HOBBS OCD

JUL 1 9 2016

OCD Hobbs

RECEIVED

| rom 1100-3 (March 2012) | | OMB No. 1004-0137 Expires October 31, 2014 | | | | |
|--|--|---|--|--------------------------|-------|--|
| UNITED STATES DEPARTMENT OF THE BUREAU OF LAND MAN | INTERIOR | | 5. Lease Serial No. SHL: NMLC 069515 BHL: EO66220006 | | | |
| APPLICATION FOR PERMIT TO | | | 6. If Indian, Allotee or Tribe Name N/A | | | |
| 1a. Type of work: DRILL REENT | ER ATS-14-101 | 2 | 7 If Unit or CA Agreem N/A | | | |
| Ib. Type of Well: Oil Well Gas Well Other | Single Zone Mul | | 8. Lease Name and Wel WAR HAMMER 25 FE | II No. ED. COM TC 16H | 31360 | |
| 2. Name of Operator CONOCOPHILLIPS COMPANY (2 | 17817) | | 9. API Well No. 30-025- 4 336 | 3 / | | |
| Ba. Address 600 N. DAIRY ASHFORD ROAD HOUSTON, TX 77079 | 3b. Phone No. (include area code) 281 206-5282 | we | 10. Field and Pool, or Exp. | | 2085 | |
| A. Location of Well (Report location clearly and in accordance with an At surface 349' FNL & 2310' FEL 36-26S-32E | 11. Sec., T. R. M. or Blk.a NWNE 25-26S-32E | | | | | |
| At proposed prod. zone 330' FSL & 2310' FEL 36-26S-32E | | | | | | |
| Distance in miles and direction from nearest town or post office* AIR MILES NE OF ORLA, TX & 25 AIR MILES SW OF | JAL, NM | | 12. County or Parish LEA | 13. State NM | | |
| 5. Distance from proposed* location to nearest BHL: 349' property or lease line, ft. (Also to nearest drig, unit line, if any) | 16. No. of acres in lease NMLC-069515: 1,080.00 E066220006: 259.76 | | Unit dedicated to this well EC. 25 and NWNE & LO ACRES | | | |
| Distance from proposed location* SHL: 33' (WAR W1 15H) to nearest well, drilling, completed, BHL: 888' (NEMU 55) applied for, on this lease, ft. | 19. Proposed Depth TVD: 12,355' MD: 19,935' 11,249 17,801 | 20. BLM/E ES0085 | IA Bond No. on file | | | |
| . Elevations (Show whether DF, KDB, RT, GL, etc.) 3,133' UNGRADED | 22. Approximate date work will st 01/21/2015 | art* | 23. Estimated duration 3 MONTHS | 7,000 | | |
| | 24. Attachments | | | | | |
| he following, completed in accordance with the requirements of Onsho | re Oil and Gas Order No.1, must be | attached to this | s form: | | | |
| . Well plat certified by a registered surveyor. A Drilling Plan. | 4. Bond to cover Item 20 above) | | s unless covered by an exis | sting bond on file (see | | |
| A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office). | | | rmation and/or plans as ma | y be required by the | | |
| 5. Signature Micke | Name (Printed/Typed) KRISTINA MICKENS | | Dat | 07/30/2014 | | |
| SENIOR REGULATORY SPECIALIST | | | | | | |
| pproved by (Signature) .'3/Cody Layton | Name (Printed/Typed) | | Je | 上 1 4 2016 | | |
| tle FIELD MANAGER | Office | CARL | SBAD FIELD OFF | ICE | | |
| pplication approval does not warrant or order operations thereon. onditions of approval, if any, are attac | thed NMOCD as of Approval | the subj | APPROVAL | ethe applicant to | YEAF | |
| tle 18 U.S.C. Section 1001 and Title 43 U ates any false, fictitious or fraudulent s | 12 OI WAS. | lly to m | ake to any department or ag | gency of the United | | |
| (Continued on page 2) | Kn | 11/ | *(Instruc | tions on page 2) | | |
| | 1 47.0 | 1/49 | | | | |

