

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMLC068282A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
STAMPEDE FEDERAL WC COM 34 1H

2. Name of Operator
CONOCOPHILLIPS
Contact: KRISTINA MICKENS
E-Mail: kristina.mickens@conocophillips.com

9. API Well No.

3a. Address
600 N DAIRY ASHFORD P-10-4056
HOUSTON, TX 77079

3b. Phone No. (include area code)
Ph: 281-206-5282

10. Field and Pool, or Exploratory
WILDCAT WOLFCAMP

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 34 T26S R31E 250FSL 380FWL

11. County or Parish, and State
EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Per conversation with Jerry Blakely on 02/13/2014, ConocoPhillips respectfully requests for approval to build the location for the STAMPEDE FEDERAL WC COM 34 1H.

Operator is responsible for surface reclamation if well is not drilled

*Accepted for record
WD RECORDED 3/11/14*

RECEIVED
FEB 25 2014
NMOCD ARTESIA

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #235715 verified by the BLM Well Information System
For CONOCOPHILLIPS, sent to the Carlsbad
Committed to AFMSS for processing by JERRY BLAKLEY on 02/18/2014 ()

Name (Printed/Typed) KRISTINA MICKENS

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 02/17/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By *[Signature]*
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

APPROVED

FEB 18 2014

Date

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

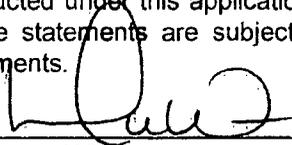
**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Operator Certification

CONOCOPHILLIPS COMPANY

CERTIFICATION:

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



Donna Williams
Sr. Regulatory Advisor

Date: 8/7/12

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
LC068282A

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA Agreement, Name and No.
N/A

8. Lease Name and Well No.
Stampede Federal 27 1M

9. API Well No.

10. Field and Pool, or Exploratory
Wildcat Wolfcamp

11. Sec., T. R. M. or Blk. and Survey or Area
Section 27-26S-31E

12. County or Parish
Eddy

13. State
NM

1a. Type of work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator ConocoPhillips Company

3a. Address P.o. Box 51810
Midland, Tx 79710

3b. Phone No. (include area code)
432-688-6943

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface 2157 FSL & 1320 FWL (NWSW) 27-26S-31E

At proposed prod. zone

14. Distance in miles and direction from nearest town or post office*
~48.8.miles south/west of Jal, NM

15. Distance from proposed* 1320
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

16. No. of acres in lease
~~640 acres~~
124.6

17. Spacing Unit dedicated to this well
N/A Monitor/Source Well Only

18. Distance from proposed location* N/A Monitor/Source Well
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth
14210

20. BLM/BIA Bond No. on file
ES0085

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3145' GL

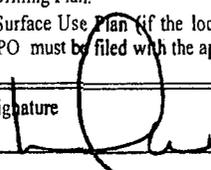
22. Approximate date work will start*
10/15/2013

23. Estimated duration
30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

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 Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature  Name (Printed/Typed) Donna Williams Date 08/28/2013

Title
Sr. Regulatory Advisor

Approved by (Signature) Name (Printed/Typed) Date

Title Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

* (1)
NEW
BLM
N POT
L
N

District I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
				Wildcat Wolfcamp	
⁴ Property Code		⁵ Property Name			⁶ Well Number
		STAMPEDE FED			27 1M
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation
217817		ConocoPhillips Company			3145'

¹⁰ Surface Location

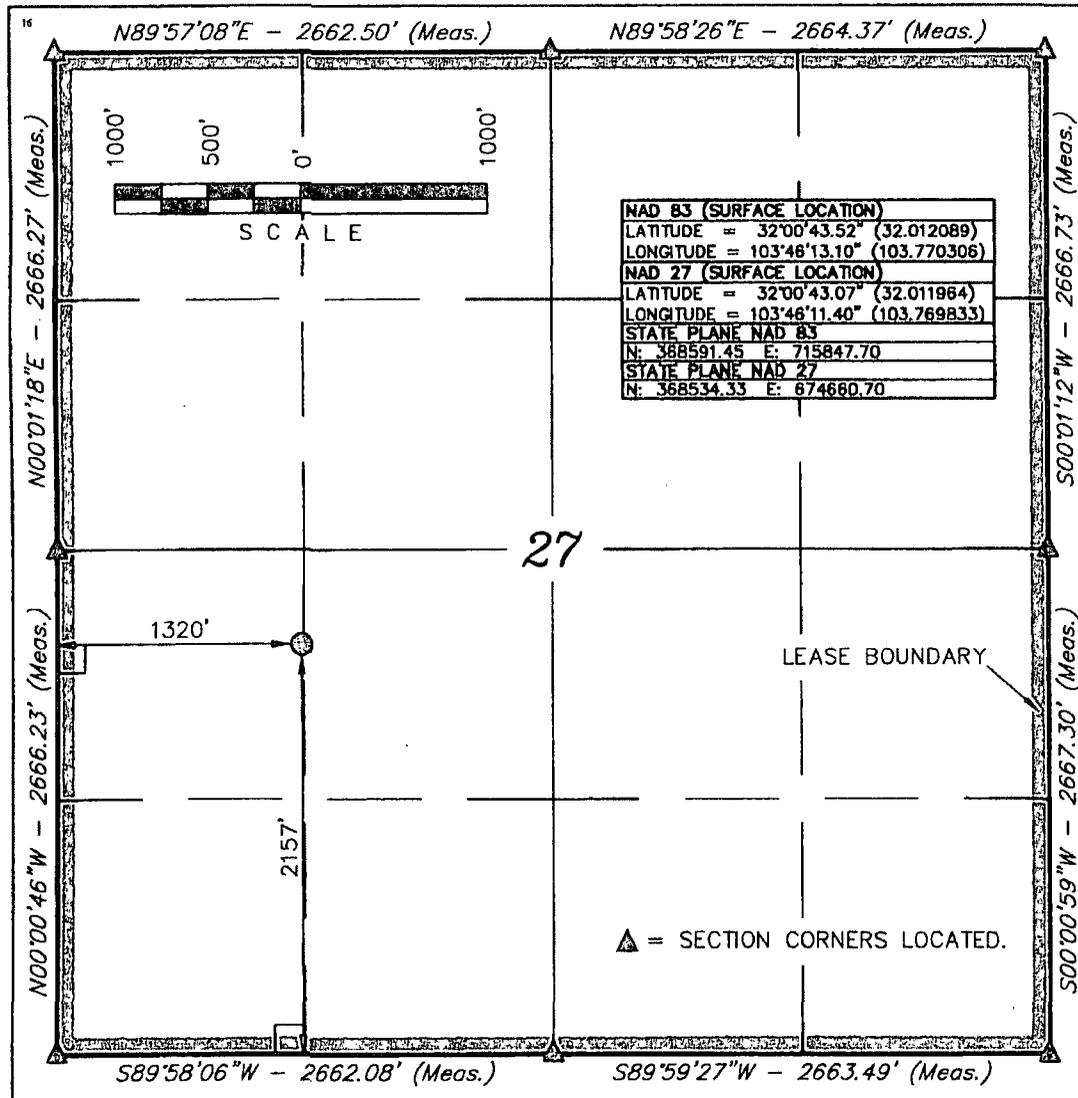
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	27	26 S	31 E		2157	SOUTH	1320	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
N/A-Monitor	Well		

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contact with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Donna Williams 8/5/13
Signature Date

