HOBBS OCD (March 2019, 9 2017 NOV 19, 9 2017

UNITED STATES

| FORM | APPROVED |
|-----------|----------------|
| OMB N | o. 1004-0137 |
| Expires O | ctober 31, 201 |

| SUPO must be filed with the appropriate Forest Service Office). | | | rmation and/or plans as ma | | |
|---|---|------------------------------------|--|--------------------------|--|
| The following, completed in accordance with the requirements of Onshor 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System) | 4. 'Bond to cover t Item 20 above). | he operation | | isting bond on file (see | |
| applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3182 feet | 11619 feet / 22124 feet 22 Approximate date work will sta 11/01/2017 | FED: ES | 23. Estimated duration 90 days | | |
| location to nearest 171 feet property or lease line, ft. (Also to nearest drig. unit line, if any) 18. Distance from proposed location* to nearest well, drilling, completed, 33 feet | 321.45 19. Proposed Depth | 363.93 20. BLM/B | IA Bond No. on file | · | |
| At proposed prod. zone LOT 3 / 2618 FSL / 1320 FWL / LA 14. Distance in miles and direction from nearest town or post office* 44.9 miles 15. Distance from proposed* | T 32.057406 / LONG -103.718 | | 12. County or Parish LEA Unit dedicated to this well | 13. State NM | |
| Address 600 N. Dairy Ashford Rd Houston TX 77079 4. Location of Well (Report, location clearly and in accordance with an At surface LOT 2 / 2498 FNL / 1600 FWL / LAT 32.0286 | | | 10. Field and Pool, or Exp WOLFCAMP / WOLF 11. Sec., T. R. M. or Blk.a SEC 19 / T26S / R328 | CAMP and Survey or Area | |
| lb. Type of Well: Oil Well Gas Well Other | | ole Zone | 8. Lease Name and Well ZIA HILLS 19 FEDER 9. API Well No. 30-025-0 | AL COM 109H | |
| DEPARTMENT OF THE I BUREAU OF LAND MAN APPLICATION FOR PERMIT TO | | | 6. If Indian, Allotee or 7 | | |
| DEPARTMENT OF THE I | | 5. Lease Serial No. NMLC062749B | | | |



Application for Permit to Drill

U.S. Department of the Interior ureau of Land Management

APD Package Report

APD ID: 10400017293

APD Received Date: 08/02/2017 08:45 AM

Operator: CONOCOPHILLIPS COMPANY

Date Printed: 11/20/2017 09:58 AM

Well Name: ZIA HILLS 19 FEDERAL CON

Well Number: 109H

Well Status: AAPD

APD Package Report Contents

Prolid 98065

- Form 3160-3

- Operator Certification Report

- Application Report

- Application Attachments

-- Well Plat: 1 file(s)

- Drilling Plan Report

- Drilling Plan Attachments

-- Blowout Prevention Choke Diagram Attachment: 1 file(s)

-- Blowout Prevention BOP Diagram Attachment: 1 file(s)

-- Casing Design Assumptions and Worksheet(s): 4 file(s)

-- Hydrogen sulfide drilling operations plan: 2 file(s)

-- Proposed horizontal/directional/multi-lateral plan submission: 2 file(s)

-- Other Facets: 4 file(s)

-- Other Variances: 3 file(s)

- SUPO Report

- SUPO Attachments

-- Existing Road Map: 1 file(s)

-- New Road Map: 1 file(s)

-- Attach Well map: 1 file(s)

-- Water source and transportation map: 1 file(s)

-- Well Site Layout Diagram: 2 file(s)

-- Existing Vegetation at the well pad attachment: 1 file(s)

-- ROW Applications: 1 file(s)

-- Other SUPO Attachment: 9 file(s)

- PWD Report

- PWD Attachments

-- None



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT oplication Data Repor

APD ID: 10400017293

Submission Date: 08/02/2017

Highlighted data reflects the most

recent changes

Well Name: ZIA HILLS 19 FEDERAL COM

Well Number: 109H

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - General

Operator Name: CONOCOPHILLIPS COMPANY

APD ID:

10400017293

Tie to previous NOS?

Submission Date: 08/02/2017

BLM Office: CARLSBAD

User: Ashley Bergen

Title: Associate, Regulatory MCBU

Federal/Indian APD: FED

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

Lease number: NMLC062749B

Lease Acres: 321.45

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

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: 600 N. Dairy Ashford Rd

Zip: 77079

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

Mater Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: ZIA HILLS 19 FEDERAL COM

Well Number: 109H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: WOLFCAMP

Pool Name: WOLFCAMP

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

Well Name: ZIA HILLS 19 FEDERAL COM Well Number: 109H

Describe other minerals:

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

Number: 2

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

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: 363.93 Acres

Well plat: ZIA_HILLS_19_FEDERAL_COM_109H_C_102_07-26-2017.pdf

Well work start Date: 11/01/2017 Duration: 90 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 Vertical Datum: NAVD88

Survey number:

| | 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 |
|------------------|----------|--------------|----------|--------------|------|-------|---------|-------------------|---------------|---------------------|--------|-------------------|-------------------|------------|-----------------|---------------|-----------|-----------|
| SHL Leg #1 | 249 8 | FNL | 160 0 | FWL | 26S | 32E | 19 | Lot 2 | 32.02866 7 | - 103.7178 81 | LEA | NEW MEXI CO | NEW MEXI CO | F | NMLC0 62749B | | 0 | 0 |
| KOP Leg #1 | 283 8 | FNL | 140 0 | FWL | 26S | 32E | 19 | Aliquot SENW | 32.02773 2 | - 103.7185 24 | LEA | NEW MEXI CO | , 4 - 0 0 | F | NMLC0 62749B | | 110 00 | 110 00 |
| PPP Leg #1 | 233 7 | FNL | 132 0 | FWL | 26S | 32E | 19 | Aliquot SENW | 32.02909 7 | - 103.7187 86 | LEA | | NEW MEXI CO | F | NMLC0 62749B | - 826 8 | 114 50 | 114 50 |



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

Drilling Plan Data Report

11/20/2017

APD ID: 10400017293

Submission Date: 08/02/2017

Highlighted data reflects the most

recent changes

Well Name: ZIA HILLS 19 FEDERAL COM

Operator Name: CONOCOPHILLIPS COMPANY

Well Number: 109H

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

| Formation | Formation Name | Elevation | True Vertical | l . | 1 | Mineral Resources | Producing |
|-----------|-----------------|-----------|---------------|------------|-------------------------------|----------------------|-----------|
| ID 1 | QUATERNARY | 3182 | Depth 0 | Depth 0 | Lithologies | NONE | No |
| ' | QUATERNARY | 3102 | | | | NOIVE | " |
| 2 | RUSTLER | 2063 | 1119 | 1119 | DOLOMITE, ANHYDRIT | NONE | No |
| | | | | | E | | |
| 3 | SALADO | 1893 | 1289 | 1289 | SALT | NONE | No |
| 4 | CASTILE | 903 | 2279 | 2279 | SALT | NONE | No |
| | | ľ | | , | | | |
| 5 | DELAWARE | -1077 | 4259 | 4259 | SANDSTONE | NATURAL GAS,OIL | No |
| 6 | CHERRY CANYON | -1987 | 5169 | 5169 | SANDSTONE | NATURAL GAS,OIL | No |
| 7 | BRUSHY CANYON | -3467 | 6649 | 6649 | SANDSTONE | NATURAL GAS OIL | No |
| | | | | | | | |
| 8 /2 | BONE SPRING | -4867 | 8049 | 8049 | SANDSTONE | NATURAL GAS,OIL | No |
| 9 | BONE SPRING 1ST | -6022 | 9204 | 9204 | SANDSTONE | NATURAL GAS,OIL | No |
| 10 | BONE SPRING 2ND | -6697 | 9879 | 9879 | SANDSTONE | NATURAL GAS,OIL | No |
| 11 | BONE SPRING 3RD | -7167 | 10349 | 10349 | LIMESTONE | ^ NATURAL GAS,OIL | No |
| | | | | | | | |
| 12 | WOLFCAMP | -8197 | 11379 | 11379 | LIMESTONE,SHALE,SA NDSTONE | NATURAL GAS,OIL | Yes |

Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M

Rating Depth: 22124

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 mulitbowl wellhead system. Please see attached in section 8 of drilling 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

Well Name: ZIA HILLS 19 FEDERAL COM

Well Number: 109H

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. See attached "Drill Plan" document.

