

30-025-41398

HOBBS OCD

Surface Use Plan of Operations

SEP 09 2013

CONOCOPHILLIPS COMPANY

MCA Unit #512

2185' FSL & 2470' FWL of Section 27-17S-32E

Federal Lease No: NM LC057210

Lea County, New Mexico

RECEIVED

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 0.5 miles to proposed lease road.
- B. Proposed route to location - **See enclosed county map & vicinity map.**
- C. ConocoPhillips Company (COP) intends to use the existing lease road for access to wells drilled on this part of our lease.
- D. The existing road will be maintained, including Dust Suppression, in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of this drilling location.

2. Planned Access Roads

- A. The well location is immediately adjacent to the pre-existing lease road on the south side. New access road will not be needed.

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

- A. There are no water wells within a one-mile radius
- B. There is one dry hole located within a one-mile radius.
- C. There are at lease 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 4 proposed drill wells within a one-mile radius.
- F. There are at least 22 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 8 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 with approximately 130 feet to the west utilizing a pre-existing, reclaimed well pad. 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 east, west and south sides. **See map titled "Interim Reclamation"**.
- 2. Topsoil will be stored to the east in a manner that avoids sand dunes.
- 3. About 1,500' of overhead new power line will be installed to connect to existing power source. Approximately 150' of new power line will be buried in the well pad.

SEP 12 2013

4. This well will be placed on oil production. The production equipment may include but not limited to oil and water tanks until CTB is operational.
- 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 950' of above ground new flow line following the existing lease road. Flow line is 2 7/8", J-55 with normal operating pressure less than 100 psig. 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.**
- 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

Certification:

- I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access rout; that I am familiar with the conditions which presently exist; 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 by ConocoPhillips Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application with bond coverage provided by Nationwide Bond ES-0085. This statement is subject to the provisions of 18 U.S.C. 1001 for filing a false statement.

Susan B. Maunder

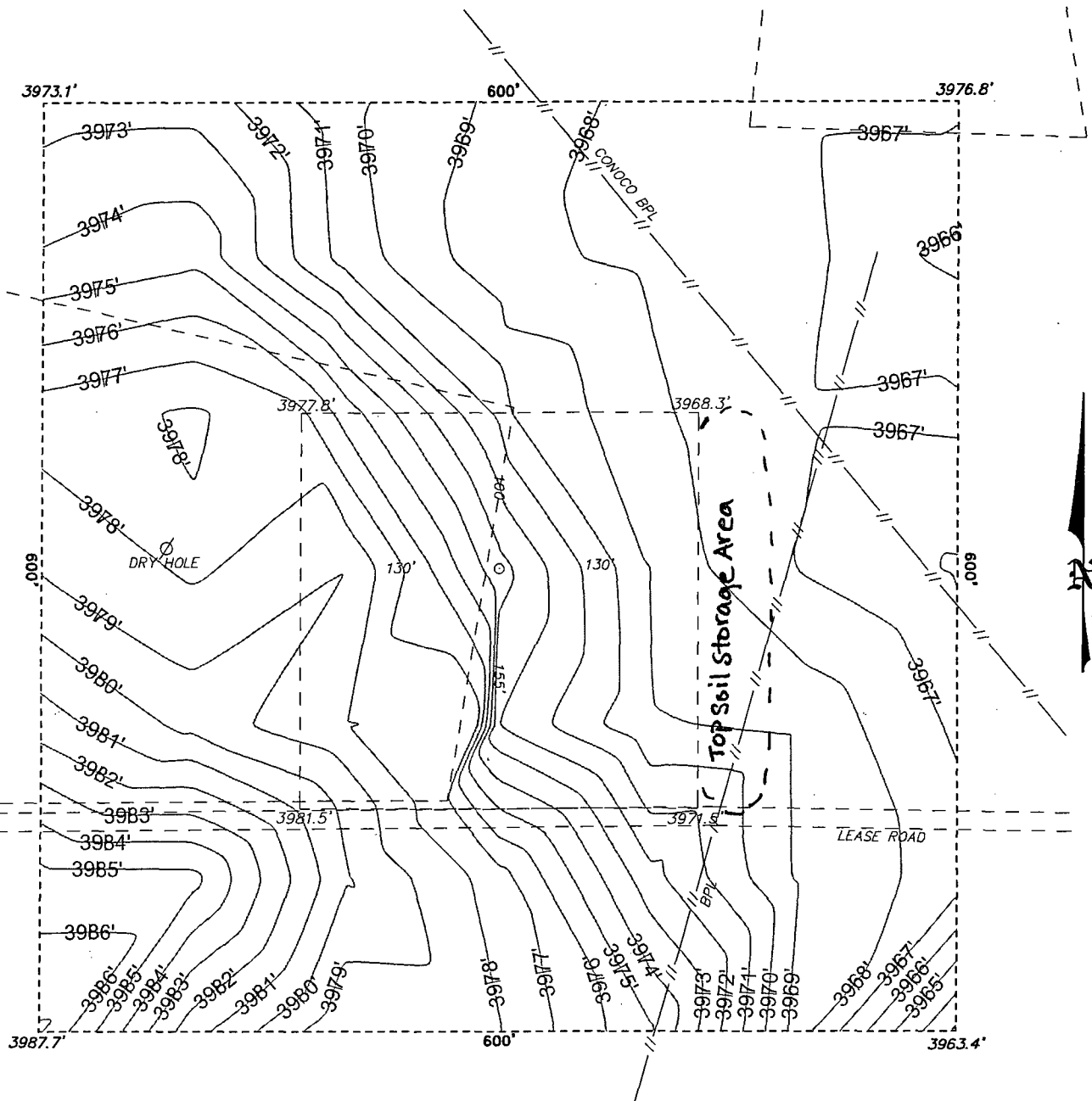
Susan B. Maunder
Senior Regulatory Specialist
PO Box 51810
Midland, TX 79710