Donna Williams
Printed Name
Donna.J.Williams@cop.com

E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

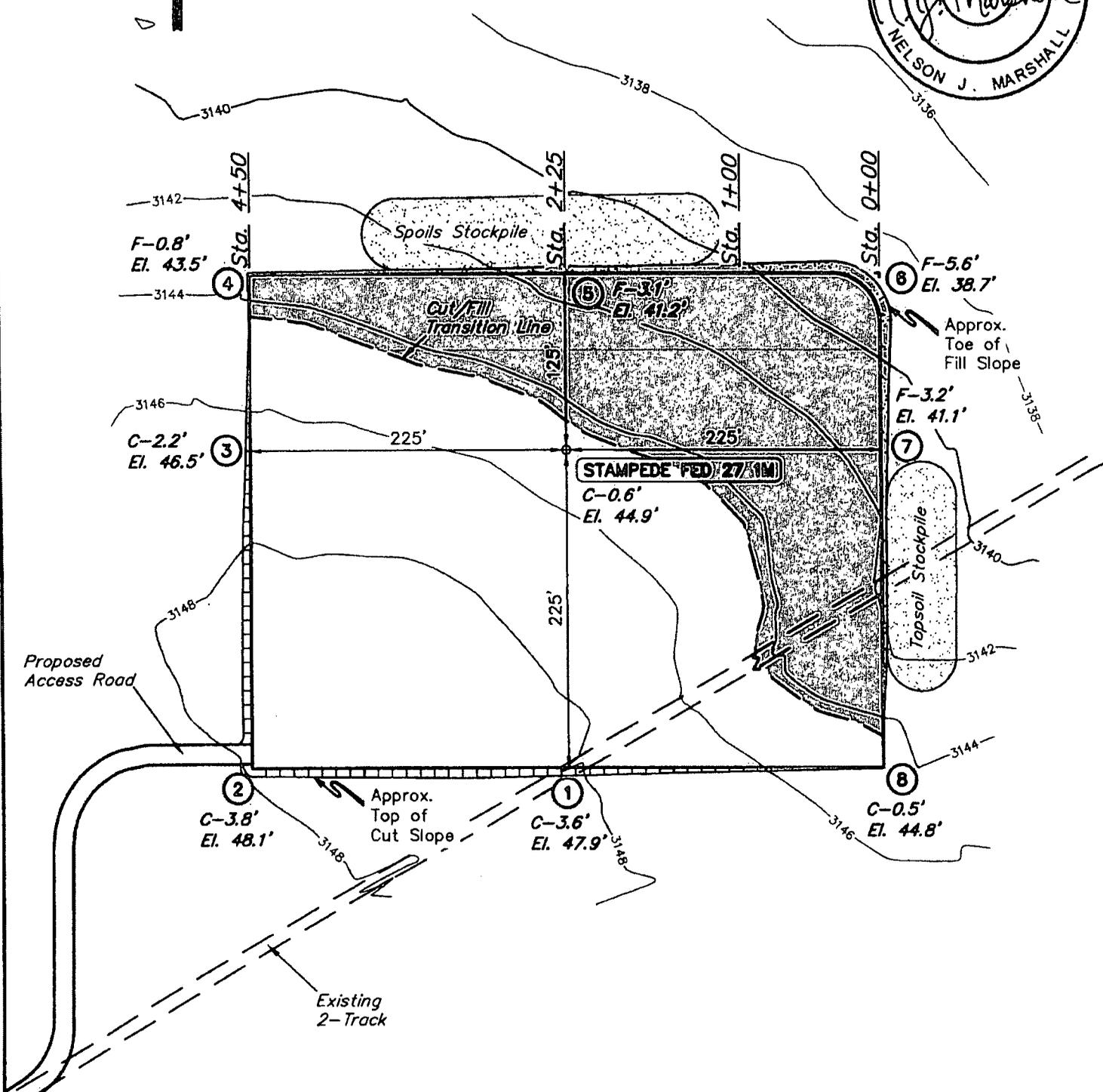
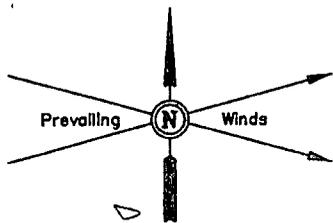
July 25, 2013

Date of Survey

Signature and Seal of Professional Surveyor



Certificate Number



ELEV. UNGRADED GROUND AT LOC. STAKE = 3144.9' FINISHED GRADE ELEV. AT LOC. STAKE = 3144.3'

- NOTES:**
- Round corners at 35' radius or as needed
 - Construct diversion ditches as needed

ConocoPhillips Company

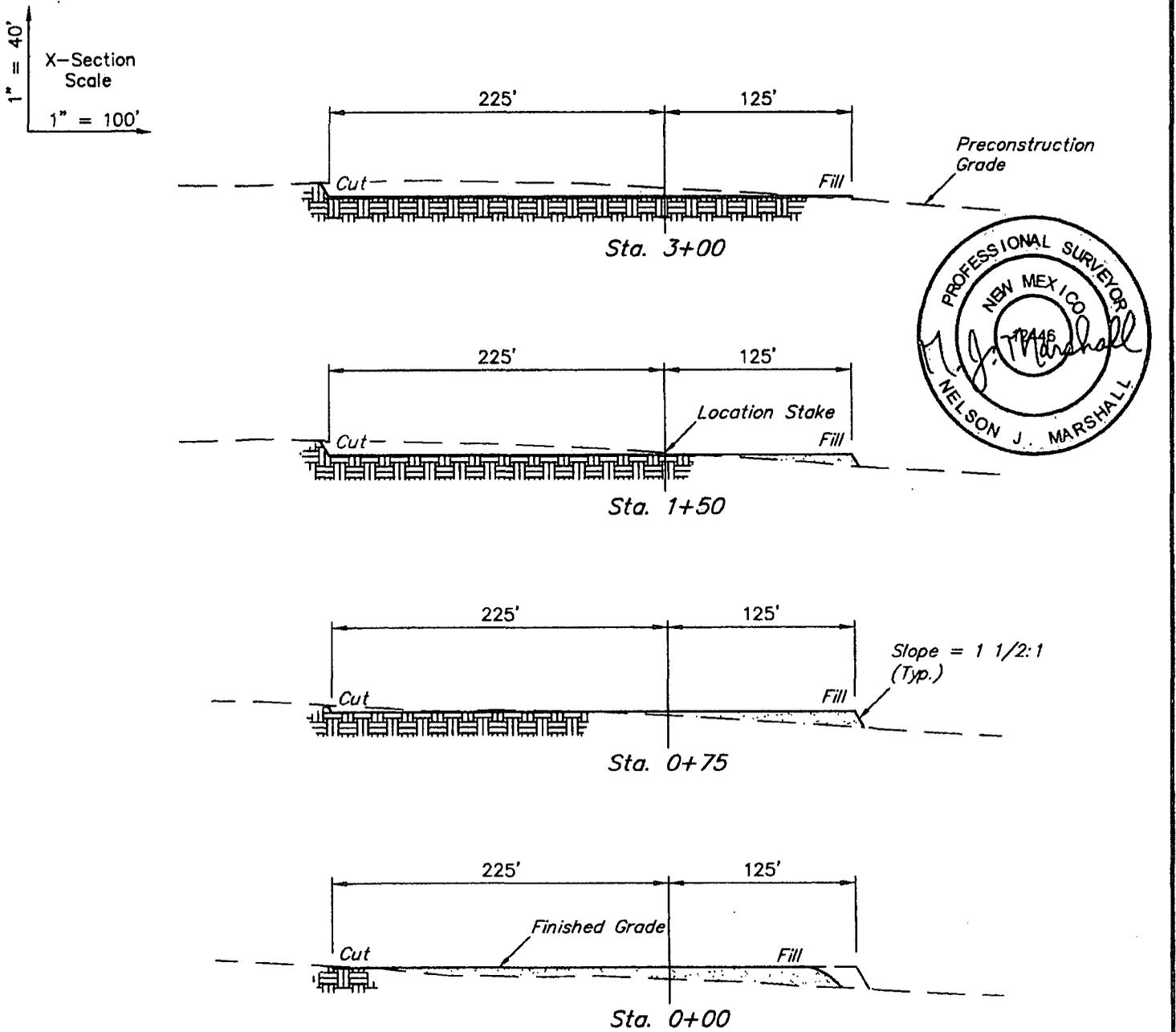
STAMPEDE FED 27 1M
SECTION 27, T26S, R31E, N.M.P.M.
2157' FSL 1320' FWL

DRAWN BY: H.K.W.
DATE: 07-16-13

SCALE: 1" = 100'
REVISED: 07-27-13 A.D.