Choke Diagram Attachment:

Zia_Hills_19_Pad_2_Choke_Manifold_07-26-2017.pdf

BOP Diagram Attachment:

Zia_Hills_19_Pad_2__BOPE_07-26-2017.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 | | 14. <i>1</i> 5 | 11.75 | NEW | API | N | 0 | 1170 | 0 | 1170 | -/818 | -8988 | 1170 | J-55 | 47 | BUTT | 2.89 | 5.87 | IDRY | 15.4 | DRY | 15.4 |
| 2 | INTERMED IATE | 10.8 75 | 8.625 | NEW | API | N | 0 | 11400 | 0 | 11400 | -7818 | - 19218 | 11400 | P- 110 | 32 | BUTT | 1.48 | 1.55 | DRY | 3.53 | DRY | 3.53 |
| 3 | PRODUCTI ON | 7.87 5 | 5.5 | NEW | API | N | 0 | 22124 | 0 | 22124 | 1 | - 29942 | 22124 | P- 110 | | OTHER - TXP | 1.5 | 1.71 | DRY | 2.29 | DRY | 2.29 |

Casing Attachments

Casing ID: 1

String Type: SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

ZIA_HILLS_19_FEDERAL_COM_109H_csg_design_07-26-2017.pdf

Well Name: ZIA HILLS 19 FEDERAL COM Well Number: 109H

Casing Attachments

Casing ID: 2

String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

ZIA_HILLS_19_FEDERAL_COM_109H_csg_design_07-26-2017.pdf

Casing ID: 3

String Type:PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

ZIA_HILLS_19_FEDERAL_COM_109H_csg_design_07-26-2017.pdf

 $Zia_Hills_19_Pad_2_Production_csg_specification_07-26-2017.pdf$

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 | 1170 | 470 | 1.68 | 13.5 | 789.6 | 100 | Class C | + 4.0% Bentonite + 0.2% Anti-Foam + 2.0% CaCl2 +0.125lb/sk LCM + 0.1% Dispersant. |
| SURFACE | Tail | | | | 240 | 1.35 | 14.8 | 324 | 100 | Class C | 0.2% Anti-Foam + 0.1% Lost Circ Control |
| INTERMEDIATE | Lead | | 0 | 1140 0 | 800 | 2.7 | 11 | 2160 | 30 | Class C | 75.00 lb/sk BWOB D049 + 1.00 % BWOB D013 Retarder + 10.00 |

Well Name: ZIA HILLS 19 FEDERAL COM

Well Number: 109H

| | | | | | | | | | | γ | |
|--------------|-----------|---------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|---|
| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives |
| | | | | | | | | | | | % BWOB D020 Extender + 0.02 gal/sk VBWOB D047 Anti foam + 2.00 % BWOB D154 Extender + 0.15 % BWOB D208 Viscosifier |
| INTERMEDIATE | Tail | | | | 670 | 1.29 | 13.5 | 864 | 30 | Class C | 75.00 lb/sk BWOB D049 + 0.50 % BWOB D013 Retarder + 1.00 % BWOB D020 Extender + 3.00 lb/sk WBWOB D042 Extender + 0.02 gal/sk VBWOB D047Anti foam + 0.10 % BWOB D065 Dispersant + 0.13 lb/sk WBWOB D130 Lost Circulation + 0.30 % BWOB D238 Fluid loss |
| PRODUCTION | Lead | | 0 | 2212 4 | 0 | 0 | 0 | 0 | 0 | no lead | no lead |
| PRODUCTION | Tail | , | | | 2300 | 1.08 | 16.4 | 2484 | 15 | Class H | 1.00 % BWOB D020 Extender + 0.02 gal/sk VBWOB D047 Anti Foam + 0.10 % BWOB D065 Dispersant + 0.15 % BWOB D255 Fluid loss + 0.30 % BWOB D800 Retarder |

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: ZIA HILLS 19 FEDERAL COM Well Number: 109H

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 | 1140 0 | OIL-BASED MUD | 8.6 | 9.4 | | | | | | , | |
| 0 | 2212 4 | OIL-BASED MUD | 9.5 | 13.5 | | | | | | | |
| 0 | 1170 | SPUD MUD | 8.34 | 8.6 | | | | | | | |

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.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 8157

Anticipated Surface Pressure: 5600.82

Anticipated Bottom Hole Temperature(F): 203

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

Hydrogen sulfide drilling operations plan:

ZIA_HILLS_19_PAD_2_H2S_C_Plan_07-26-2017.pdf ZIA_HILLS_19_PAD_2_Rig_Layout_07-26-2017.pdf

Well Name: ZIA HILLS 19 FEDERAL COM Well Number: 109H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

ZIA_HILLS_19_Federal_COM_109H_Directional_plan_08-02-2017.pdf
ZIA_HILLS_19_FEDERAL_COM_109H_Wellbore_Schematic_20170830141132.pdf

Other proposed operations facets description:

Other proposed operations facets attachment:

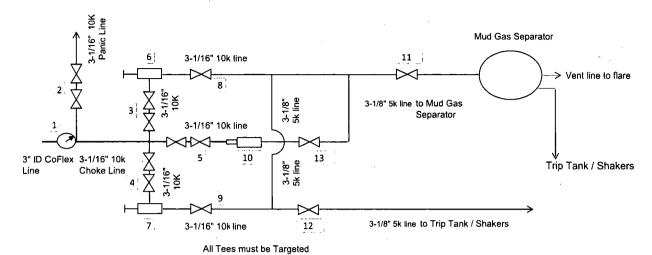
Zia_Hills_19_Pad_2_Drill_Waste_Containment_07-26-2017.pdf
Zia_Hills_19_Pad_2_Gas_Capture_Plan_07-26-2017.pdf
ZIA_HILLS_19_Federal_COM_109H_Drilling_plan_20170915103117.pdf
Option_2_for_cement_plan_20170915103130.pdf

Other Variance attachment:

Zia_Hills_19_Pad_2_Generic_WH_07-26-2017.pdf
Zia_Hills_19_Pad_2_Flexhose_Variance_07-26-2017.pdf
Zia_Hills_19_Pad_2_Running_Procedure_2_20170915103141.pdf