Carlsbad Controlled Water Basin

07/20116

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached



Drilling Program

ConocoPhillips Company

War Hammer 25 Federal COM TC 16H 349' FNL 2310' FEL (SHL) Sec 25-T26S-R32E 330' FSL 2310' FEL (BHL) Sec 36-T26S-R32E Lea County, New Mexico

1. Estimated tops of geological formations:

Geologic Formation at surface: Quaternary

| Luate Hary | | |
|------------|------------------|----------|
| | Formation | TVD (ft) |
| | Base Fresh Water | 300 |
| | Rustler | 600 |
| | Top Salt | 1050 |
| | Base Salt | 4689 |
| * | Cherry Canyon | 5671 |
| * | Brushy Canyon | 7368 |
| * | Bone Spring Carb | 8865 |
| * | Avalon | 9071 |
| * | 1st Bone Spring | 9758 |
| * | 2nd Bone Spring | 10141 |
| * | 3rd Bone Spring | 10654 |
| * | Wolfcamp | 11835 |
| | | |

2. Estimated depth/thickness of freshwater and/or hydrocarbons:

Water:

Fresh water is anticipated above the Rustler at 300'

and will be protected by surface casing at 950' and

cemented to surface.

Hydrocarbons:

Oil and gas are anticipated in the formations annotated above (*). These zones will be isolated

as necessary.

3. Pressure Control Equipment:

*Please see attached BOPE and Choke Manifold Schematic for more detail.

A in

A 13-5/8" BOP system will be installed and tested prior to drilling out of the surface casing shoe. The BOP system will be utilized to drill the intermediate and production hole sections, and will be tested per BLM Onshore Oil & Gas Order No. 2 per each hole section specified in the final column of the table in section four.

Pressure tests will be conducted at the initial installation of the BOPE and again if needed 30 days from the initial test as per BLM Onshore Oil and Gas Order No. 2. BOPE controls will be installed prior to drilling under the surface casing and will be used until the completion of drilling operations. The intermediate 1 and production string will be tested per 5M working system requirements.

ConocoPhillips Company requests a variance to use a flexible line between the BOP and the choke. The testing and manufacturing specifications for this equipment is attached. The line will be kept as straight as possible with minimum turns.

4. Proposed Casing Program

*All tubulars used for this design will be new.

| Hole Size (in) | Casing (in) | Wt/Ft | Grade | Connection | Depth (ft) | Depth (ftTVD) | Depth (ftMD) | BOPE System |
|----------------|-------------|-------|-------|------------|------------|---------------|--------------|--------------------|
| 17 1/2 | 13 3/8 | 54.5 | J-55 | BTC | 0-950 | 950 | 950 | N/A |
| 12 1/4 | 9 5/8 | 40.0 | L-80 | BTC | 0-4825 | 4825 | 4825 | 5M |
| 8 3/4 | 5 1/2 | 20.0 | P-110 | Ten XP BTC | 0-17776 | 11249 | 17776 | 5M |

Drilling Program

ConocoPhillips Company
War Hammer 25 Federal COM TC 16H

349' FNL 2310' FEL (SHL)

Sec 25-T26S-R32E

330' FSL 2310' FEL (BHL)

Sec 36-T26S-R32E

Lea County, New Mexico

Minimum casing design factors: Collapse:1.125, Burst 1.0, Tensile Strength 1.6 Dry / 1.8 Buoyant

| Hole Size (in) | Casing (in) | Burst | Collapse | Tension | Thread & Cplg. OD (in) | Minimum Clearance (in) |
|----------------|-------------|-------|----------|---------|---------------------------|---------------------------|
| 17 1/2 | 13 3/8 | 5.94 | 2.46 | 20.46 | 14.375 | 1.5625 |
| 12 1/4 | 9 5/8 | 2.22 | 1.20 | 5.82 | 10.625 | 0.8125 |
| 8 3/4 | 5 1/2 | 2.32 | 2.04 | 3.32 | 6.100 | 1.3250 |