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

LOCATION LAYOUT **FIGURE #1**



APPROXIMATE EARTHWORK QUANTITIES		APPROXIMATE SURFACE DISTURBANCE AREAS		
(4") TOPSOIL STRIPPING	1,830 Cu. Yds.		DISTANCE	ACRES
REMAINING LOCATION	8,170 Cu. Yds.		WELL SITE DISTURBANCE	N/A ±4.230
TOTAL CUT	10,000 Cu. Yds.		25' WIDE ACCESS ROAD R-O-W DISTURBANCE	±669' ±0.384
FILL	5,010 Cu. Yds.		TOTAL SURFACE USE AREA	±669' ±4.614
EXCESS MATERIAL	4,990 Cu. Yds.			
TOPSOIL	1,830 Cu. Yds.			
EXCESS UNBALANCE (After Interim Rehabilitation)	3,160 Cu. Yds.			

NOTES:

- Fill quantity includes 5% for compaction.
- Topsoil should not be stripped below finished grade on substructure area.

ConocoPhillips Company

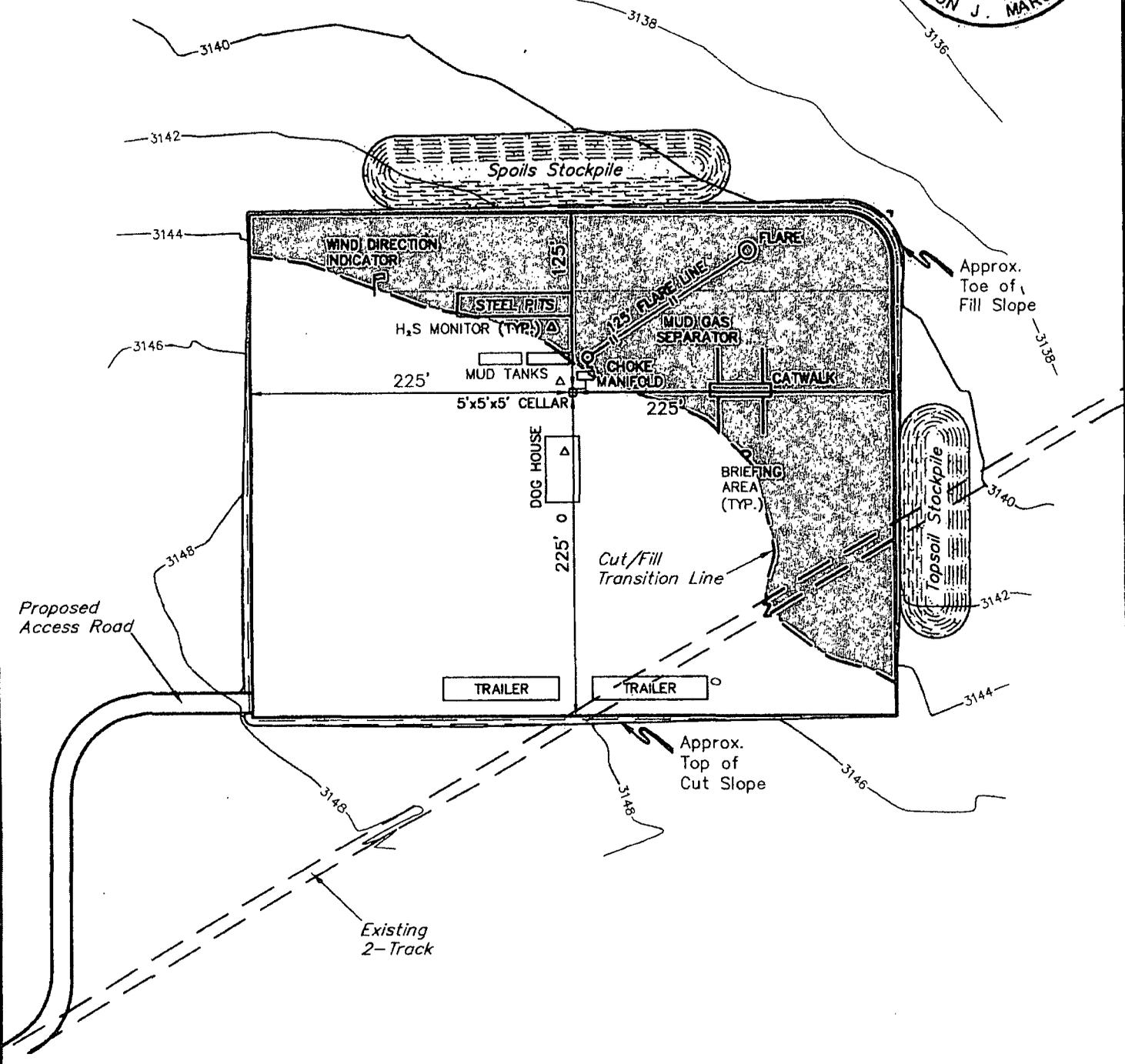
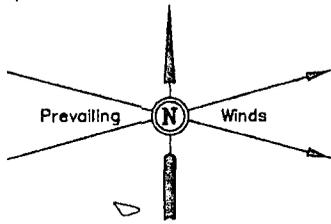
STAMPEDE FED 27 1M
SECTION 27, T26S, R31E, N.M.P.M.
2157' FSL 1320' FWL

UINTAH
ENGINEERING & LAND SURVEYING

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

DRAWN BY: A.D.	SCALE: AS SHOWN
DATE: 07-27-13	REVISED:

TYPICAL GROSS SECTIONS **FIGURE #2**



NOTES:

- Flare pit is to be located a min. of 125' from the well head

ConocoPhillips Company

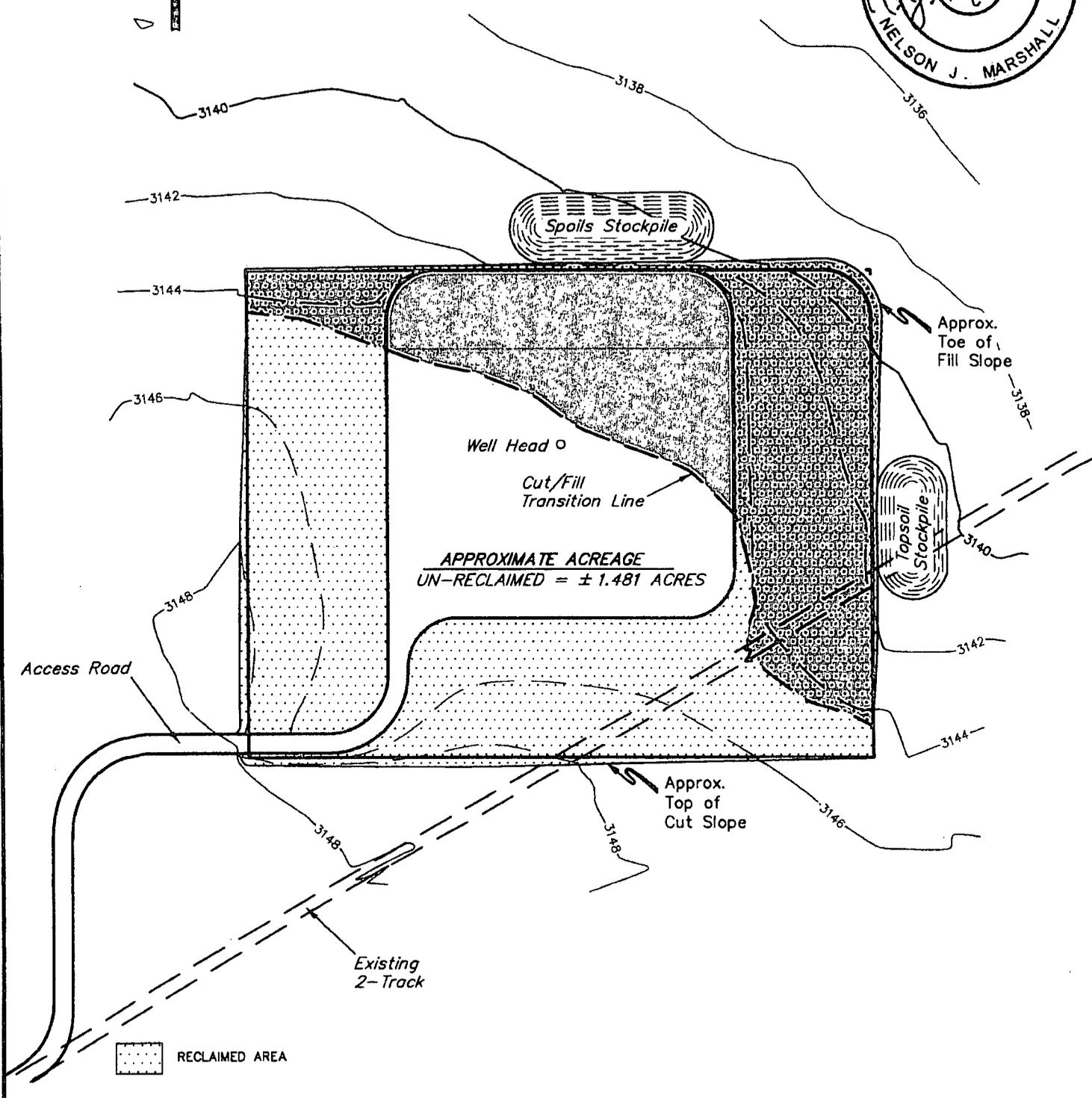
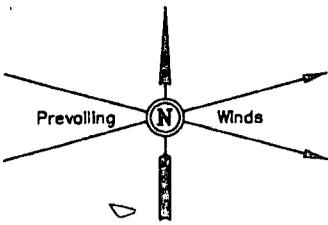
STAMPEDE FED 27 1M
SECTION 27, T26S, R31E, N.M.P.M.
2157' FSL 1320' FWL

UINTAH
ENGINEERING & LAND SURVEYING

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

DRAWN BY: A.D. SCALE: 1" = 100'
DATE: 07-27-13 REVISED:

TYPICAL RIG LAYOUT **FIGURE #3**



NOTES:

ConocoPhillips Company

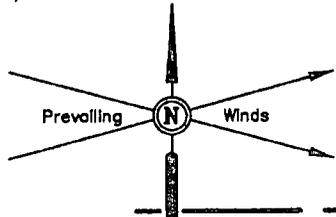
STAMPEDE FED 27 1M
SECTION 27, T26S, R31E, N.M.P.M.
2157' FSL 1320' FWL

DRAWN BY: A.D.	SCALE: 1" = 100'
DATE: 07-27-13	REVISED:



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

RECLAMATION DIAGRAM FIGURE #4



600' X 600'
Archaeological Survey
Boundary

Spills Stockpile

Approx.
Toe of
Fill Slope

S29°08'18"E
182.72

Topsail Stockpile

Proposed
Access Road

Approx.
Top of
Cut Slope

Existing
2-Track

NOTES:

ConocoPhillips Company

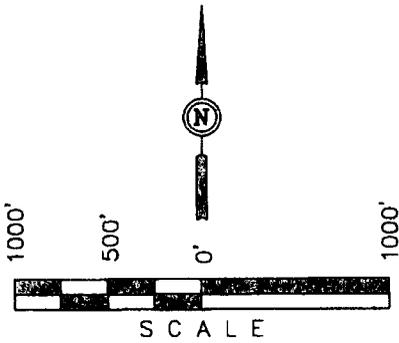
STAMPEDE FED 27 1M
SECTION 27, T26S, R31E, N.M.P.M.
2157' FSL 1320' FWL

DRAWN BY: A.D. SCALE: 1" = 100'
DATE: 07-27-13 REVISED:

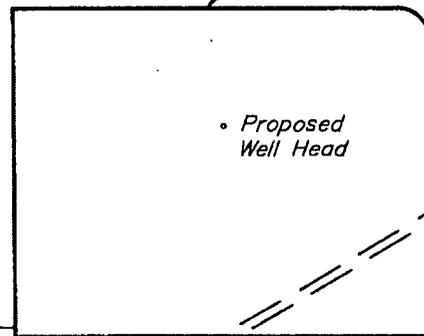


Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

ARCHAEOLOGICAL SURVEY BOUNDARY FIGURE #5



Proposed
STAMPEDE FED 27 1M
Well Pad



Total Proposed
Access Road
Centerline = 669'

L1 L2 L3 L4 L5 L6 L7 L8 L9 L10 L11

Existing 2-Track

Buck Jackson
Road

LINE TABLE	
LINE	LENGTH
L1	102'
L2	106'
L3	104'
L4	29'
L5	94'
L6	66'
L7	21'
L8	24'
L9	25'
L10	23'
L11	75'

NOTES:

- Maximum grade of the proposed access road is 5%

ConocoPhillips Company

STAMPEDE FED 27 1M
SECTION 27, T26S, R31E, N.M.P.M.
2157' FSL 1320' FWL

DRAWN BY: A.D.

SCALE: 1" = 100'