CHOKE MANIFOLD ARRANGEMENT - 10M Choke

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



Description

Pressure Gauge

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

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

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

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

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

Gate Valve, 3-1/16" 10M

Gate Valve, 3-1/16" 10M

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

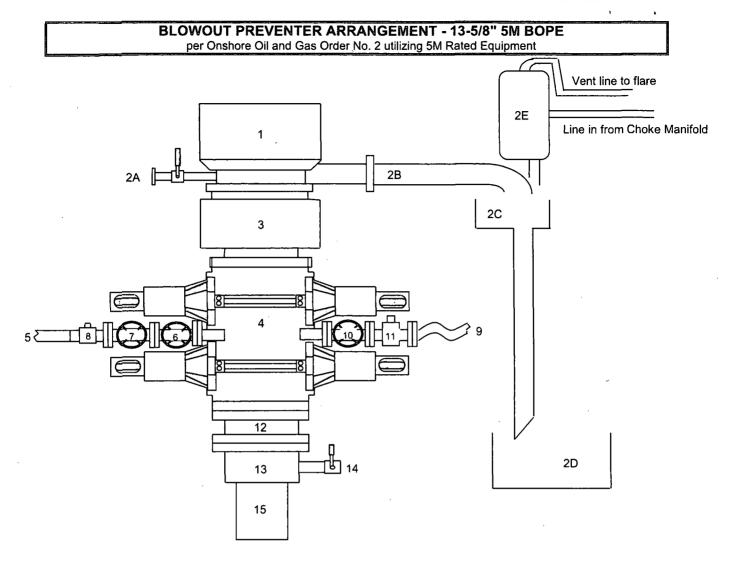
11 Gate Valve, 3-1/8" 5M

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

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

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

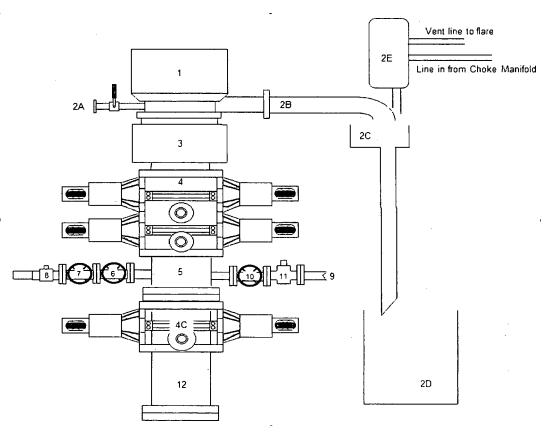
*Choke manifold will have one remotely operated valve and a manual adjustable valve in front of the choke manifold, as detailed in the Onshore Order 2. It currently contains one 10M hydraulic choke for a total of three choke branches (two manual and one hydraulic).



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

BLOWOUT PREVENTER ARRANGEMENT - 11" 10M BOPE

per Onshore Oil and Gas Order No. 2 utilizing 10M Rated Equipment



Item

Description Rotating Head Fill up Line and Valve 2A

2B Flow Line (10")

2C Shale Shakers and Centrifuges

2D Cuttings Bins for Zero Discharge

Mud Gas Separator with vent line to flare and return line to mud system

Mud Gas Separator with vent line to flare and return line to n Annular Preventer (11", 10M)
Double Ram (11", 10M, Pipe Ram top x Blind Ram bottom)
Drilling Spool (11" 10M)
Single Ram (11", 10M, Pipe Rams)
Kill Line Gate Valve, Inner (2-1/16", 10M)
Kill Line Gate Valve, Outer (2-1/16", 10M)
Kill Line Check Valve (2-1/16, 10M)
CoElex Choke Line (4-1/16", 10M)

9 10 CoFlex Choke Line (4-1/16", 10M)

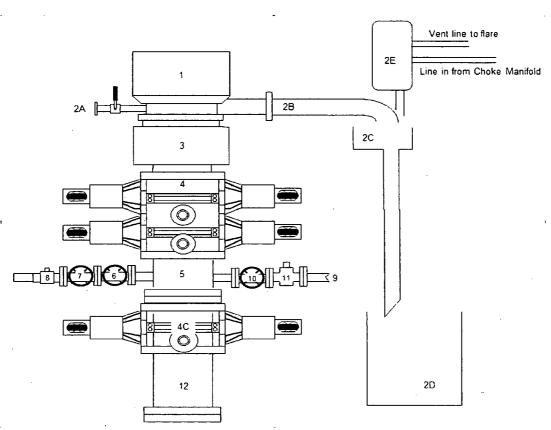
Choke Line Gate Valve, Inner (4-1/16", 10M)

11 Choke Line Hydraulically Operated Gate Valve, Outer, (4-1/6" 10M w/ Double Acting

12 HCR) Drilling Spool Adapter (11", 10M)

BLOWOUT PREVENTER ARRANGEMENT - 13-5/8" 10M BOPE

nshore Oil and Gas Order No. 2 utilizing 10M Rated Equipment



- Item Description
 - Rotating Head
 - 2A Fill up Line and Valve
 - 2B
 - 2C 2D 2E 3 4 5 4C
 - Flow Line (10")
 Shale Shakers and Centrifuges
 Cuttings Bins for Zero Discharge
 - Cuttings Bins for Zero Discharge
 Mud Gas Separator with vent line to flare and return line to mud system
 Annular Preventer (13-5/8", 10M)
 Double Ram (13-5/8", 10M, Pipe Ram top x Blind Ram bottom)
 Drilling Spool (13-5/8", 10M)
 Single Ram (13-5/8", 10M, Pipe Rams)
 Kill Line Gets Velve Ipper (2,1/15", 10M)

 - Kill Line Gate Valve, Inner (2-1/16", 10M) Kill Line Gate Valve, Outer (2-1/16", 10M)
 - Kill Line Check Valve (2-1/16, 10M)
 - CoFlex Choke Line (4-1/16", 10M)
 - 10 Choke Line Gate Valve, Inner (4-1/16", 10M)
 - Choke Line Hydraulically Operated Gate Valve, Outer, (4-1/6" 10M w/ Double Acting HCR) 11
 - Drilling Spool Adapter (13-5/8", 10M)

brmediate 2 Casing SFb = face Casing
SFb a
rmediate 1 Casing
SFb a Surface Casing
SF Day, 737000
SF Bouyent - 737000
Intermediate 1 Casing
SF Day - 1000000
Intermediate 2 Casing
SF Day - 0
SF Bouyent - 0
Froduction 1 Casing
SF Day - 64 0000
SF Bouyent - 64 1000 Production 2 Casing SFI Dry • 0 SFI Bouyani • 0

Production Casing Specification Sheet

For the latest performance data, always visit our website: www.tenaris.com

August 29 2016



Casing/Tubing: CAS

Connection: TenarisXP® BTC

Size: 5.500 in.

Wall: 0.361 in.

Weight: 20.00 lbs/ft

Grade: P110

Min. Wall Thickness: 87.5 %

| MC at the | | P 4 | |
|-----------|----|-----|-----|
| | 16 | na | ris |

| | | PIPE BODY | DATA | | |
|---|-----------------------|---------------------------------|-----------------------|--|-------------------|
| | | GEOME | TRY | | |
| Nominal OD | 5.500 in. | Nominal Weight | 20.00 lbs/ft | Standard Drift Diameter | 4.653 in. |
| Nominal ID | 4.778 in. | Wall Thickness | 0.361 in. | Special Drift Diameter | N/A |
| Plain End Weight | 19.83 lbs/ft | | | | |
| | | PERFORM | ANCE | | |
| Body Yield Strength | 641 × 1000 lbs | Internal Yield | 12630 psi | SMYS | 110000 psi |
| Collapse | 11100 psi | | | | |
| Connection OD | 6.100 in. | Coupling Length | 9.450 in. | Connection ID | 4.766 in. |
| | | GEOME | TRY | | |
| Critical Section | 0,100 m, | Coupling Length | 9,430 III, | Connection 1D | 4.700 HI. |
| Area | 5,828 sq. in. | Threads per in. | 5.00 | Make-Up Loss | 4.204 in. |
| | | PERFORM | ANCE | | |
| Tension Efficiency | 100 % | Joint Yield Strength | 641 x 1000 lbs | Internal Pressure Capacity ⁽¹⁾ | 1 2630 psi |
| Structural Compression Efficiency | 100 % | Structural Compression Strength | 641 x 1000 lbs | Structural Bending ⁽²⁾ | 92 °/100 f |
| External Pressure Capacity | 11100 psi | | | | |
| | E | STIMATED MAKE- | UP TORQUES | (3) | |
| Minimum | 11270 ft-lbs | Optimum | 12520 ft-lbs | Maximum | 13770 ft-l |
| | | OPERATIONAL LI | MIT TORQUES | 5 | <u>-</u> |
| Operating Torque | 21500 ft-lbs | Yield Torque | 23900 ft-lbs | | |

Bill of Materials

NOTE Contact your Cameron representative for replacement part inquiries. Cameron personnel can check the latest revision of the assembly bill-of-material to obtain the appropriate and current replacement part number.