Date: 5-16-13

Field Representative: (If not above signatory) Rudy Quiroz, Production Supervisor
Address: 1410 NW CR, Hobbs, NM 88240
575-391-3147

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

WELL PAD
DETAIL



ConocoPhillips

REF: MCA UNIT #512 / WELL PAD DETAIL

THE MCA UNIT #512 LOCATED 2185'
FROM THE SOUTH LINE AND 2470' FROM THE WEST LINE OF
SECTION 27, TOWNSHIP 17 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 28058

Drawn By: J. SMALL

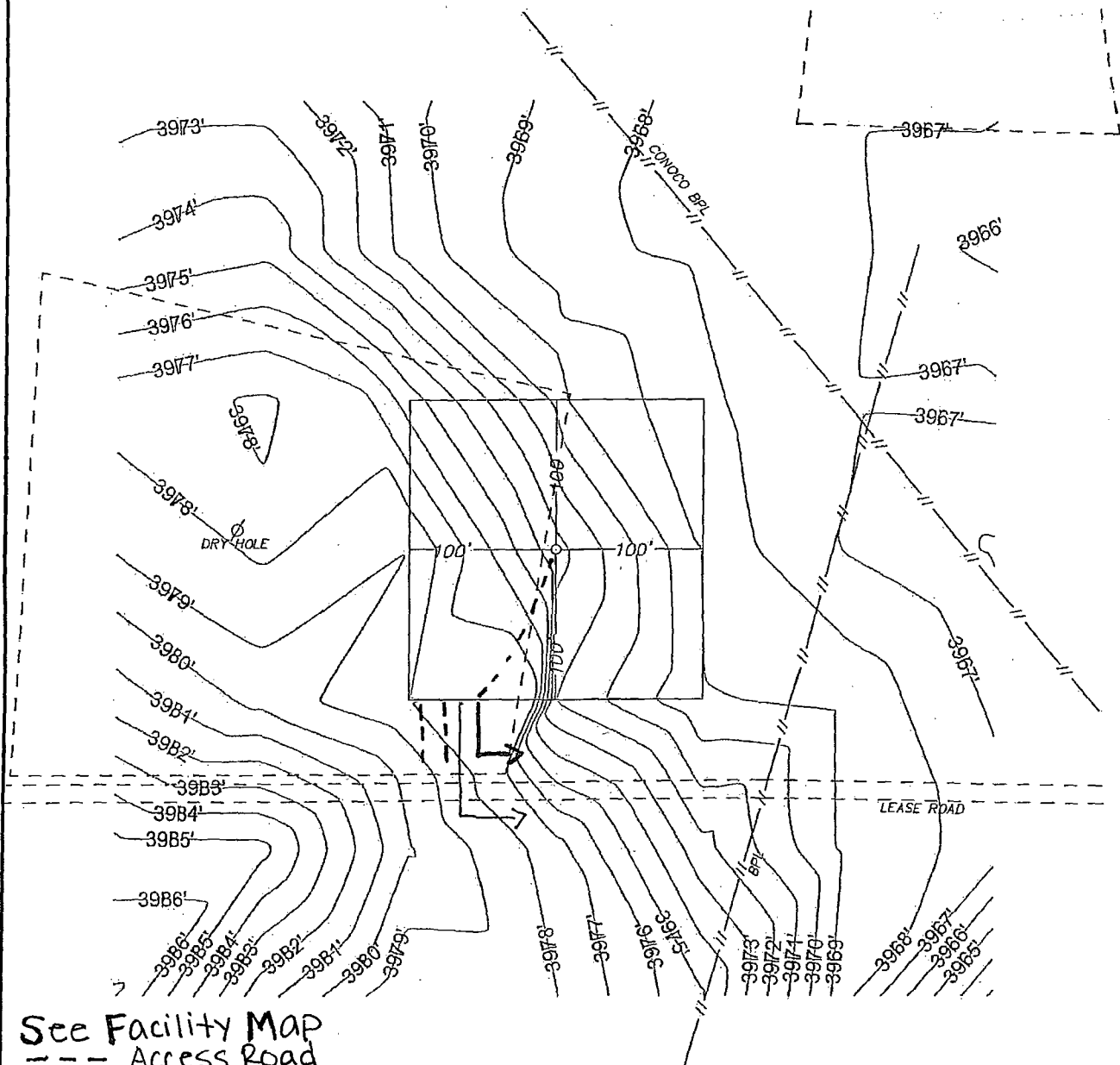
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Survey Date: 02-18-2013

