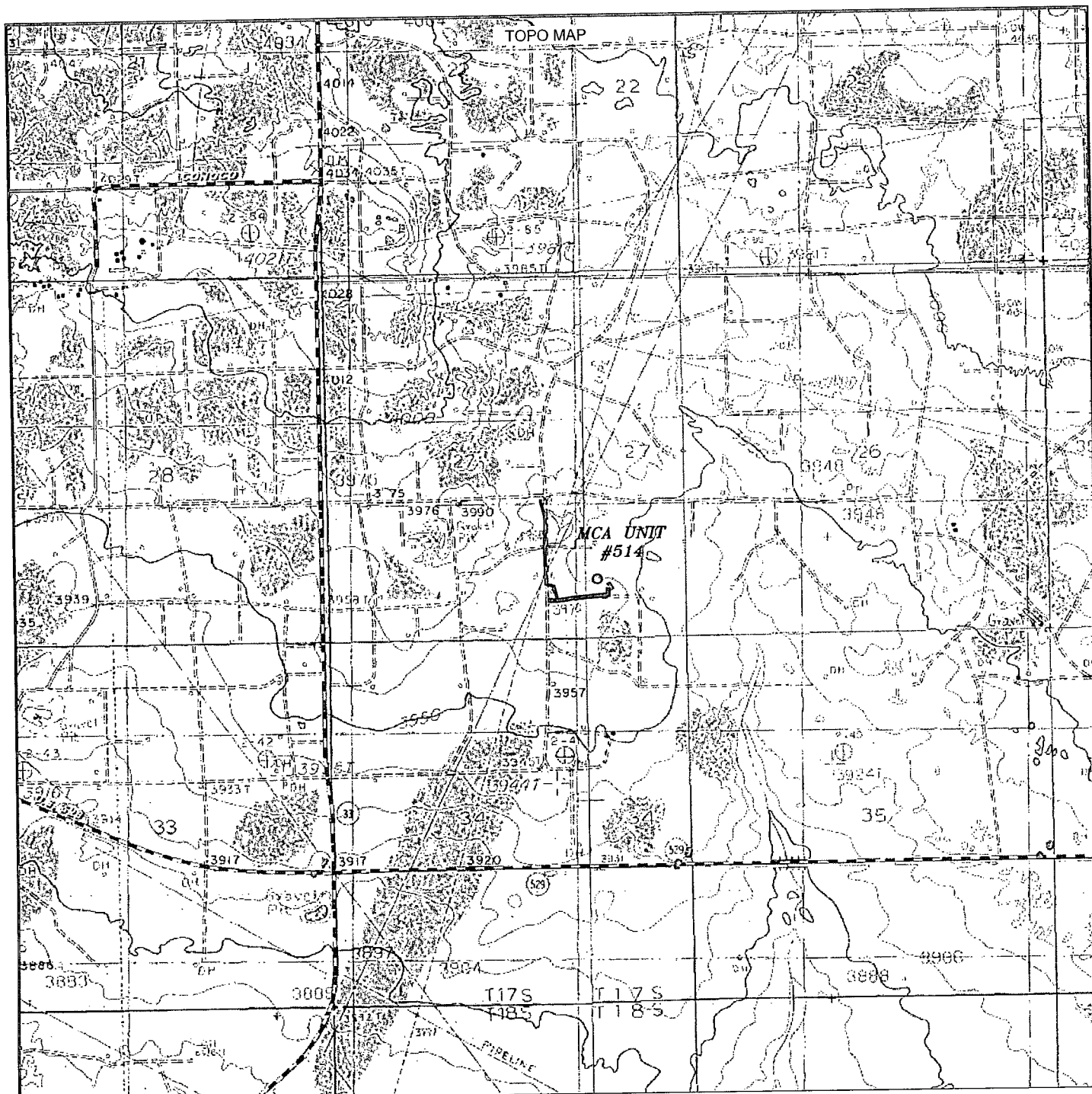
ConocoPhillips

REF: MCA UNIT #514 / INTERIM RECLAMATION

THE MCA UNIT #514 LOCATED 810'
 FROM THE SOUTH LINE AND 1300' FROM THE EAST LINE OF
 SECTION 27, TOWNSHIP 17 SOUTH, RANGE 32 EAST,
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Survey Date: 02-18-2013

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MCA UNIT #514
 Located 810' FSL and 1300' FEL
 Section 27, Township 17 South, Range 32 East,
 N.M.P.M., Lea County, New Mexico.