MN-DS HOUSING

Item Qty Description

- A1 1 Conversion; Casing Head Housing, Type 'Mn-Ds', 10K, 13-5/8 Nom 10K Oec BX-159 w/20.500-4TPILH Stub Acme Top f/ Thded Flg and Prep f/ Internal Snap Ring x 13-3/8 SOW Btm w/ Four Grout Ports, w/ (2) Upper 1-13/16 API 10K BX-151 Outlets w/1-1/4 API Vr Thds Part# 2031060-48-02
- A2 1 Body, Bushing Reducer,13-3/8 SOW x 11-3/4 SOW Part# 2310058-03-01
- A3 1 Body, Load Ring f/ 20 Casing (.375 C.S. Casing) To Accept Low Pressure Adapter Part# 2329761-07-01
- A4 1 Casing Hanger, Mandrel,
 Type 'Mn-Ds', 13-5/8 Nom
 x 8-5/8 API BC Box Thd
 Btm x 10.000-4TPI L.H
 Stub Acme Running Thd,
 Min Bore: 8.000, 10,000
 Psi Max Working Pressure,
 700,000 Lbs Max Hanging
 Load

Part# 2345509-17

- A5 1 Assy; Packoff Support Bushing, Type MN-DS', 13-5/810K, w/13-5/8 Nom Dovetail Seal, and 9-5/8 Nom 'T' Seal and w/ Internal and External Lock Ring Prep, Min. Bore 8.835 Part# 2161673-01-01
- A6 1 Rotating Mandrel Hanger,
 Type 'MN-DS'; 11 Nom,
 5-1/2 20 Lb/Ft Tenaris XP
 Buttress Box Thd Btm X
 7.500- 4 TPI Stub ACME
 Running Thd w/ 5.010 OD
 type 'H' BPV Thd w/ 7 Nom
 Slick Neck Top, w/ FLow-by
 Slots; Min Bore: 4.754
 Part# 2345649-49-01

MN-DS HOUSING

Item Qty Description

- A7 1 Assy; Seal Packoff f/ 11 Nom Type 'Mn-Ds', w/ 9.875-4TPI LH Stub Acme Thd w/ 7.75 Dbl 'T' Seals At ID and Dovetails At OD Part# 2217588-05-03
- A8 1 Gate Valve, Manual, Model M Pow-R-Seal, 2-1/16 Bore, 5K Psi Psi, 2-1/16 API Flg x Flg Part# 2148451-31-22
- A9 2 Companion Flange, 2-1/16 API 5K x 2" API LP Thd Part# 142362-01-03-02
- A10 4 Bull Plug 2" LP w/1/2 NPT x 3.750" Lg Part# 007481-01
- A11 2 Bleeder Fitting, Plug 1/2 NPT 4140 Nace Part# 2738068-02
- A12 2 Needle Valve, 1/2 NPT 10000 Psi Part# 006818-23
- A13 1 Pressure GaugE 0-5M Liquid Filled Part# Y52100-00300791
- A14 3 Ring Gasket, R-24 Part# 702001-24-02
- A15 8 Stud w/(2) Nuts 7/8" x 6" Lg Part# Y51201-20220301
- A16 1 VR Plug 1-1/2 In 11-1/2 TPI - 3/4 TPF 'Vee' Tubing Thd, 2-1/16 2K - 10K Part# 2222164-02-01
- A17 3 Ring Gasket, BX-151 Part# 702003-15-12
- A18 8 Stud w/(2) Nuts, 3/4"-10 x 5-1/4" Lg Part# Y51201-20120201
- A19 1 Pressure Gauge 0-10M Liquid Filled Part# Y52100-00301391

MN-DS HOUSING

Item Qty Description

- A20 1 VR Plug 1-1/4 LP Thd, 1-13/16 2K - 10K Part# 2222164-01-01
- A21 1 Gate Valve, Manual, Model FLS, 1-13/16 Bore, 10K Psi, 1-13/16 API Flg x Flg Part# 141510-41-91-01
- A22 2 Companion Flange, 1-13/16 API 10K w/ 2" API Line Pipe, 5000 Psi WP Part# 142359-01-03-02
- A23 1 Ring Gasket, BX-159 Part# 702003-15-92

RP-003766

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13-5/8" 10K MN-DS System 20" x 11-3/4" x 8-5/8" x 5-1/2" Casing Program



Bill of Materials

NOTE Contact your Cameron representative for replacement part inquiries. Cameron personnel can check the latest revision of the assembly bill-of-material to obtain the appropriate and current replacement part number.

SERVICE TOOLS

Item Qty Description

- ST1 1 Conversion Assy; Casing Head Torque Tool, f/ 'MN-DS' w/ Lift Plate, 13-3/8 In API 8Rnd Short Thread Casing Box Thread Top X .750-10UNC (16) Bolt Pattern Btm, (8) Torque Pins, Min Bore: 12.605 Part# 2143701-75
- ST1A 1 Conversion Body; Lift Plate for Casing Head Torque Tool w/ Exrt 14.75 Stub ACMERng Thd and (2) OD O-ring Seals Part# 2143700-76
- ST2 1 Assy; Test Plug, Type "C"
 13-5/8" Nom f/ Use In
 Cactus Head w/ WQ Seal
 4-1/2" IF Box X 4-1/2" IF
 Pin Btm, w/ Weep Hole On
 Top Portion Of Test Plug
 Part# 2247044-01-01
- ST3 1 Weldment and Assy; Wear Bushing Running & Retrieving Tool IC-2,13-5/8" Nom x 4-1/2" IF Box Btm x Top Part# 2301310-02
- ST4 1 Assy; Wear Bushing, f/ 13-5/8" Nom 10K Type 'Mn-Ds' Housing, Installed w/ (4) O-Rings & (4) Welded Stop Lugs Min Bore: 12.615 Part# 2367788-02
- ST5 1 Assy; Running Tool, 13-5/8" Nom, w/ 8-5/8 BC Box Thd Top x 10.000-4TPI LH Stub Acme Running Thd Btm, C/ W Single O-Ring and (3) Centralizing Ribs, Min Bore: 8.00 Part# 2161757-98-01
- ST6 1 Assy; Jetting Tool, 13-5/8" Nom Compact Housing, Type 'SSMC' Part# 2125914-01

SERVICE TOOLS

Item Qty Description

- ST7 1 Running Tool, 'MN-DS'
 Type f/ 13-5/8" Nom Packoff Support Bushing w/
 4-1/2" API IF Thd Top x
 4-1/2" API IF Thd Btm and
 12.375" 4-TPI LH Stub
 Acme Thd, Safe Working
 Load: 275K Lbf
 Part# 2017712-10-01
- ST8 1 Assy; Test Plug, Type 'IC', 11" Nom 4-1/2" IF Box X Pin Btm, w/ Weep Hole On Top Portion Of Test Plug, w/(2)Dovetail Seal Grooves Part# 2247042-07-01
- ST9 1 Weldment and Assembly, Retrieving Tool, 11" In Nom x 4-1/2" IF Box Btm x Top, Min Bore: 4.19" Part# 2367902-01-01
- ST10 1 Assy, Wear Bushing, f/ 11" Nom Type 'MN-DS', Min Bore: 8.910" Part# 2125720-06
- ST11 1 Assy; Rotating Fluted
 Mandrel Hanger Running
 Tool, TSDS-S; 11 Nom X
 7.500-4TPI Stub ACME
 Thd Btm X 5-1/2 23 Lb/Ft
 TSH Blue Box Thd Top, w/
 1/8-27 NPT Test Port
 Part# 2161757-83-01
- ST12 1 Running Tool; F/ 11 Nom SealAssembly w/4-1/2API IF Thd Top X 2-7/8 API IF Thd Btm and 9.875-4 TPI LH Stub ACME Thd Part# 2017712-15-01
- ST13 1 Assy; Casing Head Running Tool; 14.750-4 TPILH Internal Stub ACME Thd Btm X 11-3/4 API 8Rnd Short Thd Casing Box Thd Top; Min Bore: 11.359 Part# 2254468-04-01
- ST14 1 Assy; Low Pressure Adapter; 24.00 OD X22.740 ID Part# 2222008-06-01