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

- Access Road
- Flow Line (new)
- Power Line Above Ground (new)
- Power Line Burried (new)

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

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Drawn By: J. SMALL

Date: 02-21-2013 Disk: JMS 28058

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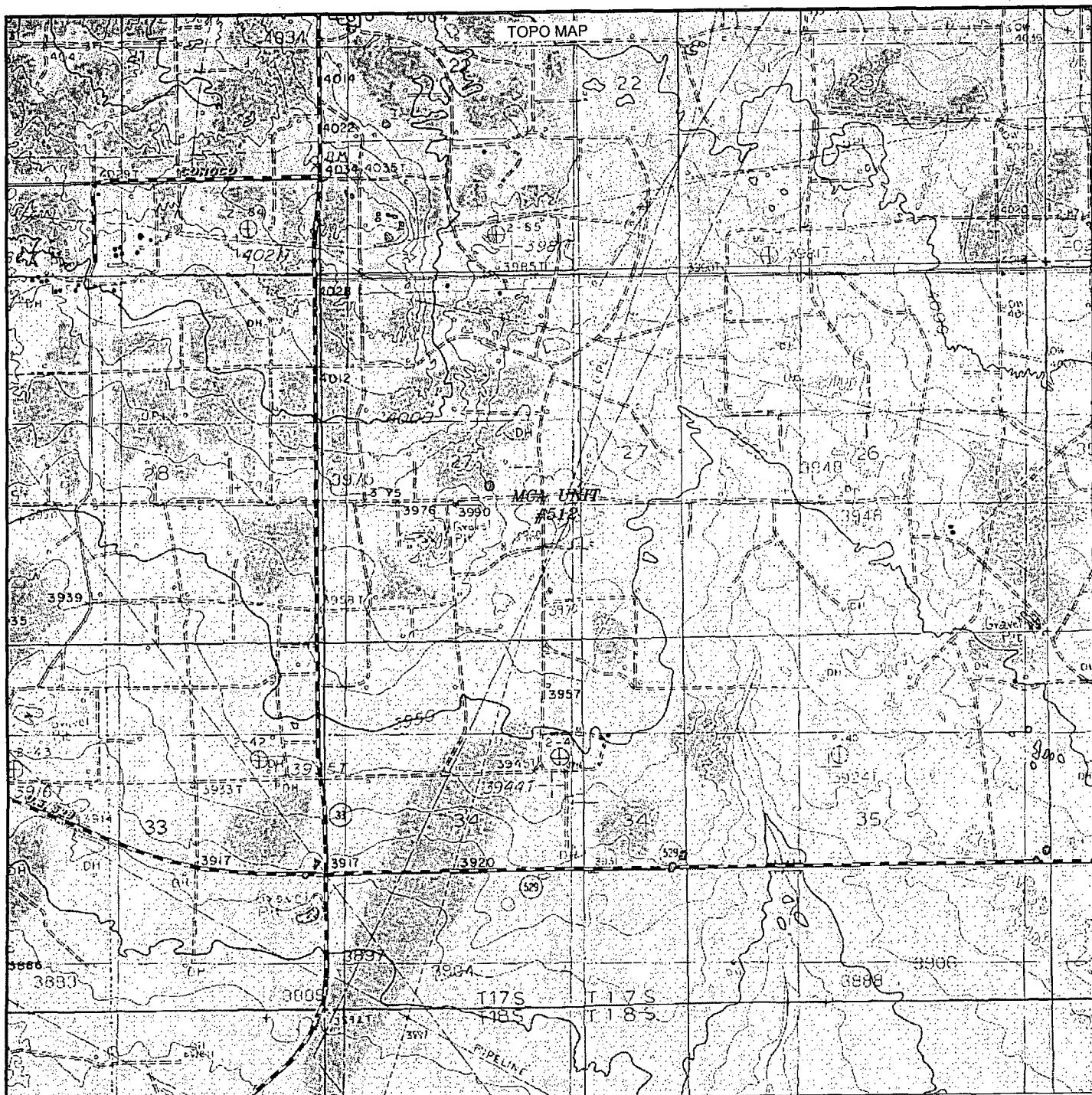
REF: MCA UNIT #512 / INTERIM RECLAMATION