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 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 28060

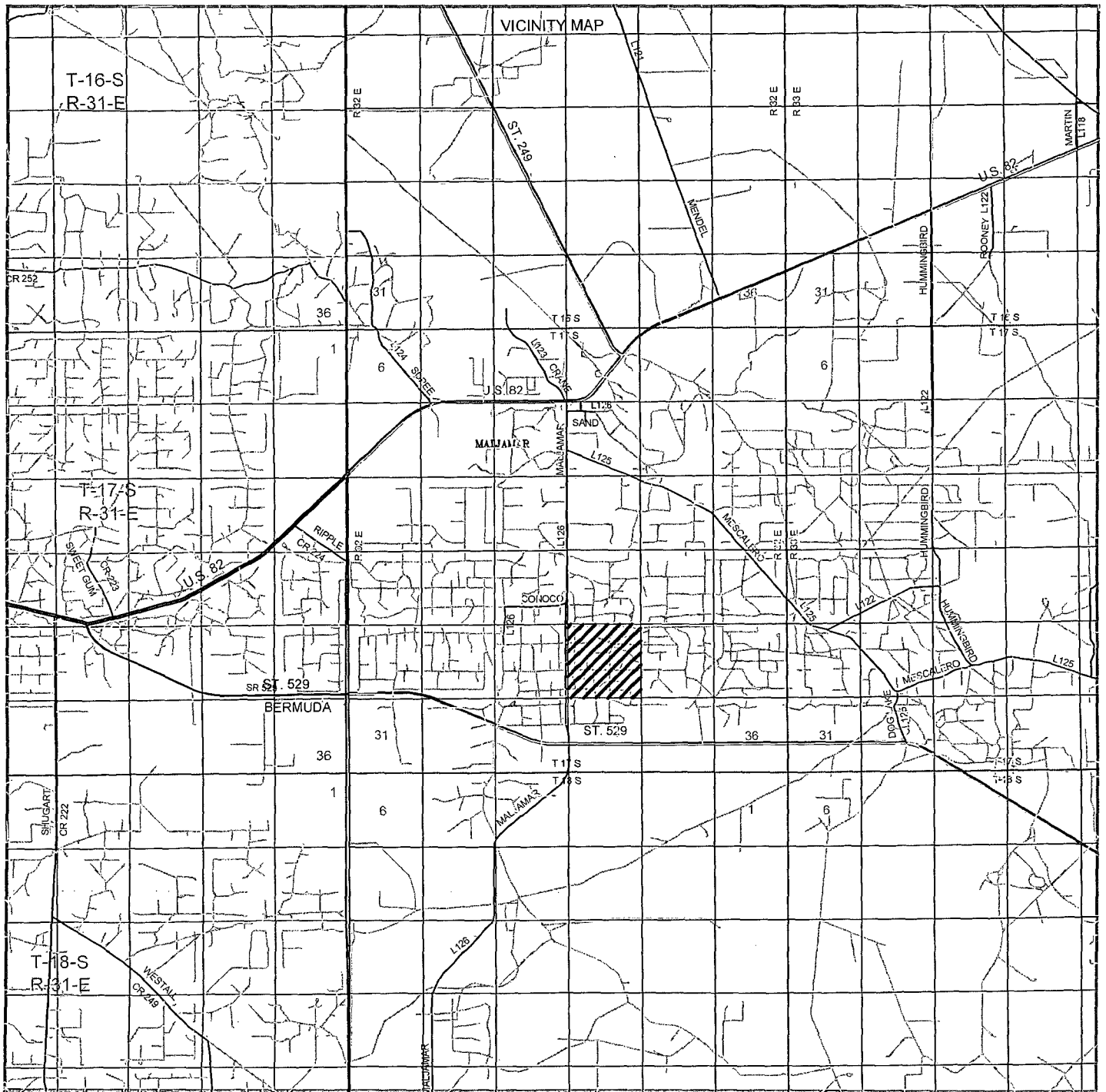
Survey Date: 02-18-2013

Scale: 1" = 2000'