EMERGENCY EQUIPMENT

Item Qty Description

- E1 1 Assy; MN-DS-IC-1 Casing Slip, 13-5/8 Nom X 8-5/8 Casing; w/ Holes F/ Antirotation Pins, (Control Height)
 Part# 2161741-09-01
- E2 1 Assy; Emergency Bushing Packoff Support, 'MN-DS', 13-5/8, w/ 13-5/8 Dovetail; 8-5/8 'T' Seals, w/ Internal and External Lockring Prep; 10K Service Part# 2161673-20-01
- E3 1 Assy; Casing Hanger, IC-2, 11" x 5-1/2", (f/ 10K Above and Below) Part# 2357372-01-01
- E4 1 Assy. 'NX' Bushing Nom 11" x 5-1/2" OD Csg w/ Integral Bit Guide Part# 2161829-02-01

CAPPING FLANGE

Item Qty Description

- TA1 1 Assy; Capping Flg, 7-1/16"
 API 10K BX-156 Std'd
 Blind Top x 13-5/8" API
 10K BX-159 Std'd Btm,
 w/ One 1-13/16" API 10K
 BX-151 Std'd Side Outlet,
 w/ 1-13/16" API Vr Thd, w/
 11" 'NX' Btm Prep, Oal: 12"
 Part# 2392883-03-01
- TA2 1 Assy 'NX' Bushing Nom 11" w/ 7" OD Csg Part# 608783-17
- TA3 1 Gate Valve, Manual, Model FLS, 1-13/16 Bore, 10K Psi, 1-13/16 API Flg x Flg Part# 141510-41-91-01



BEGINNING AT THE INTERSECTION OF HIGHWAY 18 AND HIGHWAY 128, PROCEED IN A WESTERLY, THEN NORTHWESTERLY DIRECTION FROM JAL, NEW MEXICO ALONG HIGHWAY 128 APPROXIMATELY 30.0 MILES TO THE JUNCTION OF THIS ROAD AND J-1/ORLA ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 13.6 MILES TO THE JUNCTION OF THIS ROAD AND BATTLE AXE ROAD/CR J-2 TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY DIRECTION APPROXIMATELY 1.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.1 MILES THE BEGINNING OF THE PROPOSED ACCESS TO THE EAST; FOLLOW ROAD FLAGS IN A EASTERLY DIRECTION APPROXIMATELY 582' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM JAL, NEW MEXICO TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 44.9 MILES.

REV: 1 06-19-17 V.L.D. (PAD NAME CHANGE

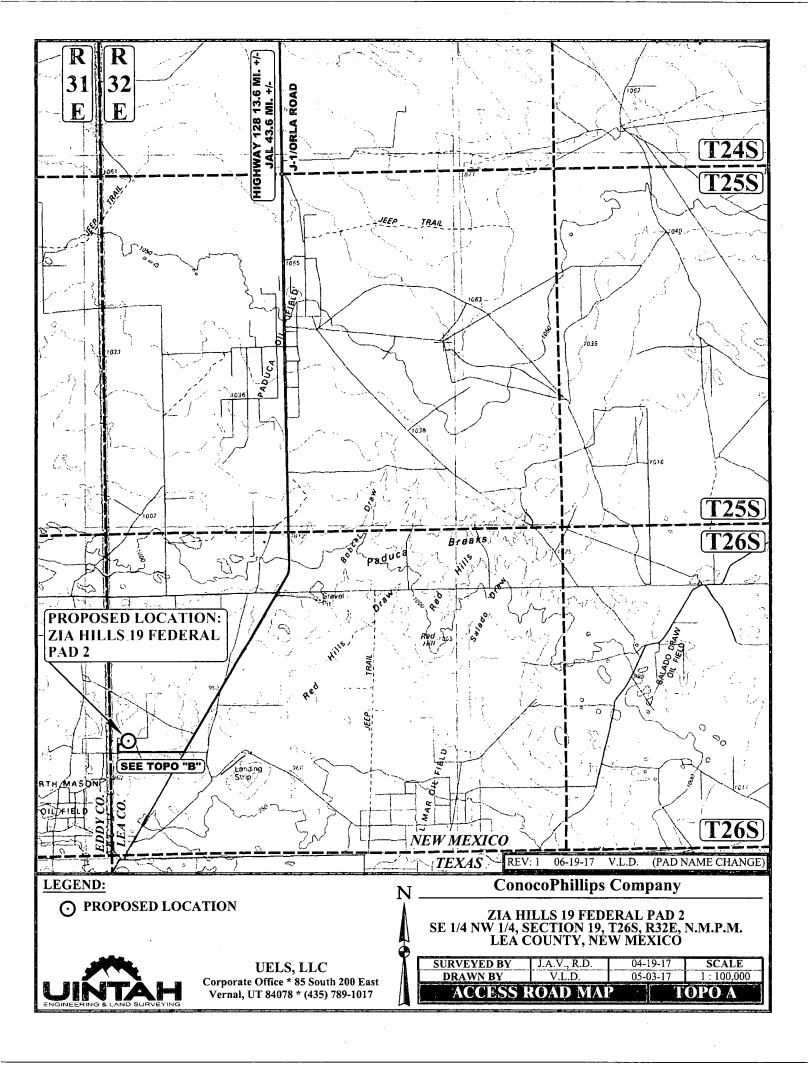
ConocoPhillips Company

ZIA HILLS 19 FEDERAL PAD 2 SE 1/4 NW 1/4, SECTION 19, T26S, R32E, N.M.P.M. LEA COUNTY, NEW MEXICO



UELS, LLC Corporate Office * 85 South 200 East Vernal, UT 84078 * (435) 789-1017

| SURVEYED BY | J.A.V., R.D. | 04-19-17 | | | | | | | |
|------------------|--------------|----------|--|--|--|--|--|--|--|
| DRAWN BY | V.L.D. | 05-03-17 | | | | | | | |
| ROAD DESCRIPTION | | | | | | | | | |



1. Geologic Formations

| TVD of target | 11,619' | Pilot hole depth | N/A |
|---------------|---------|-------------------------------|-----|
| MD at TD: | 22,124' | Deepest expected fresh water: | 300 |

Basin

| Formation | Depth (TVD) from KB | SSTVD (ft.) | Water/Miner al Bearing/Targ et Zone | Hazards * |
|-----------------------------------|------------------------|-------------|--|-----------|
| Quaternary Fill | Surface | 0 | Water | |
| Base of Fresh Water | 300 | 300 | Water | |
| Rustler | 1,119 | 2060 | Water | |
| Top of Salt / Salado | 1,279 | 1900 | Mineral | |
| Castile | 2,629 | 550 | Mineral | |
| Delaware Top / Base Salt | 4,229 | -1050 | O&G | |
| Ford Shale | 4,354 | -1175 | O & G | |
| Cherry Canyon | 5,154 | -1975 | O & G | |
| Brushy Canyon | 6,629 | -3450 | O & G | |
| Bone Springs | 8,029 | -4850 | O & G | |
| Bone Springs 3 rd Carb | 10,339 | -1760 | 0 & G | |
| WolfCamp | 11,379 | -8200 | O & G | |
| WolfCamp 1 | 11,604 | -8425 | O & G | |

^{*}H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

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

- Drill 14-3/4" surface hole to Rustler.
- Drill 10-5/8" hole from Rustler to Top of Wolfcamp formation with the same density mud (OBM or Saturated Brine).
- Case and cement the well with 11-3/4" surface, 10-5/8" 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 11-3/4" casing and 8-5/8" casing to surface. Cement 5-1/2" casing to lap inside 8-5/8" casing shoe.
- 5-1/2" TXP buttress Casing Connection in 7-7/8" OH for minimum of 0.422 in clearance per Onshore Oil and Gas Order #2 III.B.