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

Survey Date: 02-18-2013

Sheet 4 of 10 Sheets



MCA UNIT #512
 Located 2185' FSL and 2470' FWL
 Section 27, Township 17 South, Range 32 East,
 N.M.P.M., Lea County, New Mexico.



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 28058

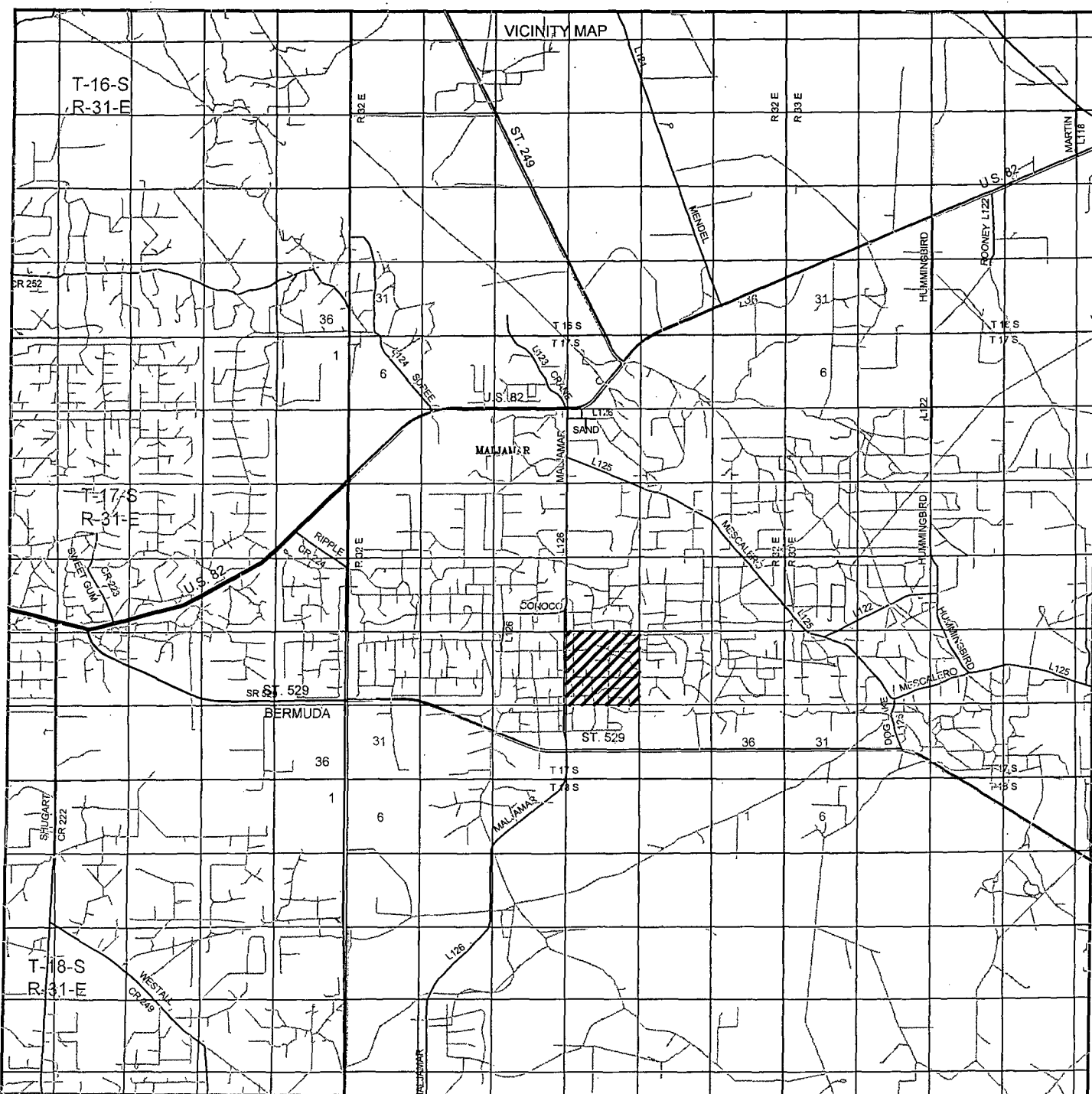
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Scale: 1" = 2000'