5. Proposed Cementing Program

| | | Volume (sx) | Туре | Weight (ppg) | Yield (ft3/sx) | Water (Gal/sx) | Excess | Cement Top |
|---------------------|----------------|-------------------|---------------------|---------------------|----------------|-----------------|--------|--------------|
| | Lead | 540 | Class C | 13.7 | 1.68 | 8.684 | 100% | Surface |
| Surface | Tail | 320 | Class C | 14.8 | 1.33 | 6.349 | 100% | 650ft |
| Additives (BWOB): | 4% Extender, 2 | 2% CaCl2, 0.125 I | b/sx LCM, 0.2% Ar | nti-Foam | | | | |
| THE PARTY | Lead | 1250 | Class C | 11.9 | 2.59 | 15.393 | 130% | Surface |
| Intermediate 1 | Tail | 440 | Class C | 14.8 | 1.33 | 6.187 | 130% | 4325ft |
| Additives (BWOB): | 7% Extender, 0 | 0.6% Retarder, 0. | 2% Anti-foam, 0.9 | 9% Fluid Loss, 0.12 | 5 lb/sx LCM | | 是是观 | |
| | Lead | 990 | Tuned Light | 9.7 | 2.28 | 7.74 | 40% | 4325ft |
| Production | Tail | 1800 - | TXI | 13.2 | 1.40 | 6.84 | 40% | 10677ft |
| Additives (BWOB): | 0.4% Retarder | , 0.2% Anti-foam | , 0.7 Anti-gelling, | 0.4% Fluid Loss, 2% | Expanding Ager | nt, 5.0% Silica | | |
| Production (Options | al Depth (ft): | 8,300 | | | | | | |
| DV) | Lead | 890 | Tuned Light | 9.7 | 2.28 | 7.74 | 100% | 4052ft |
| Additives (BWOB): | 0.4% Retarder | , 0.2% Anti-foam | , 0.7 Anti-gelling, | 0.4% Fluid Loss, 29 | Expanding Ager | nt, 5.0% Silica | | TO STORY THE |

^{*}DV Tool will be conditionally placed at 8,300' depending on hole conditions while drilling the production section.

6. Proposed Fluids Program

| | Depth (ft) | | Туре | Mud Weight (ppg) | Viscosity | Fluid Loss |
|------|------------|-------|-----------|------------------|-----------|------------|
| 0 | to | 950 | Spud Mud | 8.4 - 9.3 | 32-36 | NC |
| 950 | to | 4825 | Brine | 9.3 - 10.3 | 28-30 | ≤5 |
| 4825 | to | 17801 | Cut Brine | 8.8 - 9.3 | 28-45 | ≤5 |

Sufficient fluid volume, weight material, and additives will be available onsite at all times. Visual and electronic mud monitoring equipment will be in place to indicate gain or loss.

7. Formation Evaluation Program

Samples:

Dry samples taken 30' from intermediate casing point to TD. GC Tracers KOP to TD.

Logging:

GR/Neutron from base salt to surface if data is unavailable within one mile. GR from 200' above KOP to TD. Shuttle

log in the lateral.

8. Anticipated Wellbore Conditions

| | Value | Comments |
|--|-------------------------------------|--|
| Bottom Hole Pressure (psi) | 2587 | Assumes 0.45psi/ft - 0.22psi/ft Partial Evacuation |
| Bottom Hole Temperature (°F) | 184 | Assumes 0.01deg/100ft |
| Abnormal Pressure / Potential Hazards | the top of Wolfcamp will be mitigat | gated with lost circulation material. Potential overpressure below ted with mud weight. If H2S is encountered the operator will nore Oil and Gas Order No. 6. All personnel will be familiar with all ted to drill this well. |

Drilling Program

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9. Directional Plan:

| Kick off Point (ft) | Landing TVD (ft) | Landing MD (ft) | Total Measured Depth (ft) |
|---------------------|------------------|-----------------|---------------------------|
| 10677 | 11249 | 11577 | 17801 |

^{*}ConocoPhillips proposes to drill a vertical wellbore to kick off point and then drill horizontally to TD. Please see the attached directional plan for more detail.

10. Spudder Rig and Skid Operations.

The reasons for using the spudder rig to drill and pre-set surface casing are: Time & Cost Saving.