| Hole | Casing Interval | | Csg. Size V | Weight | Weight Grade | Conn. | SF | SF | SF |
|---------|-----------------|-------|-------------|--------|--------------|---------------|----------|-------|---------|
| Size | From | To | | (lbs) | | | Collapse | Burst | Tension |
| 14.75" | 0 | 1170 | 11.75" | 47.0 | J55 | BTC | 2.89 | 5.87 | 15.4 |
| 10.875" | 0 | 11400 | 8.625" | 32.0 | P110 | BTC | **1.48 | 1.55 | 3.53 |
| 7.875" | 0 | 22124 | 5.5" | 23.0 | P110 | TXP | 1.50 | 1.71 | 2.29 |
| | | | <u> </u> | BLM N | Minimum S | Safety Factor | 1.125 | 1.00 | 1.6 Dry |
| | | | | | | | ĺ | | 1.8 Wet |

^{**}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

Must have table for contingency casing

| | 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. | | | | | |
| 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 justification (loading assumptions, casing design criteria). | | | | | |
| Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing? | Y | | | | |
| 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? | Y | | | | |
| If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing? | Y | | | | |
| 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? | | | | | |
| 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? | | | | | |

3. Cementing Program

Option 1:

| # Sks | Wt. lb/ | Yld | H ₂ 0 | 500# | Slurry Description |
|-------|-------------------|---|---|--|--|
| | gal | ft3/ sack | gal/sk | Comp. Strength (Estimated hours) | |
| 470 | 13.5 | 1.68 | 8.94 | 8 | Lead: Class C + 4.0% Bentonite + 0.2% Anti- Foam + 2.0% CaCl2 +0.125lb/sk LCM + 0.1% Dispersant. |
| 240 | 14.8 | 1.35 | 6.38 | 7 | Tail: Class C + 0.2% Anti-Foam + 0.1% Lost Circ Control |
| 800 | 11.0 | 2.7 | 16.5 | 18 | Lead: Class C 75.00 lb/sk BWOB D049 + 1.00 % BWOB D013 Retarder + 10.00 % BWOB D020 Extender + 0.02 gal/sk VBWOB D047 Anti foam + 2.00 % BWOB D154 Extender + 0.15 % BWOB D208 Viscosifier |
| 570 | 13.5 | 1.29 | 6.02 | 7 | Tail: Class C 75.00 lb/sk BWOB D049 + 0.50 % BWOB D013 Retarder + 1.00 % BWOB D020 Extender + 3.00 lb/sk WBWOB D042 Extender + 0.02 gal/sk VBWOB D047Anti foam + 0.10 % BWOB D065 Dispersant + 0.13 lb/sk WBWOB D130 Lost Circulation + 0.30 % BWOB D238 Fluid loss |
| 2290 | 16.4 | 1.08 | 4.38 | 10 | Tail: Class H + 1.00 % BWOB D020 Extender + 0.02 gal/sk VBWOB D047 Anti Foam + 0.10 % BWOB D065 Dispersant + 0.15 % BWOB D255 Fluid loss + 0.30 % BWOB D800 Retarder |
| | 240 800 570 | gal 470 13.5 240 14.8 800 11.0 570 13.5 | gal ft3/sack 470 13.5 1.68 240 14.8 1.35 800 11.0 2.7 570 13.5 1.29 | gal ft3/sack gal/sk 470 13.5 1.68 8.94 240 14.8 1.35 6.38 800 11.0 2.7 16.5 570 13.5 1.29 6.02 | gal ft3/sack gal/sk Strength (Estimated hours) 470 13.5 1.68 8.94 8 240 14.8 1.35 6.38 7 800 11.0 2.7 16.5 18 570 13.5 1.29 6.02 7 |

| Casing | # Sks | Wt. lb/ gal | Yld ft3/ sack | H ₂ 0 gal/sk | 500# Comp. Strength (Estimated hours) | Slurry Description |
|--------|-------|----------------|---------------------|----------------------------|---|--|
| Surf. | 470 | 13.5 | 1.68 | 8.94 | 8 | Lead: Class C + 4.0% Bentonite + 0.2% Anti- Foam + 2.0% CaCl2 +0.125lb/sk LCM + 0.1% Dispersant. |
| | 240 | 14.8 | 1.35 | 6.38 | 7 | Tail: Class C + 0.2% Anti-Foam + 0.1% Lost Circ Control |
| Inter. | 370 | 11.0 | 2.7 | 16.5 | 18 | Lead: Class C 75.00 lb/sk BWOB D049 + 1.00 % BWOB D013 Retarder + 10.00 % BWOB D020 Extender + 0.02 gal/sk VBWOB D047 Anti foam + 2.00 % BWOB D154 Extender + 0.15 % BWOB D208 Viscosifier |
| | 570 | 13.5 | 1.29 | 6.02 | 7 | Tail: Class C 75.00 lb/sk BWOB D049 + 0.50 % BWOB D013 Retarder + 1.00 % BWOB |

D020 Extender + 3.00 lb/sk WBWOB D042
Extender + 0.02 gal/sk VBWOB D047Anti
foam + 0.10 % BWOB D065 Dispersant +
0.13 lb/sk WBWOB D130 Lost Circulation +
0.30 % BWOB D238 Fluid loss

DV/ACP Tool: 4,200'

ConocoPhillips, ZIA HILLS 19 FEDERAL COM 109H

| | | | | L | | 0.30 % BWOB D238 Fluid loss | |
|-------|---------------------|------|------|-------|----|--|--|
| | DV/ACP Tool: 4,200' | | | | | | |
| | 420 | 11.0 | 3.10 | 19.03 | 15 | 2nd Stage Lead: Class 'C' + 2.00 % BWOB Extender + 3.40 lb/sk WBWOB D042 Extender + 0.02 gal/sk VBWOB D047 Anti Foam + 2.00 % BWOB D079 Extender + 5.00 % BWOB D154 Extender + 1.00 % BWOB S001 CaCl2 | |
| Prod. | 2290 | 16.4 | 1.08 | 4.38 | 10 | Tail: Class H + 1.00 % BWOB D020 Extender + 0.02 gal/sk VBWOB D047 Anti Foam + 0.10 % BWOB D065 Dispersant + 0.15 % BWOB D255 Fluid loss + 0.30 % BWOB D800 Retarder | |
| | DV/ACP Tool: NO | | | | | | |

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.

| Casing String | TOC | % Excess in OH |
|---------------|---------|----------------|
| Surface | 0' | >100% |
| Intermediate | 0' | >30% |
| Production | 10,400' | >15% |

Include Pilot Hole Cementing specs: NO PILOT HOLE. Pilot hole depth

N/A KOP

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

3. Pressure Control Equipment

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

| BOP installed and tested before drilling which hole? | Size? | Min. Required WP | Туре | | Y | Tested to: |
|---|-------------------|------------------------|----------|------------|----------|--------------------------|
| | | | Annu | lar | x | 50% of working pressure |
| | | 10M | Blind I | Ram | х | |
| 10-5/8" | 11" or 13-5/8" | | Pipe Ram | | х | . 1000/ 6 1: |
| | | | Double | Double Ram | | 100% of working pressure |
| | | | Other* | | | |
| | | | Annu | ılar | х | 50% of working pressure |
| | 1 1 1 1 | | Blind I | Ram | Х | |
| 7-7/8" | 11" or 13-5/8" | 10M | Pipe R | Ram | Х | 1000/ 5 1: |
| | | | Double | Double Ram | | 100% of working pressure |
| | | | 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.