Date: 02-21-2013

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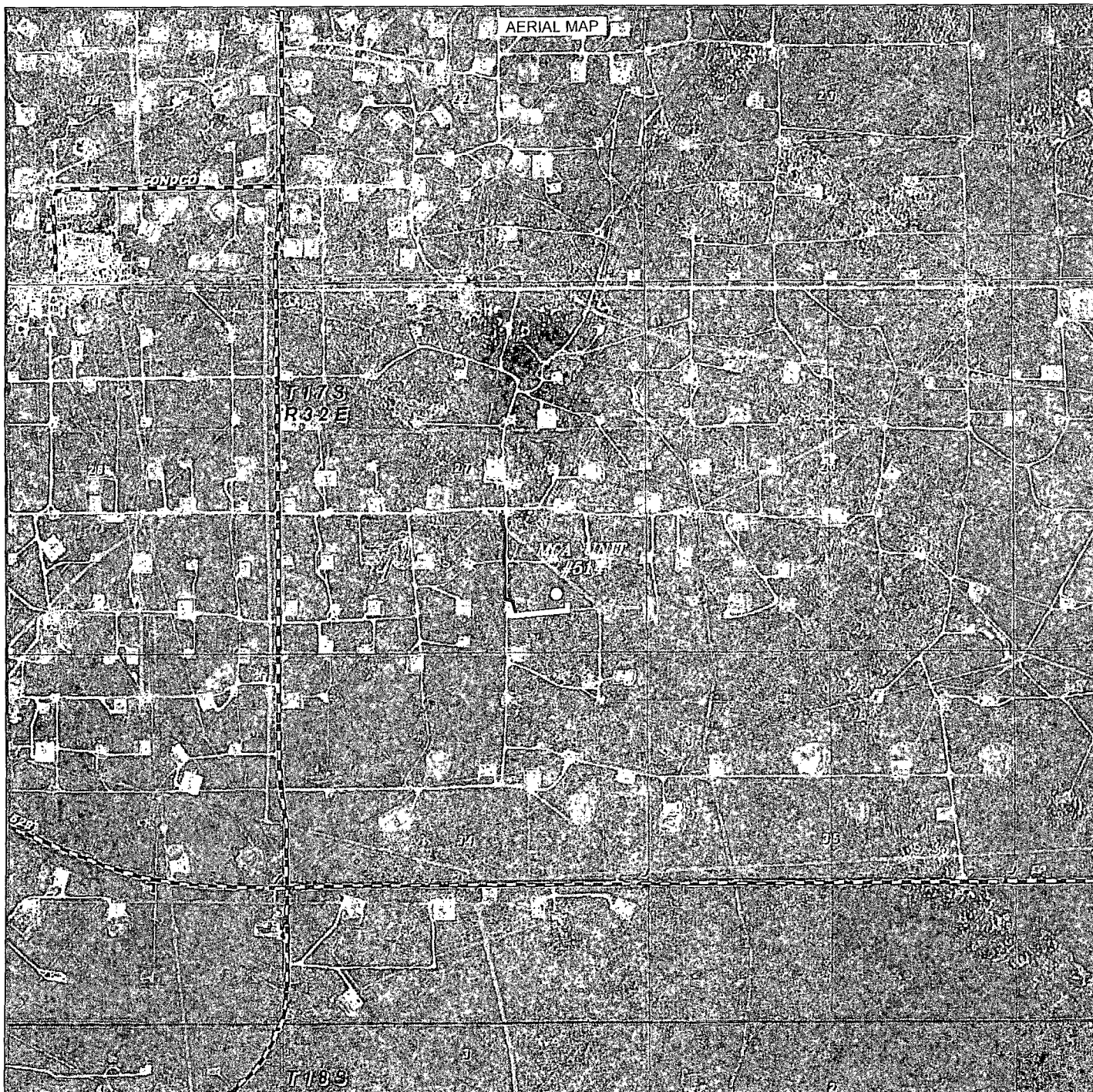
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Scale: 1" = 2 Miles