The "Pinnergy #1" Rig will be used to drill the surface hole and pre-set surface casing on all of the wells in the same pad. Once each surface hole section has been drilled, it will be cased and cemented according to all applicable rules and regulations (Onshore Orders). The wellhead will be nippled up and tested as soon as 13-3/8" surface casing is cut off after the applicable WOC time has been reached. A blind flange of the same pressure rating as the wellhead will be utilized to seal the wellbore on all casing strings. Pressure will be monitored via wing valves on each wellhead section and a means for intervention will be maintained while the drilling rig is not over the well. Spudder rig operation is expected to take 7-10 days for a quad pad and 4-6 days for a dual pad. The BLM will be contacted / notified 24 hours prior to commencing spudder rig operations.

Drilling operation will start with a big Drilling Rig (H&P Flex 3 rig type) and an approved BOP stack will be nippled up and tested on the wellhead before drilling operations resumes on each well. The rig will skid between the wells until each well's section has been drilled as planned (see "Skid-Batch Drilling Operations" Attachment). The BLM will be contacted / notified 24 hours before the big rig moves back on the location.

Once "Spudder Rig" has left the location, The "big Drilling Rig" will be on location within 90 days to drill each well in the Pad as batch drilling operations.

SKID / BATCH DRILLING OPERATIONS – "QUAD PAD"

SKID / BATCH DRILLING OPERATION PLAN FOR "QUAD PAD":

- 1. ALL SURFACE CASINGS PRE-SET (Pre-set with "Spudder Rig").
- .. WELL 1 / WolfCamp 3. 9-5/8" CASING WBM.
- 3. WELL 2 / WolfCamp 2. 9-5/8" CASING WBM.
- WELL 3 / WolfCamp 1. 9-5/8" CASING WBM.
- . WELL 4 / BS 3rd Carb. 9-5/8" CASING WBM.
- 5. WELL 4 / BS 3rd Carb. 5-1/2" CASING WBM.
- 7. WELL 3 / WolfCamp 1. 7-5/8" CASING WBM.
- 8. WELL 2 / WolfCamp 2. 7-5/8" CASING WBM.
- 9. WELL 1 / WolfCamp 3. 7-5/8" CASING WBM.
- WELL 1 / WolfCamp 3. 5"x4-1/2" CASING **OBM**.
 WELL 2 / WolfCamp 2. 5"x4-1/2" CASING **OBM**.
- 12. WELL 1 / WolfCamp 1. 5"x4-1/2" CASING **OBM**.
- 13. RIG RELEASE.

- "INTERMEDIATE 1" BATCH

∠"INTERMEDIATE 2" BATCH

L"PRODUCTION" BATCH

March 05 2014



Size: 7.625 in. Wall: 0.430 in.

Weight: 33.70 lbs/ft

Grade: P110

Min. Wall Thickness: 87.5 %

Connection: Wedge 523™

Casing/Tubing: CAS

PIPE BODY DATA GEOMETRY Standard Drift Nominal OD 7.625 in. Nominal Weight 33.70 lbs/ft 6.640 in. Diameter Special Drift Nominal ID 6.765 in. Wall Thickness 0.430 in. N/A Diameter Plain End Weight 33.07 lbs/ft PERFORMANCE Body Yield 1069 x 1000 Internal Yield 10860 psi SMYS 110000 psi Strength lbs Collapse **7870** psi

| | W | EDGE 523™ CONN | ECTION DAT | A | |
|-------------------------------|-----------------------|---------------------------|---------------------|-------------------------------|--------------------|
| | | GEOMET | RY | | |
| Connection OD | 7.775 in. | Connection ID | 6.675 in. | Make-Up Loss | 4.060 in. |
| Critical Section Area | 7.057 sq. in. | Threads per in. | 3.06 | | |
| | | PERFORM | ANCE | | |
| Tension Efficiency | 72.6 % | Joint Yield Strength | 776 x 1000 | Internal Pressure Capacity | 10860 psi |
| Compression Strength | 881 x 1000 lbs | Compression Efficiency | 82.4 % | Bending | 48 °/100 ft |
| External Pressure Capacity | 7870 psi | | | | |
| | | MAKE-UP TO | RQUES | | |
| Minimum | 9900 ft-lbs | Target | 11900 ft-lbs | Maximum (*) | 17300 ft-lbs |
| | | OPERATIONAL LIM | IT TORQUES | | |
| Operating Torque | 42000 ft-lbs | Yield Torque | 63000 ft-lbs | | |
| | | BLANKING DIM | ENSIONS | | |
| | | Blanking Dim | ensions | | |

^{*} If you need to use torque values that are higher than the maximum indicated, please contact a local Tenaris technical sales representative.