Date: 02-21-2013

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Sheet 5 of 10 Sheets



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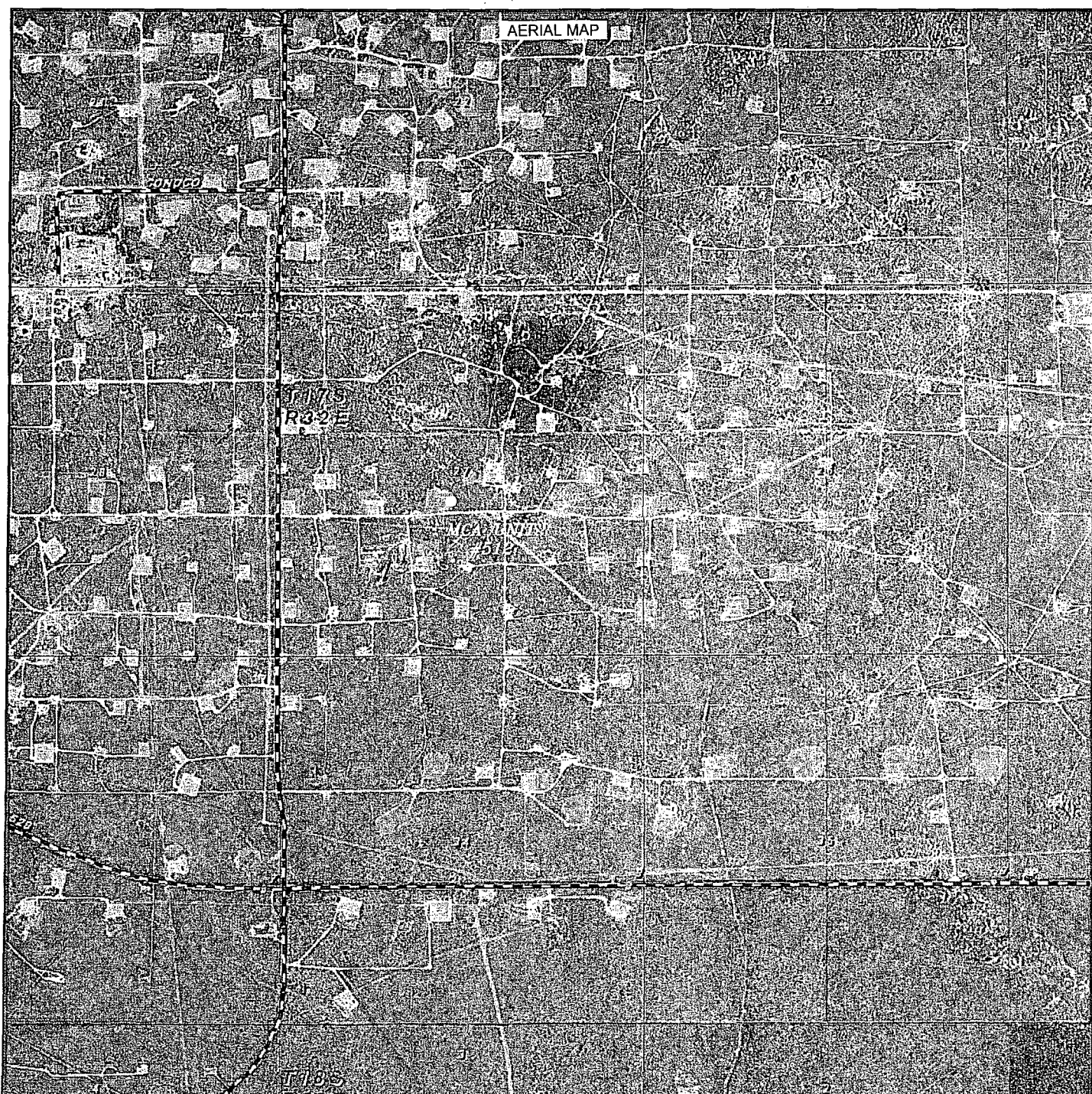
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Scale: 1" = 2 Miles