Date: 02-21-2013

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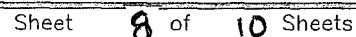
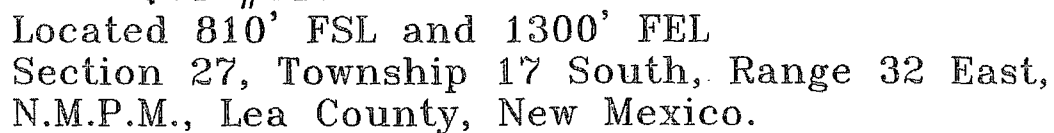
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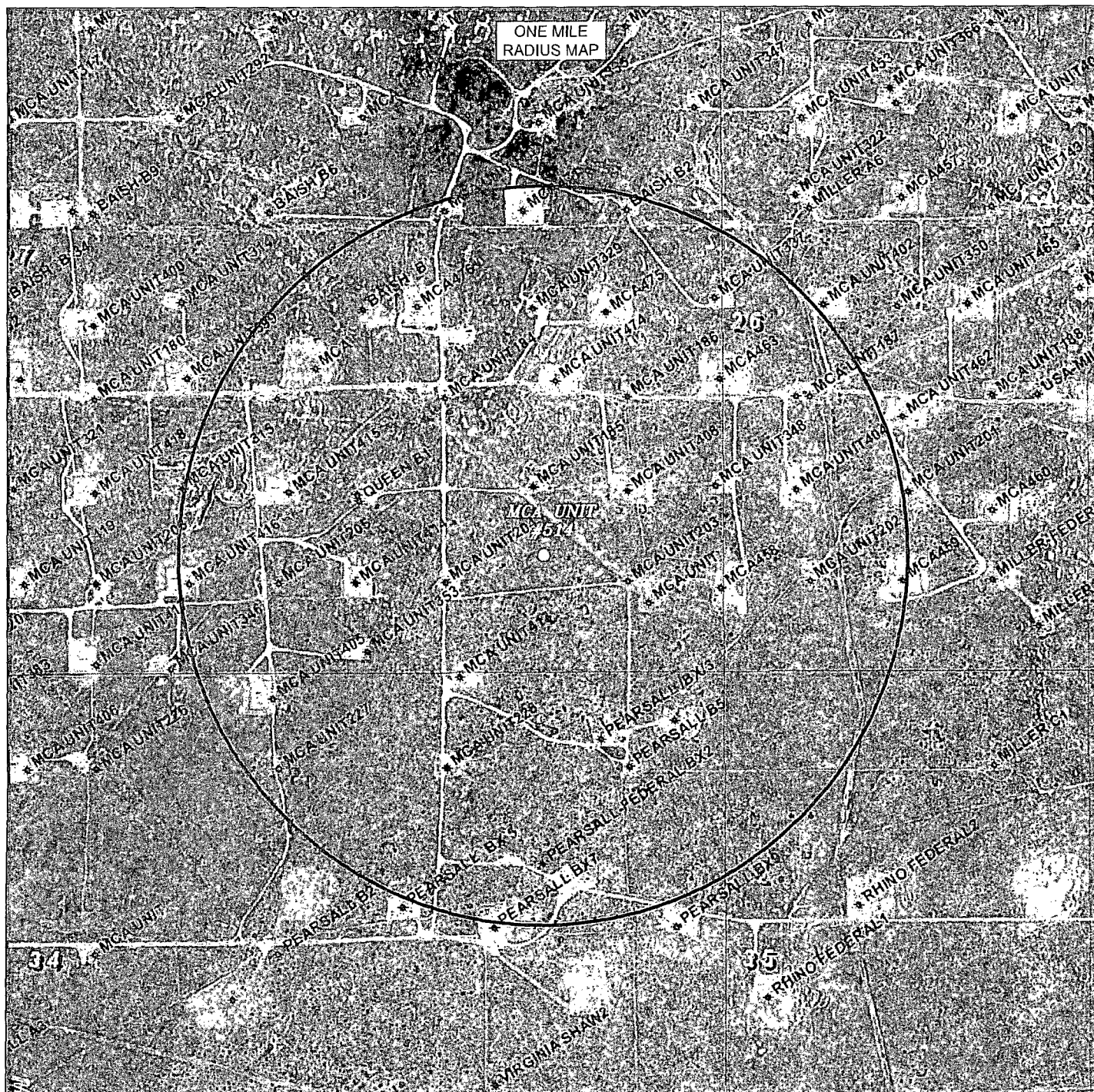
YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND

ConocoPhillips

Sheet 7 of 10 Sheets

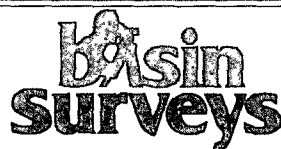
**Location Schematic and Rig Layout
for Closed Loop System
Precision #822
(PICTURE NOT TO SCALE)**





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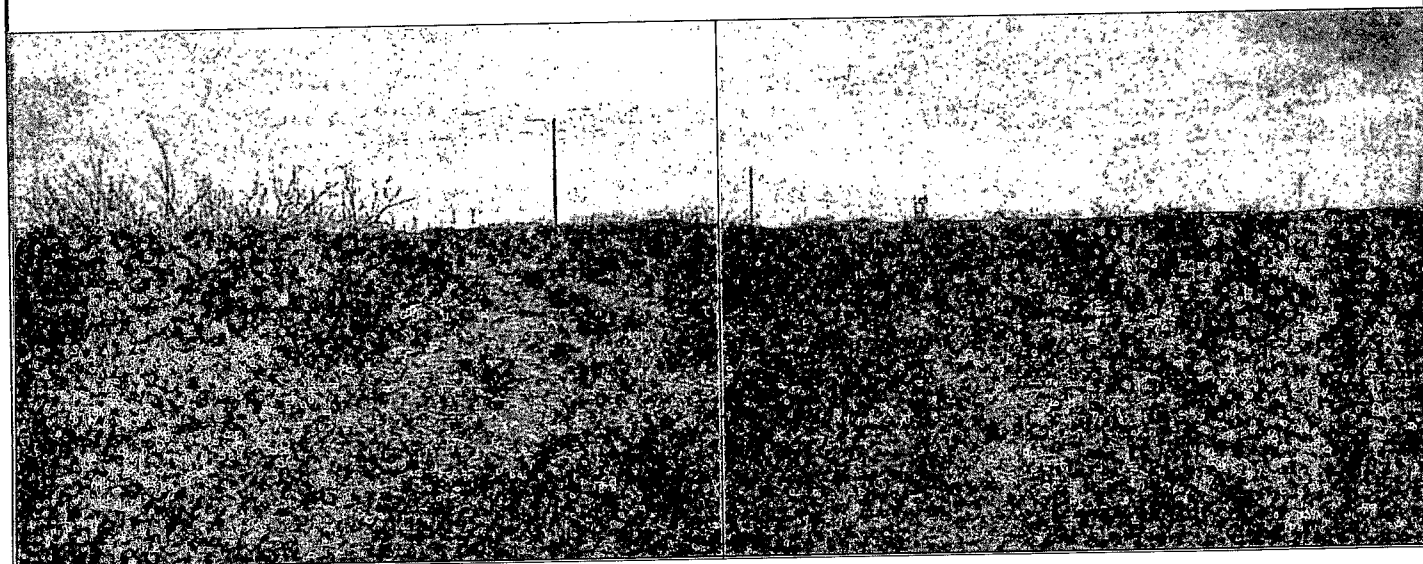
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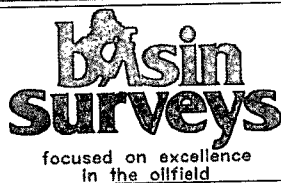


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RECLAMATION
PHOTOS



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Scale: NONE

Date: 02-21-2013



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T 17 S
R 32 E

27

Normal operating pressures will be <100 psig.
All production flowlines will be above ground.
All production flowlines will be routed to the 2F production header.
Powerlines will be above ground to edge of well pad.
Electrical lines will be buried from edge of well pad to wellhead and pumping unit (less than 150 ft).

A #512

MCA #512: Flowline ~950 FT, 2-7/8" J55 (steel) Tubing; Powerline ~1,500 ft

MCA #514: Flowline ~2,350 FT, 2-7/8" J55 (steel) Tubing; Powerline ~250 ft



MCA 500 Series

Facility Map

Flowline



Powerline (New)



Powerline (Existing)



DISCLAIMER: This map is for informational purposes and has not been prepared for, nor is it suitable for, legal, surveying, or engineering purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information. ConocoPhillips makes no warranty or guarantee as to the content, accuracy, timeliness, or completeness of any of the data provided and assumes no legal responsibility for the information contained herein.
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