DATE: 07-27-13

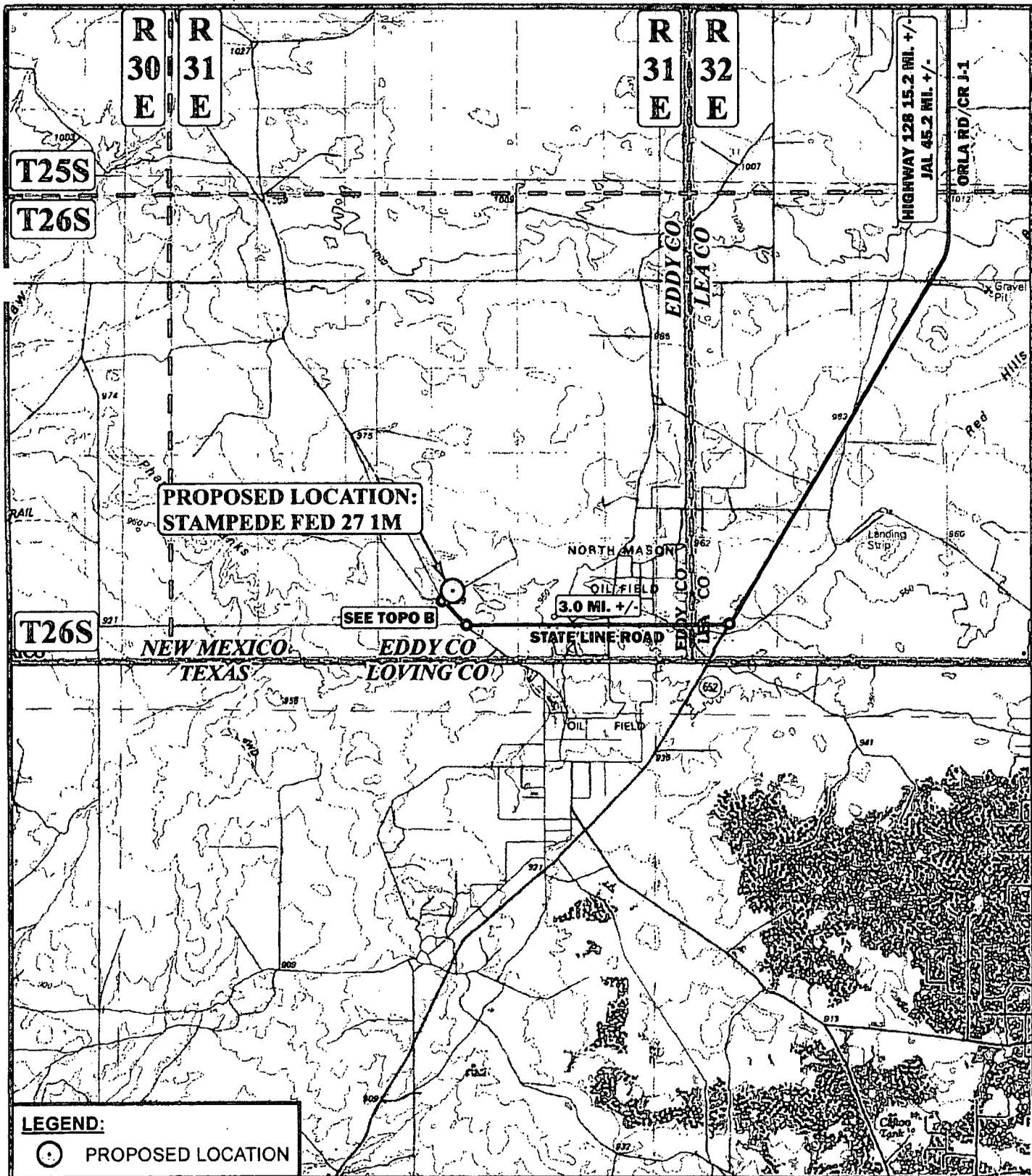
REVISED:



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

ACCESS ROAD LAYOUT

FIGURE #6



LEGEND:
 PROPOSED LOCATION

SCALE: 1:100,000
 DRAWN BY: J.L.H.
 DATE DRAWN: 07-31-13



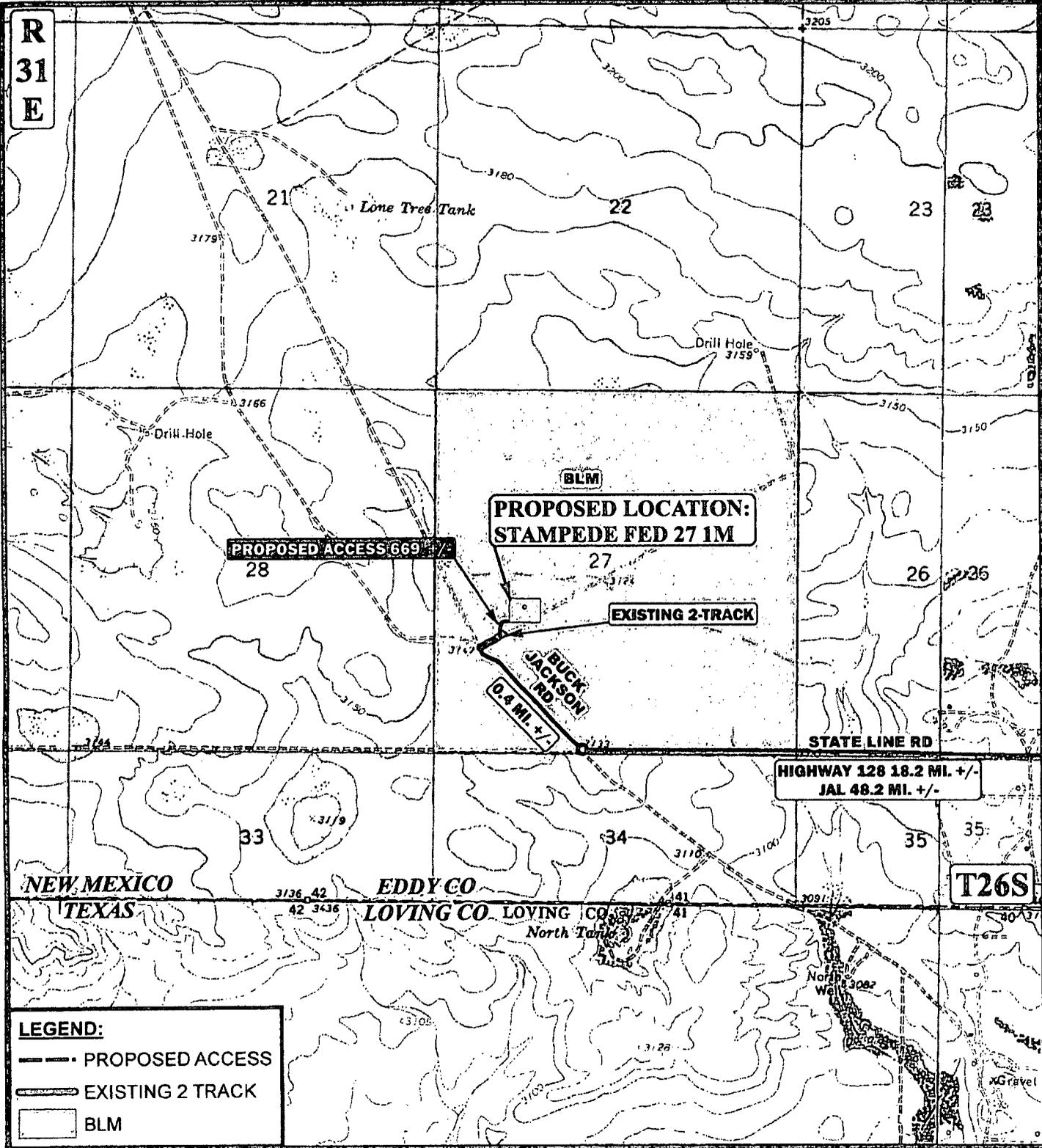
Corporate Office * 85 South 200 East
 Vernal, UT 84078 * (435) 789-1017



ConocoPhillips
ConocoPhillips Company

STAMPEPE FED 27 1M
 SECTION 27, T26S, R31E, N.M.P.M.
 2157' FSL 1320' FWL

ACCESS ROAD MAP TOPO A



**R
31
E**

PROPOSED ACCESS 669' +/-

**BLM
PROPOSED LOCATION:
STAMPEDE FED 27 1M**

EXISTING 2-TRACK

**BUCK
JACKSON
RD.
(0.4 MI. +/-)**

STATE LINE RD

**HIGHWAY 128 18.2 MI. +/-
JAL 48.2 MI. +/-**

T26S

**NEW MEXICO
TEXAS**

**EDDY CO.
LOVING CO. LOVING CO.**

LEGEND:

- PROPOSED ACCESS
- EXISTING 2 TRACK
- BLM

*PARCEL DATA SHOWN HAS BEEN OBTAINED FROM VARIOUS SOURCES AND SHOULD BE USED FOR MAPPING, GRAPHIC AND PLANNING PURPOSES ONLY. NO WARRANTY IS MADE BY UINTAH ENGINEERING & LAND SURVEYING (UELS) FOR ACCURACY OF THE PARCEL DATA.