Date: 02-21-2013

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Scale: 1" = 2000'

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

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Sheet **7** of **10** Sheets

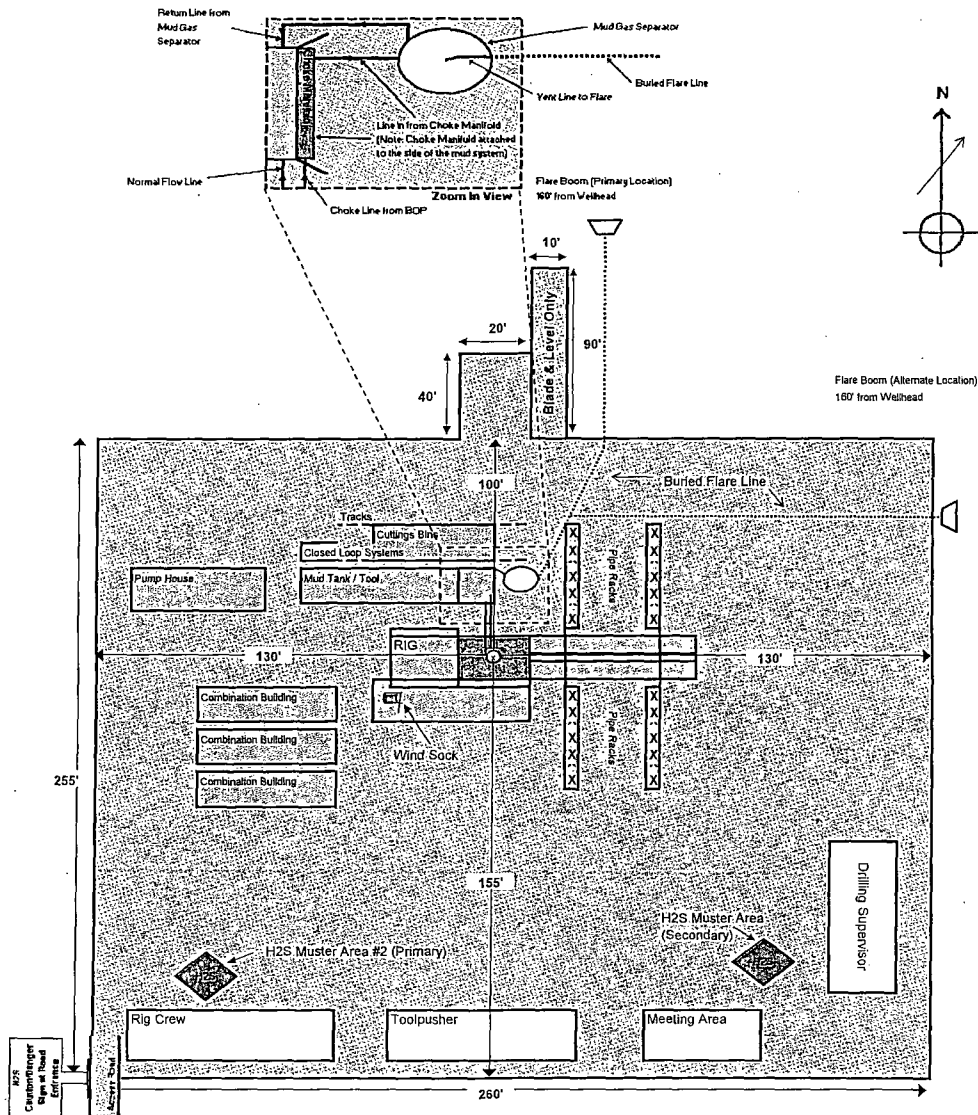
RIG LAYOUT

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Location Schematic and Rig Layout for Closed Loop System

(PICTURE NOT TO SCALE)

NOTE: There are two muster areas depending on the prevailing wind direction, generally south in this area. The muster area that is furthest upwind/crosswind will be the designated area for briefing and assessing the situation. In the event a full evacuation is deemed necessary, all personnel will exit the location via the access road. If the main access road is blocked off, they will exit via a secondary road (if available) or walk off-route in the upwind/crosswind direction.