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 5600 psi. The pressure test to MASP and 50% for annular shall be performed with a test plug after installing the casing head and nippling up the 5M 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 | Formation integrity test will be performed per Onshore Order #2. | | | | | |
|-----|--|--|--|--|--|--|
| | On Exploratory wells or 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. Will be tested in | | | | | |
| | accordance with Onshore Oil and Gas Order #2 III.B.1.i. | | | | | |
| | A variance is requested for the use of a flexible choke line from the BOP to Choke | | | | | |
| 3.7 | Manifold. 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. | | | | | |

4. Mud Program

| . *. · · · · · · · · · · · · · · · · · · | Depth | Туре | Weight (ppg) | Viscosity | Water Loss |
|--|--------|------------------|--------------|-----------|------------|
| From | To | | | | |
| 0 | 1,170 | Spud Mud | 8.34 - 8.6 | 32-36 | N/C |
| 0 | 11,400 | Cut-Brine or OBM | 8.6-9.4 | 30-40 | ≤5 |
| 0 | 22,124 | Oil Base Mud | 9.5-13.5 | 30-40 | ≤5 |

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? | (|

5. Logging and Testing Procedures

| | 55***S ***** |
|------|--|
| Logg | ging, Coring and Testing. |
| Х | 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. |

| Addi | tional logs planned | Interval |
|------|---------------------|----------|
| | Resistivity | |
| | Density | · |
| | CBL | |
| х | Mud log | |
| | PEX | |

6. Drilling Conditions

| o. Diming conditions | | |
|----------------------------|------------------------------|--|
| Condition | Specify what type and where? | |
| BH Pressure at deepest TVD | 8157 psi | |
| 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.

N H2S is present
Y H2S Plan attached

7. 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.

Attachments:

Attachment#1: Directional Plan.

Attachment#2: Wellbore Casing & Cementing Schematic.

Attachment #3: Special (Premium) Connections.

Attachment#4: Wellhead Schematic.
Attachment #5: BOP Schematic.
Attachment #6: Choke Schematic.

Attachment #7: Flex Hose Documentation.

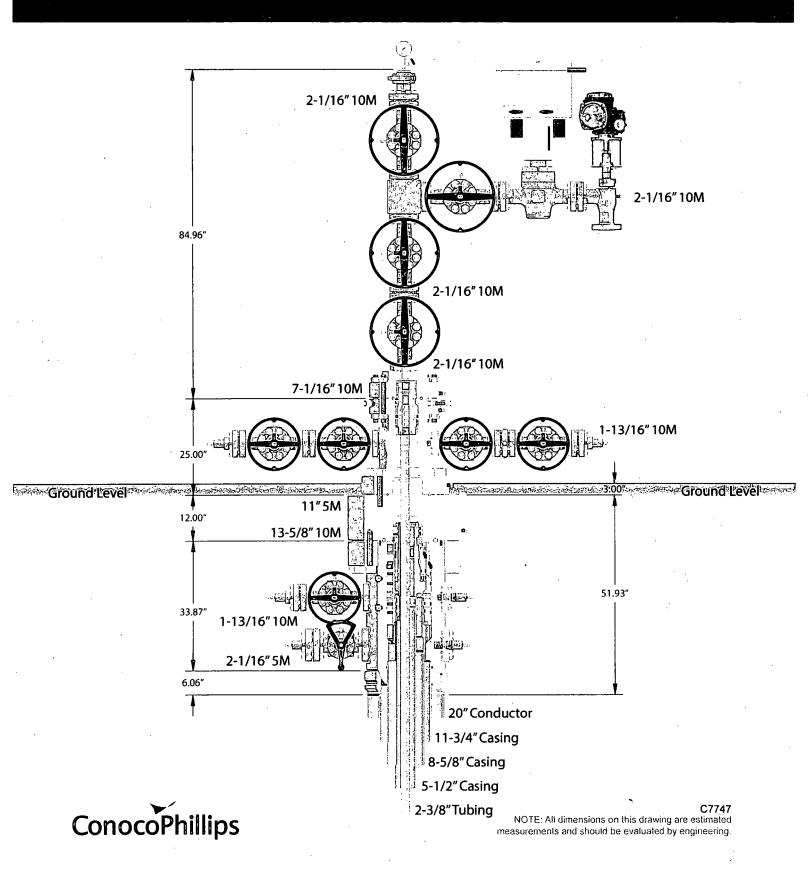
Attachment #8: Rig Layout.

Option 2:

| Option 2: Casing | # Sks | Wt. lb/ gal | Yld ft3/ sack | H ₂ 0 gal/sk | 500# Comp. Strength (Estimated hours) | Slurry Description |
|---------------------|-------|----------------|---------------------|----------------------------|---|---|
| Surf. | 470 | 13.5 | 1.68 | 8.94 | 8 | Lead: Class C + 4.0% Bentonite + 0.2% Anti- Foam + 2.0% CaCl2 +0.125lb/sk LCM + 0.1% Dispersant. |
| | 240 | 14.8 | 1.35 | 6.38 | 7 | Tail: Class C + 0.2% Anti-Foam + 0.1% Lost Circ Control |
| Inter. | 370 | 11.0 | 2.7 | 16.5 | 18 | Lead: Class C 75.00 lb/sk BWOB D049 + 1.00 % BWOB D013 Retarder + 10.00 % BWOB D020 Extender + 0.02 gal/sk VBWOB D047 Anti foam + 2.00 % BWOB D154 Extender + 0.15 % BWOB D208 Viscosifier |
| · | 570 | 13.5 | 1.29 | 6.02 | 7 | Tail: Class C 75.00 lb/sk BWOB D049 + 0.50 % BWOB D013 Retarder + 1.00 % BWOB D020 Extender + 3.00 lb/sk WBWOB D042 Extender + 0.02 gal/sk VBWOB D047Anti foam + 0.10 % BWOB D065 Dispersant + 0.13 lb/sk WBWOB D130 Lost Circulation + 0.30 % BWOB D238 Fluid loss |
| | | | | | DV/ACP To | pol: 4,200' |
| | 420 | 11.0 | 3.10 | 19.03 | 15 | 2nd Stage Lead: Class 'C' + 2.00 % BWOB Extender + 3.40 lb/sk WBWOB D042 Extender + 0.02 gal/sk VBWOB D047 Anti Foam + 2.00 % BWOB D079 Extender + 5.00 % BWOB D154 Extender + 1.00 % BWOB S001 CaCl2 |
| Prod. | 2290 | 16.4 | 1.08 | 4.38 | DV/ACP T | Tail: Class H + 1.00 % BWOB D020 Extender + 0.02 gal/sk VBWOB D047 Anti Foam + 0.10 % BWOB D065 Dispersant + 0.15 % BWOB D255 Fluid loss + 0.30 % BWOB D800 Retarder |



13-5/8" 10M MN-DS Wellhead System with CXS Completion



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

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Hose Data Sheet

| CRI Order No. | 516273 |
|-----------------------------|--|
| Customer | ContilTech Beattie Co. |
| Customer Order No | PO5438 STOCK |
| Item No. | 3 |
| Hose Турв | Flexible Hose |
| Standard | API SPEC 16 C |
| Inside dia in inches | 3 |
| Lengih | 35 fl |
| 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 |
| Warking Pressure | 10 000 psi |
| Design Pressure . | 10 000 psi |
| Test Pressure | 15 000 psi |
| Safely 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 |

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Page:

7/50

Fluid Technology

Quality Document

| QUALIT | TY CONT | | \TE | CERT. N | l*: | 184 | | | |
|--|---------------------------------------|----------------------|-------------------------------------|-------------------------|---|---------------------|----------|--|--|
| PURCHASER: | ContiTech B | eattie Co. | | P.O. Nº: | - | 005438 | | | |
| CONTITECH ORDER N°: | 16273 | HOSE TYPE: | 3" ID | | Choke ar | nd Kill Hose | | | |
| HOSE SERIAL Nº: | 61477 | NOMINAL / ACTU | AL LENGTH: | | 10,67 | m / 10,71 m | | | |
| W.P. 68,9 MPa 10 | iaq 0000 | T.P. 103,4 | /Pa 1500 | O psi | Duration: | 60 | min. | | |
| See attachment. (1 page) | | | | | | | | | |
| → 10 mm r 20 MPs | 3 | | | | | | | | |
| COUPLINGS Type | | Serial Nº | Quality | | Heat N° | | | | |
| 3" coupling with | 1017 | 8 10173 | A | ISI 4130 | 20231 | | | | |
| 4 1/16" 10K API Flange er | nd | | A | I\$I 4130 | | 33051 | | | |
| NOT DESIGN | ED FOR W | ELL TESTING | } | | | API Spec 16 | С | | |
| All mutal parts are flawless | | | | | Tem | perature rat | e:"B" | | |
| WE CERTIFY THAT THE ABOVE INSPECTED AND PRESSURE T | | | | | III THE TER | AS OF THE ORDE | R | | |
| STATEMENT OF CONFORM! conditions and specifications eccordance with the referenced | of the ecove Pur- standards, code: | chaser Order and tha | I those items/or nd meet the ref | uipment w evant acce | eze fabricate | d inspected and ter | steat in | | |
| Date: 30. January 2012. | Inapactor | | Quality Contr | | CountTech Industric Juality Cont (1) | diker / | 705 | | |