SCALE: 1" = 2000'	REVISED: 07-31-13
DRAWN BY: J.L.H.	
DATE DRAWN: 07-16-13	



ConocoPhillips **ConocoPhillips Company**

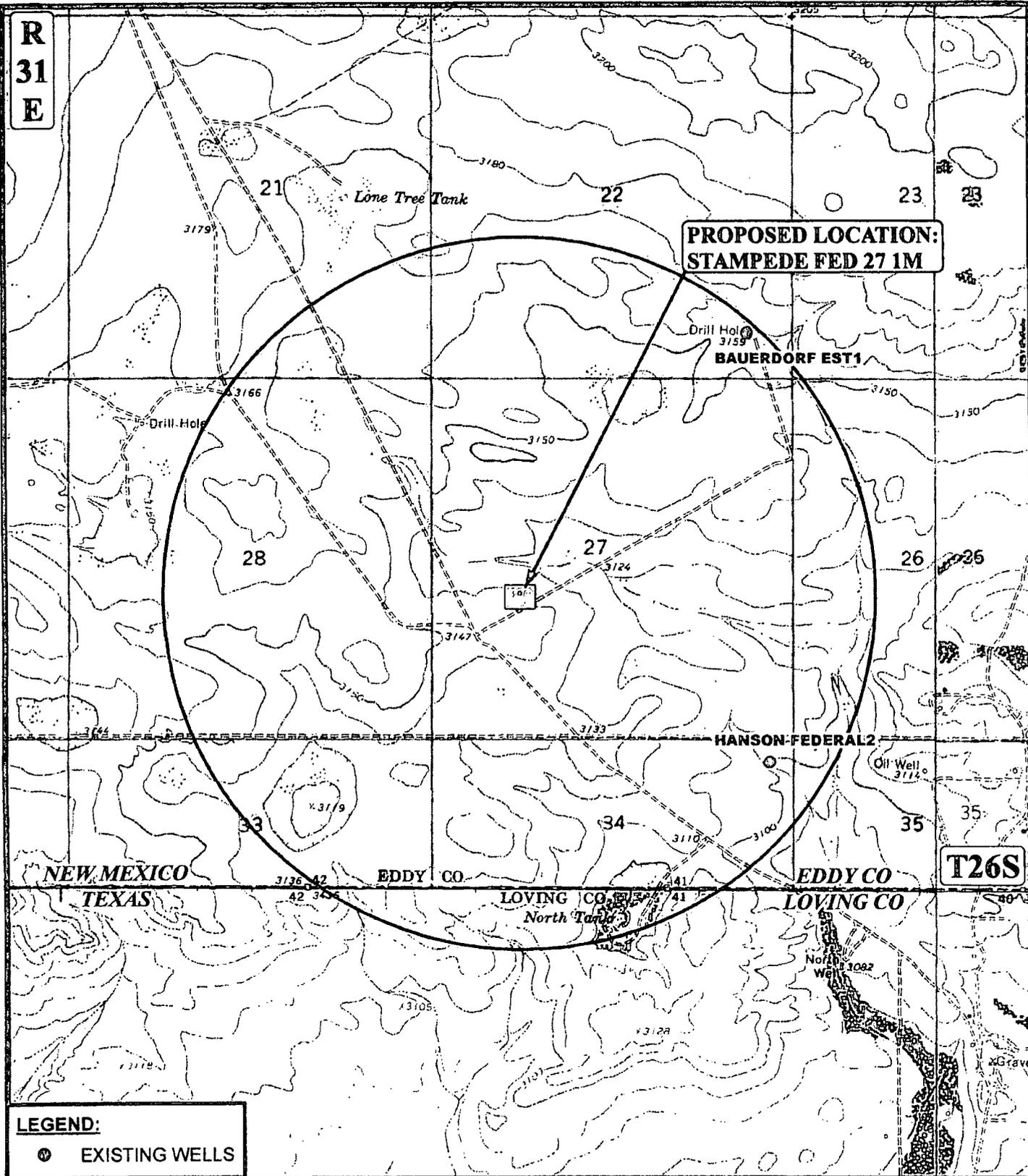
**STAMPEDE FED 27 1M
SECTION 27, T26S, R31E, N.M.P.M.
2157' FSL 1320' FWL**



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

ACCESS ROAD MAP **TOPO. B**

R
31
E



LEGEND:

⊙ EXISTING WELLS

SCALE: 1" = 2000'

REVISED:

DRAWN BY: J.L.H.