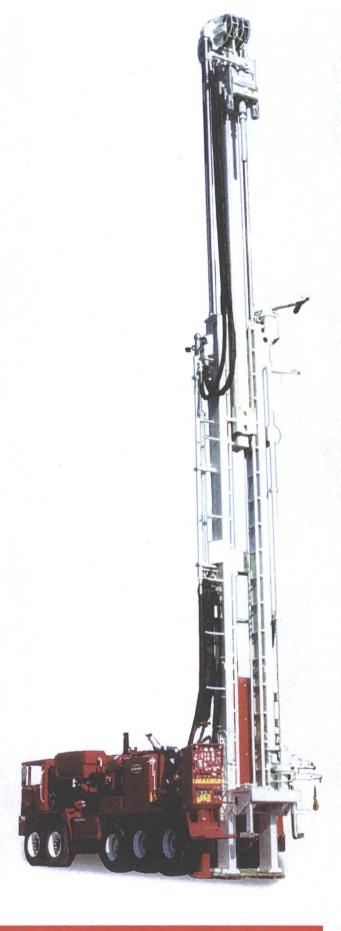


T130XD

A heavy duty, heavy hoist carrier mounted drill rig. The T130XD utilizes innovative Telemast technology to achieve Range III pipe capability in a compact over the road package.

- Equipped with Schramm Telemast
- 50' head travel handles Range III casing
- 43′ transport length with less than 6′ overhang
- 130,000 lbs hoist
- No sub-structure required
- Mast slides to clear BOP

ROTADRILL



CARRIER MOUNTED RIG EQUIPPED WITH TELEMAST

T130XD ROTADRILL SPECIFICATIONS







Engine

Detroit Diesel DDC/MTU 12V-2000TA DDEC 760 bhp (567 kw) @ 1800 rpm

Standard Compressor

Variable volume two-stage, oil flooded rotary screw 1350 cfm @ 350 psi (38.0 cu. m/min @ 24.1 bar), up to 1150 cfm @ 500 psi (32.6 cu. m/min @ 35.5 bar)

Cooling

Three core, side by side type 130°F (54.4°C) ambient design temp.

Dimensions

OA length, transport - 42′ 9″ (13 m) OA width - 8′ 6″ (2.6 m) OA height, transport - 13′ 6″ (4.1 m) Weight std. rig - 92,000 lb (41,723 kg)

Carrier

CCC 8x4 Carrier Cat C-13, 410 hp @ 2100 rpm engine 44,000 lb (19,955 kg) front axles 21,500 lb (9,750 kg) pusher axle 52,000 lb (23,587 kg) rear axles 117,500 lb (53,298 kg) GVWR

Top Head Rotation

Ductile iron, single reduction oil bath gearbox with two disc valve type hydraulic motors. Infinitely variable rotation speed.

3.5:1 Reduction Gear

3. diameter (76.2 mm) spindle thru hole.

3" diameter (76.2 mm) spindle thru hole 0-143 rpm, infinitely variable 106,600 in-lb (12,045 N·m) torque

Feed System

Top head is driven by hydraulic traverse cylinders through special wire rope and large diameter Nylatron sheaves. As top head is raised, the inner mast section extends by a ratio of 1:2 until it reaches its fully extended position at 50' of clear head travel.

42′ 9″ (13 m) OA height (retracted)
69′ 9″ (21.65 m) OA height (extended)
50′ (15.24 m) top head travel
130,000 lb (59,090 kg) pullup
8 fpm (2.44 mpm) pullup speed-slow feed
125 fpm (38.1 mpm) pullup speed-rapid feed
32,000 lb (14,545 kg) pulldown capacity
26 fpm (7.92 mpm) pulldown speed-slow feed
270 fpm (82.3 mpm) pulldown speed-rapid feed
52′ 10″ (16.1 m) working clearance mast spindle
to table (sub removed)

Drill Pipe & Casing

table

 $30' \times 4^{-1}/2''$ OD $\times 2^{-7}/8$ IF breakout style drill pipe, range III casing

48' 10" (14.9 m) working clearance mast sub to

28" (711 mm) max. diameter through slipbox

Mast

Telescoping construction permits long head travel and working height, yet short OA length in transport position.