Conflict, Factor aduction of Background (C. Stoppe House FORDS (B2 Stoppe Selfon House)

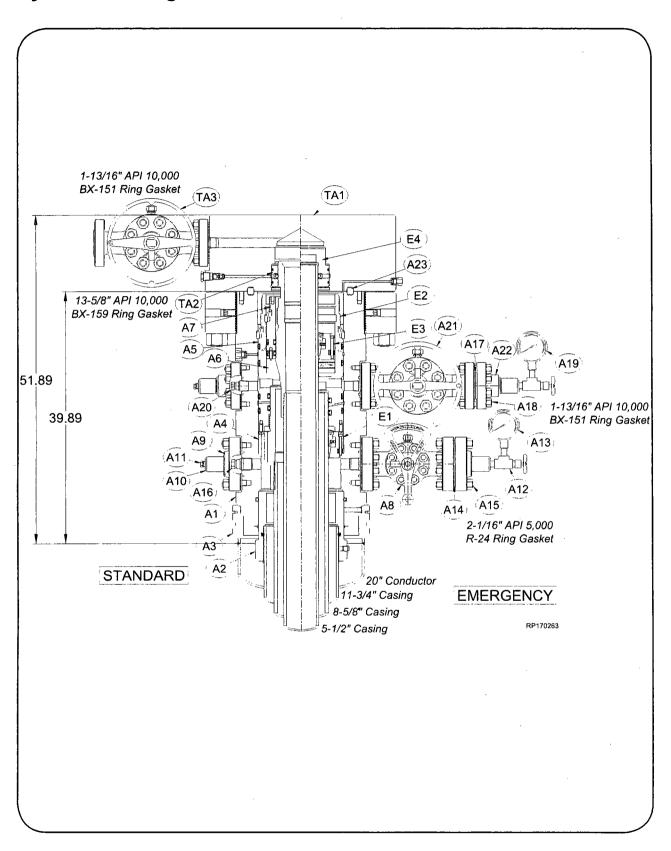
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ATTACHMENT OF QUALITY CONTROL INSPECTION, AND TEST CERTIFICATE

No: 193, 184, 185

Page: I / I

System Drawing







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



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:

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:

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:

PWD disturbance (acres):

Section 3 - Unlined Pits

Injection well mineral owner:

Would you like to utilize Unlined Pit PWD options? NO

| Produced Water Disposal (PWD) Location: | |
|---|--|
| PWD surface owner: | PWD disturbance (acres): |
| 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 Dissol that of the existing water to be protected? | ved Solids (TDS) concentration equal to or less than |
| 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? | |
| 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 (hhl/day): | |

| 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? N | 0 |
| 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): |
| Other PWD discharge volume (bbl/day): | |
| Other PWD type description: | |
| Other PWD type attachment: | |
| Have other regulatory requirements been met? | |
| Other regulatory requirements attachment: | |
| , | |
| | |
| | |



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

Bond Info Data Report

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:

Well Name: ZIA HILLS 19 FEDERAL COM

Well Number: 109H

| | 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 |
|-------------------|----------|--------------|----------|--------------|------|-------|---------|-------------------|---------------|---------------------|--------|-------------------|-------------------|------------|----------------------|---------------|-----------|-----------|
| PPP Leg #1 | 0 | FSL | 132 5 | FWL | 26S | 32E | 18 | Lot 4 | 32.03553 3 | - 103.7187 92 | LEA | NEW MEXI CO | | F | NMLC0 62749C | | 114 50 | 114 50 |
| PPP Leg #1 | 0 | FSL | 132 1 | FWL | 26S | 32E | 7 | Lot 4 | 32.05021 | - 103.7188 03 | LEA | NEW MEXI CO | | F | NMNM 039208 2A | - 826 8 | 114 50 | 114 50 |
| EXIT Leg #1 | 233 8 | FSL | 132 0 | FWL | 268 | 32E | 7 | Lot 3 | 32.05663 6 | - 103.7188 08 | LEA | | NEW MEXI CO | F | NMNM 039208 2A | - 843 7 | 217 94 | 116 19 |
| BHL Leg #1 | 261 8 | FSL | 132 0 | FWL | 26S | 32E | 7 | Lot 3 | 32.05740 6 | - 103.7188 08 | LEA | NEW MEXI CO | NEW MEXI CO | F | NMNM 039208 2A | - 843 7 | 221 24 | 116 19 |

SPECIFICATIONS

FLOOR: 3/16" PL one piece

CROSS MEMBER: 3 x 4.1 channel 16" on

WALLS: 3/16" PL solid welded with tubing

top, insi de liner hooks

DOOR: 3/16" PL with tubing frame FRONT: 3/16" PL slant formed

PICK UP: Standard cable with 2" x 6" x 1/4"

rails, gu sset at each crossmember

WHEELS: 10 DIA x 9 long with rease fittings

DOOR LATCH: 3 Independent ratchet binders with chains, vertical second latch

GASKE TS: Extruded rubber seal with metal retainers

WELDS: All welds continuous except substructur e crossmembers

FINISH: Coated inside and out with direct to metal; rust inhibiting acrylic enamel color coat HYDROTESTING: Full capacity static test DIMEN SIONS: 22'-11' long (21'-8" inside), 99" wid e (88" inside), see drawing for height OPTIONS: Steel grit blast and special paint,

Ampliroll, Heil and Dino pickup ROOF: 3/16" PL roof panels with tubing and

channel support frame

LIDS: (2) 68" x 90" metal rolling lids spring

loaded, self raising ROLLERS: 4" V-groove rollers with delrin

bearings and grease fillings OPENING: (2) 60" x 82" openings

with 8" divider centered on

contain er

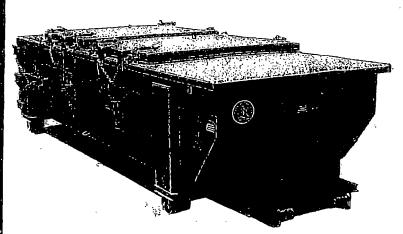
LATCH:(2) independent

ratchet binders with chains

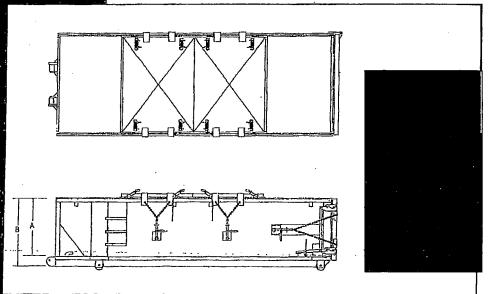
per lid

GASKETS: Extruded rubber seal with metal retainers

Heavy Duty Split Metal Rolling Lid



| CONT. | Α | В |
|-------|----|----|
| 20 YD | 41 | 53 |
| 25 YD | 53 | 65 |
| 30 YD | 65 | 77 |





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



Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the 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. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

NAME: Ashley Bergen

Signed on: 07/26/2017

Title: Associate, Regulatory MCBU

Street Address: 3300 N. A Street

City: Midland

State: TX

Zip: 79710

Phone: (432)688-6938

Email address:

Email address: Ashley.Bergen@conocophillips.com

Field Representative

| Representative Name: | | |
|----------------------|--------|------|
| Street Address: | | |
| City: | State: | Zip: |
| Phone: | | |