DATE DRAWN: 07-31-13

N



ConocoPhillips

ConocoPhillips Company

STAMPEDE FED 27 1M
SECTION 27, T26S, R31E, N.M.P.M.
2157' FSL 1320' FWL



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

TOPOGRAPHIC MAP

TOPO C

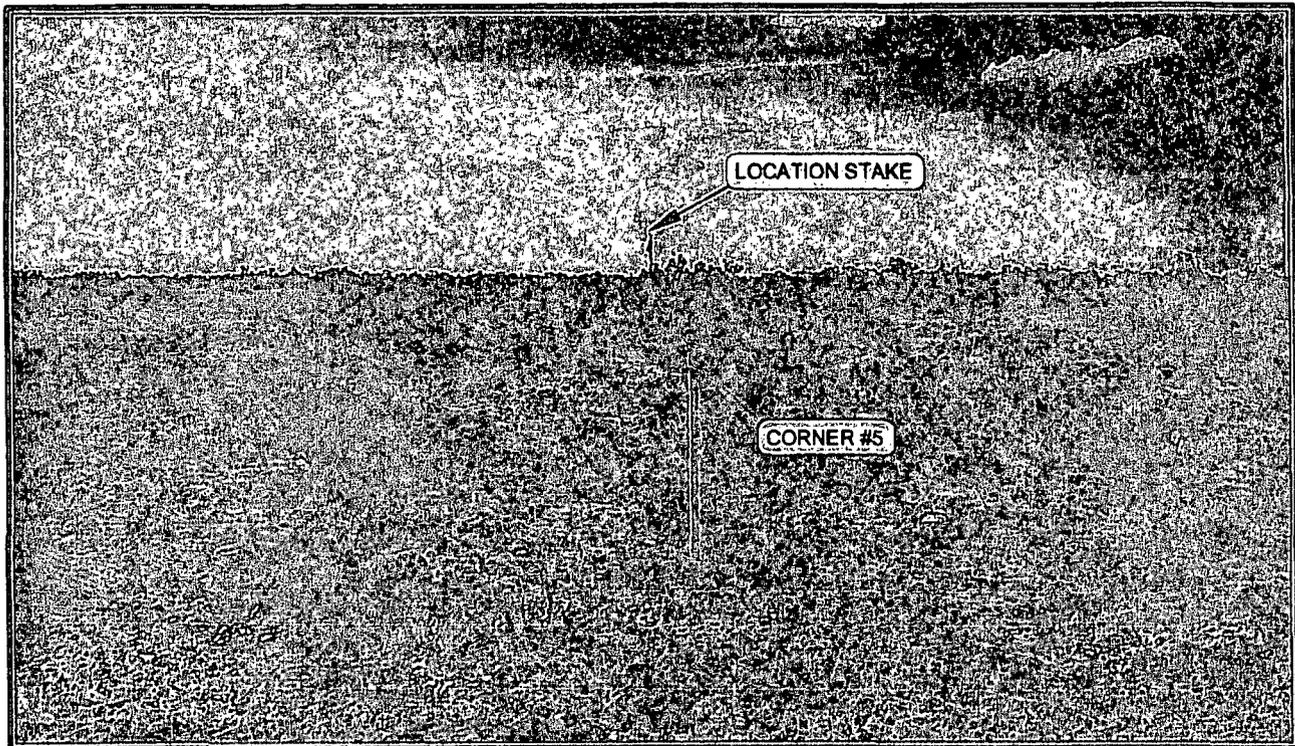


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY

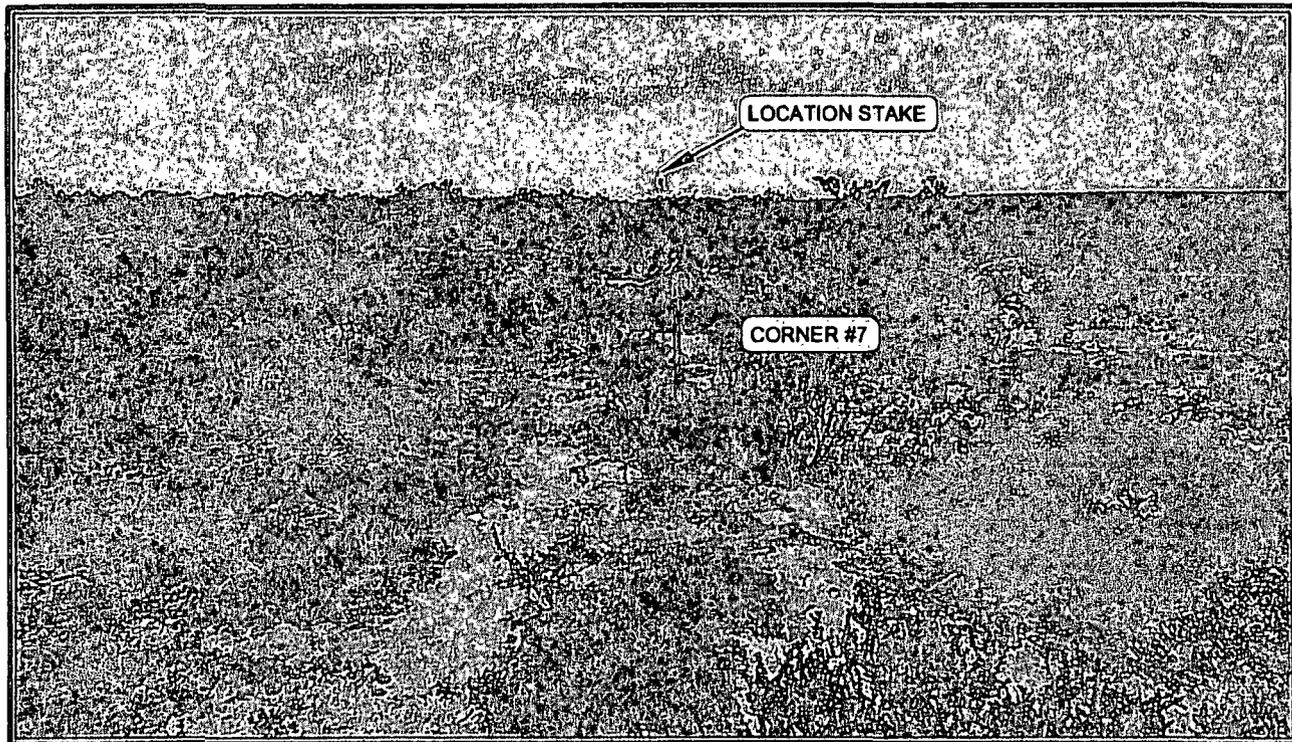


PHOTO: VIEW FROM CORNER #7 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY

NOTES:

ConocoPhillips

ConocoPhillips Company

STAMPEDE FED 27 1M
SECTION 27, T26S, R31E, N.M.P.M.
2157' FSL 1320' FWL

TAKEN BY: J.C.

DRAWN BY: J.L.H.

REVISED:

DATE: 07-25-13

DATE: 07-31-13



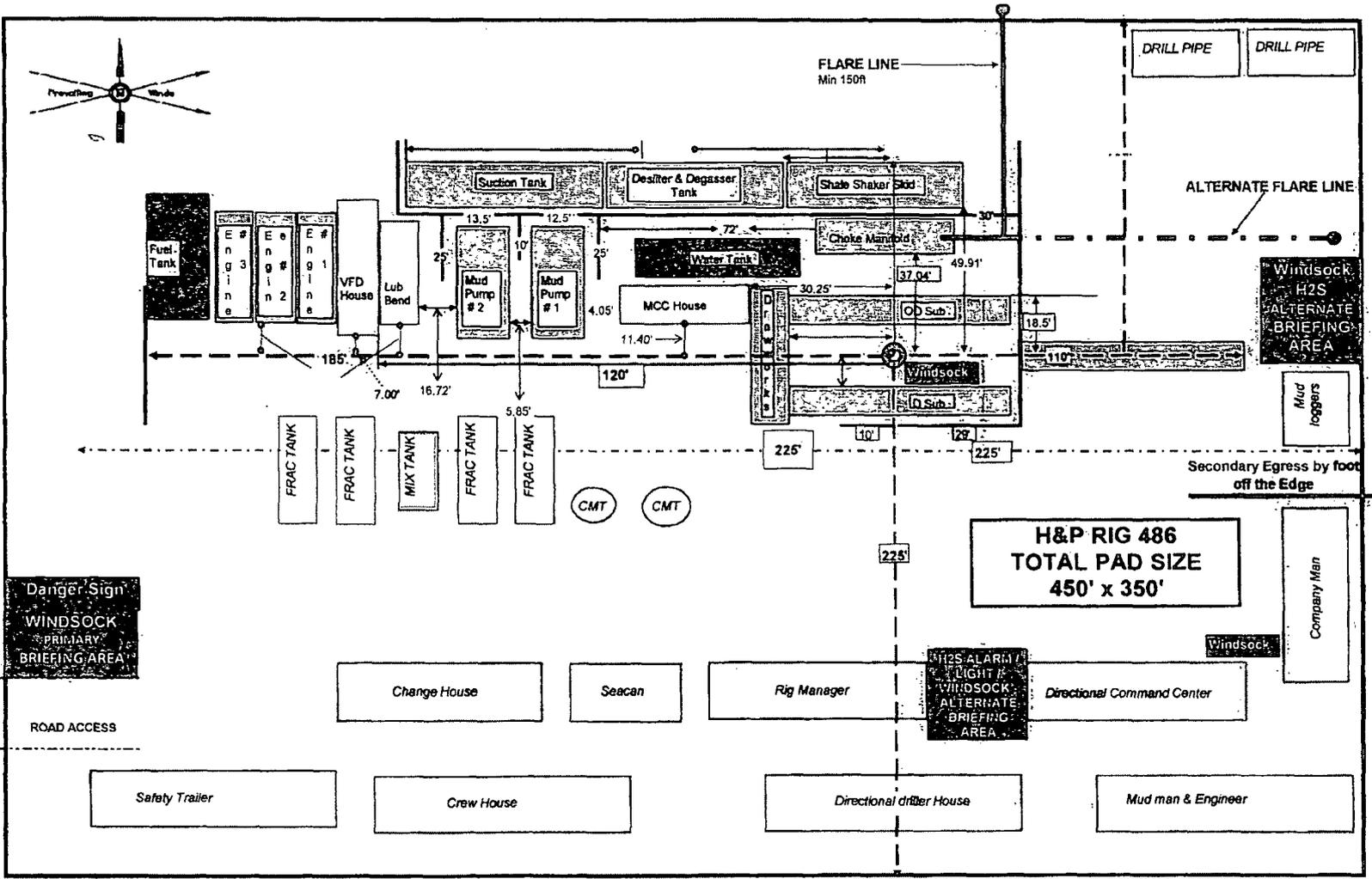
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

PHOTO SHEET

ConocoPhillips Company
STAMPEDE FED 27 1M
SECTION 27, T26S, R31E, N.M.P.M.