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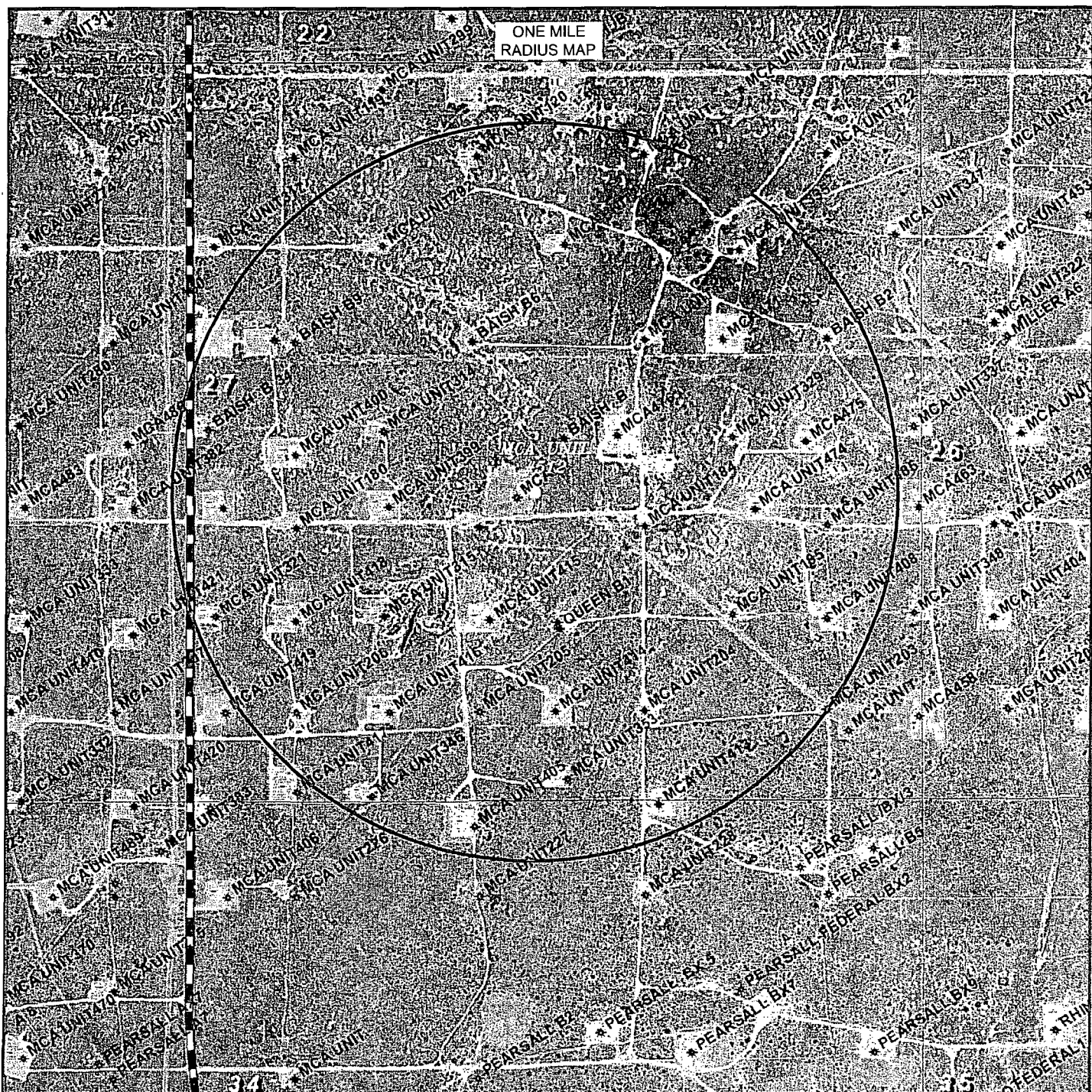
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Scale: 1" = NONE