32" (813 mm) cylinder operated slide

32" (813 mm) cylinder operated slide

Free-standing mast

hydaulically operated adjustable mast feet hydraulically retracted slip box 20" (508 mm) table opening w/o slips

Winch

Planetary with spring applied hydraulic release brake 9,600 lb (4,354 kg) bare drum line pull

151 fpm (46 mpm) bare drum line speed

Hydraulic System

Open loop load sensing system 7 micron filtration 200 gallon (760 l) system capacity

Water Injection System

25 gpm (95 lpm) water pump Electric foam pump

Outriggers

Front - (1) 5" bore x 41" stroke (127 mm x 1.4 m) Rear - (2) 5" bore x 41" stroke (127 mm x 1.4 m)

Tool Lubricator

Positive displacement, air pump operated piston type pump variable to 5.0 gph (18.9 lph)

Lighting & Electrical System - 24 Volt

Mast - (4) 60 watt floodlights Control Panel - (2) 60 watt gauge floodlights Work - (3) 70 watt halogen

Accessories

Pipe handling sling, 60" breakout wrench, and 50 hour maintenance kit.

Optional Equipment

Many modifications are available including:
Third driving axle
Reverse circulation package
Tilt-out top head
High capacity top head
Single pipe loading arm
Auxiliary winch controls
Auxiliary air supply

These specifications are based on theoretical calculations and industry standards. Performance will vary according to actual drilling conditions. Schramm, Inc. continuously improves its products and reserves the right to change specifications, design, prices and terms at any time without notification or obligation. These specifications do not extend any warranty, expressed or implied, nor do they or Schramm, Inc. make or imply any representation of the machine's merchantability or fitness for a particular purpose.