Date: 02-21-2013

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Sheet 8 of 10 Sheets



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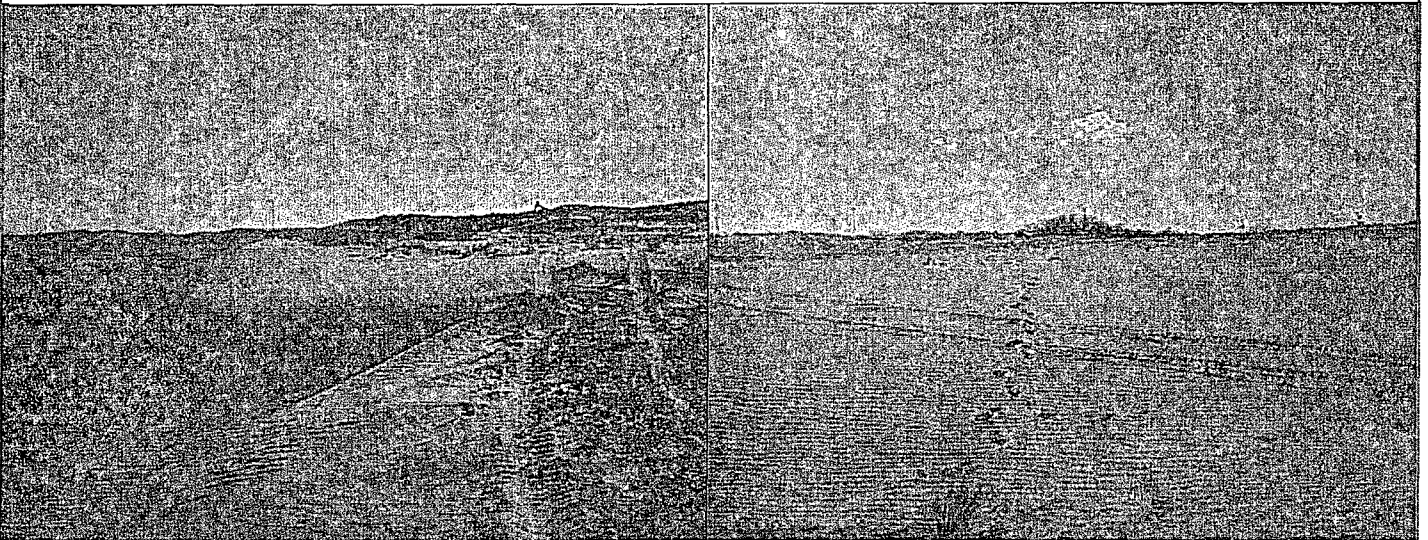
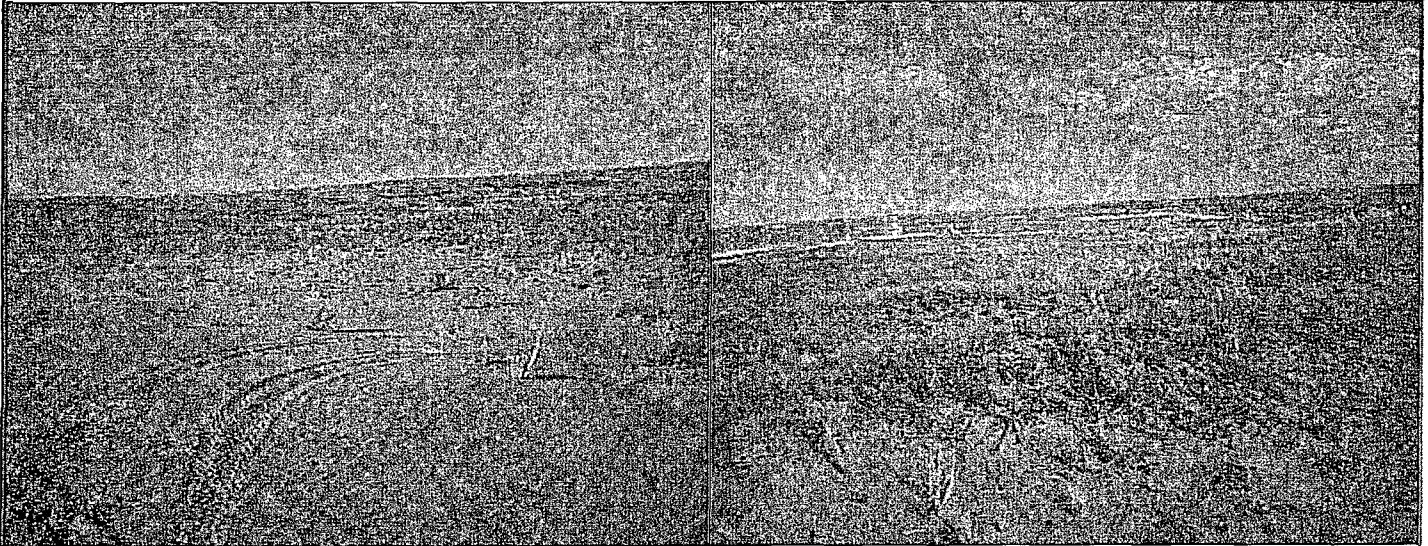
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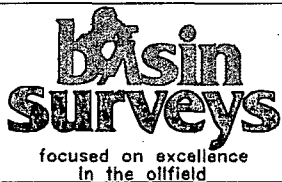
RECLAMATION
PHOTOS



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