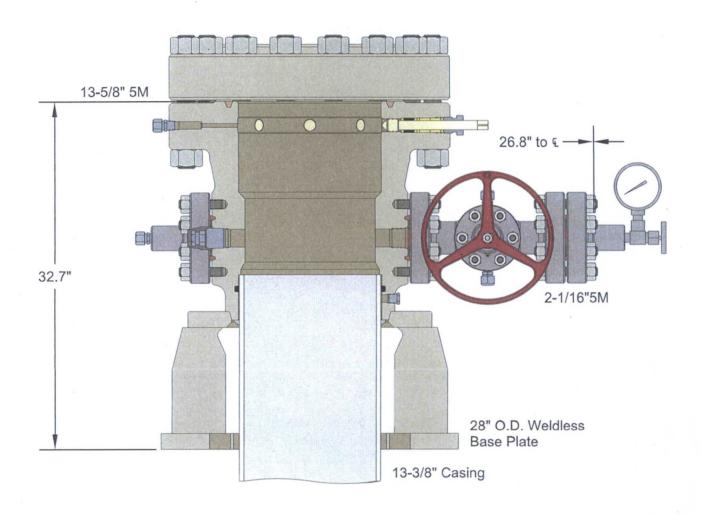


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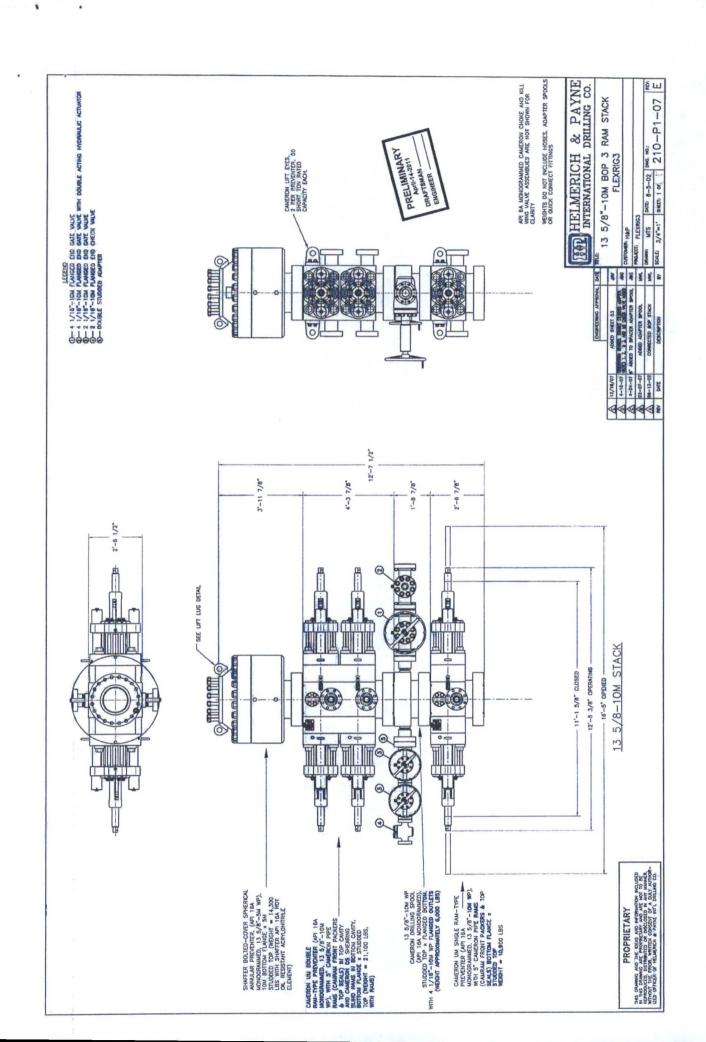


| ALL DIMENSIONS ARE APPROXIMATE | | | 17 |
|--|--------------------------|-----------------------|---------|
| This drawing is the property of GE Oil & Gas Pressure Control LP and is considered confidential. Unless otherwise approved in writing, neither it nor its contents may be used, copied, transmitted or reproduced except for the sole purpose of GE Oil & Gas Pressure Control LP. | | NOCOPHIL SPUDDER R | |
| HSG,WG,SH2-LWR,13-5/8 5M X 13-3/8 SOW,W/2 2-1/16 5M FP | DRAWN | VJK | 19AUG14 |
| | APPRV | KN | 16AUG14 |
| BASEPLATE,WELDLESS,28 OD FLANGE,BLIND, 13-5/8 5M | FOR REFERENCE DRAWING NO | DE | 00624 |

,09

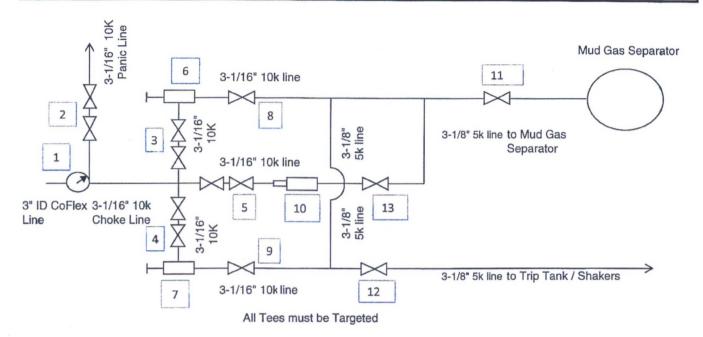
"Pinnergy #1" Spudder Rig Layout

- 20'



CHOKE MANIFOLD ARRANGEMENT - HP486

10M System per Onshore Oil and Gas Order No. 2 utilizing 5M/10M Equipment



Item Description

1 Pressure Gauge

2 2 Gate Valves, 3-1/16" 10M

3 2 Gate Valves, 3-1/16" 10M

4 2 Gate Valves, 3-1/16" 10M

5 2 Gate Valves, 3-1/16" 10M

6 Upper Manual Adjustable Choke, 4-1/16", 10M

7 Lower Manual Adjustable Choke, 4-1/16", 10M

8 Gate Valve, 3-1/16" 10M

9 Gate Valve, 3-1/16" 10M

10 Remote Controlled Hydraulic Adjustable Choke, 4-1/16", 10M

11 Gate Valve, 3-1/8" 5M

12 Gate Valve, 3-1/8" 5M

13 Gate Valve, 3-1/16" 10M

The 10M Choke Manifold & Valves will be tested to rated working pressure.

Drawn by:

James Chen, P.E.

Drilling Engineer, ConocoPhillips Company

Date: June 25th-2012