BEGINNING AT THE INTERSECTION OF HIGHWAY 18 AND HIGHWAY 128 PROCEED IN A WESTERLY, THEN NORTHWESTERLY, THEN WESTERLY DIRECTION FROM JAL, NEW MEXICO ALONG HIGHWAY 128 APPROXIMATELY 30.0 MILES TO THE JUNCTION OF THIS ROAD AND ORLA ROAD/CR J-1 TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 15.2 MILES TO THE JUNCTION OF THIS ROAD AND STATE LINE ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY DIRECTION APPROXIMATELY 3.0 MILES TO THE JUNCTION OF THIS ROAD AND BUCK JACKSON ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NOTHEASTERLY, THEN NORTHERLY, THEN EASTERLY DIRECTION APPROXIMATELY 669' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM JAL, NEW MEXICO TO THE PROPOSED LOCATION IS APPROXIMATELY 48.8 MILES.



Surface Use Plan of Operations

ConocoPhillips Company
Stampede Federal 27 1M
2157 FSL & 1320 FWL (NWSW) 27-26S-31E
Federal Lease No. LC068282A
Eddy County, New Mexico

1. Access Road - Existing

- A. From Hwy 128, travel south and west on Orla Road/CR J-1 for 15.2 miles. Turn east onto State Line Road and travel for 3 miles. Turn right onto Buck Jackson Road and travel .4 mile. Turn right onto proposed access road and travel 669' to location.
- B. Proposed route to location - **See Enclosed County Map & Vicinity Map.**
- C. 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. There will be 669' of new access road with a 30' construction right of way and a minimum travel width of 14'. All is on federal surface.
- B. Maximum grade will not exceed 8 percent.
- C. There will be no County approach; however there could be an apron from the road to the pad corner of about 60' to allow truck turning traffic.
- D. There will be no low water crossing or culverts
- E. There will be no cattleguard installed on the access road.
- F. The proposed access road will be constructed in accordance with roading guidelines established for oil & gas exploration and development activities as referenced in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition and/or BLM Manual Section 9113 concerning road construction activities on projects under federal jurisdiction. Prior to moving in any heavy equipment, the access road will be thoroughly compacted. The access road will be surfaced to the required minimum depth (after compaction).

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

- A. There are no water wells within a one-mile radius
- B. There are no dry holes located within a one-mile radius.
- C. There are no plugged and abandoned wells within a one-mile radius.
- D. There are no saltwater disposal wells within a one-mile radius.
- E. There are no proposed drill wells within a one-mile radius.
- F. There are approximately 2 producing within a one-mile radius.
- G. There are no shut-in wells within a one-mile radius.
- H. There are no 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. On Well Pad: There are no anticipated surface facilities on this pad. The well is planned as a monitor/source well only.

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 immediately removed to an approved disposal site.
- C. Sewage will be disposed of according to county and state requirements in a portable chemical toilet(s) or in a hole at least 20 feet deep excavated in the cut portion of the well pad. 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.
- F. After drilling rig has moved out of area, any scattered trash and litter will be removed from site.
- G. 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 Drilling Rig Layout Plat**
- C. Topsoil will be stripped from the locations and access roads and be stockpiled and be deposited apart from other excavated material.
- D. There will be a no reserve pit on location. The 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, a 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 may 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
- H. ConocoPhillips Company will utilize many best management practices. The first is location selection itself and adjusting the project area to accommodate the terrain to minimize the initial disturbance and erosion concerns. The project area will have the required interim reclamation and reseeding for the unused portion of the well site not needed for production operations. The interim reclamation will occur shortly after completion operation and facility installation has happened.

11. Surface Ownership

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220

12. Other Information

- A. The area that would be impacted by the well site and access road has been surveyed for cultural resources and/or the acreage has been covered under contribution to the MOA.
- 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 the additional Conditions of Approval provided by the BLM.

**PECOS DISTRICT
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	CONOCPHILLIPS
LEASE NO.:	LC068282A
WELL NAME & NO.:	1H-STEMPEDE FEDERAL WC COM 34
SURFACE HOLE FOOTAGE:	250' FSL & 380' FWL
BOTTOM HOLE FOOTAGE:	330' FNL & 380' FWL (SEC. 27)
LOCATION:	SECTION 34, T. 26 S., R 31 E., NMPM
COUNTY:	EDDY COUNTY, NEW MEXICO

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- General Provisions**
- Permit Expiration**
- Archaeology, Paleontology, and Historical Sites**
- Noxious Weeds**
- Special Requirements**
- Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- Road Section Diagram**
- Production (Post Drilling)**
 - Well Structures & Facilities
 - Electric Lines
- Interim Reclamation**
- Final Abandonment & Reclamation**

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)
VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall stockpile the topsoil in a low profile manner in order to prevent wind/water erosion of the topsoil. The topsoil to be stripped is approximately inches in depth. The topsoil will be used for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling

operations until the pit is free of fluids and the operator initiates backfilling. (For examples of enclosure fencing design, refer to BLM's Oil and Gas Gold Book, Enclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

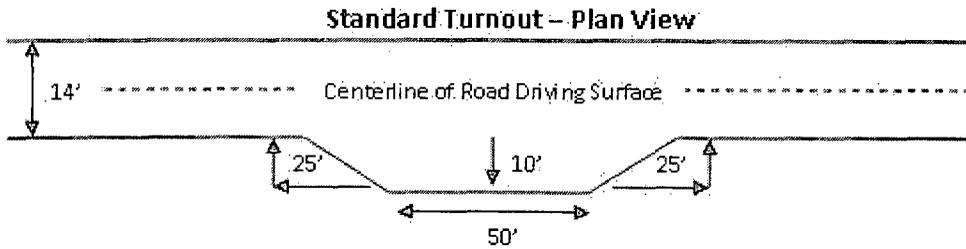
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:

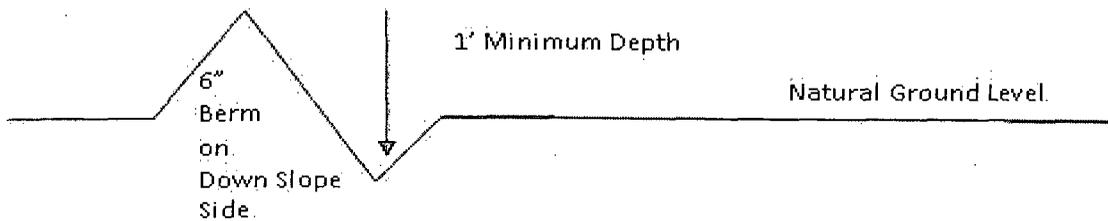


Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Culvert Installations

Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations.

A gate shall be constructed and fastened securely to H-braces.

Fence Requirement

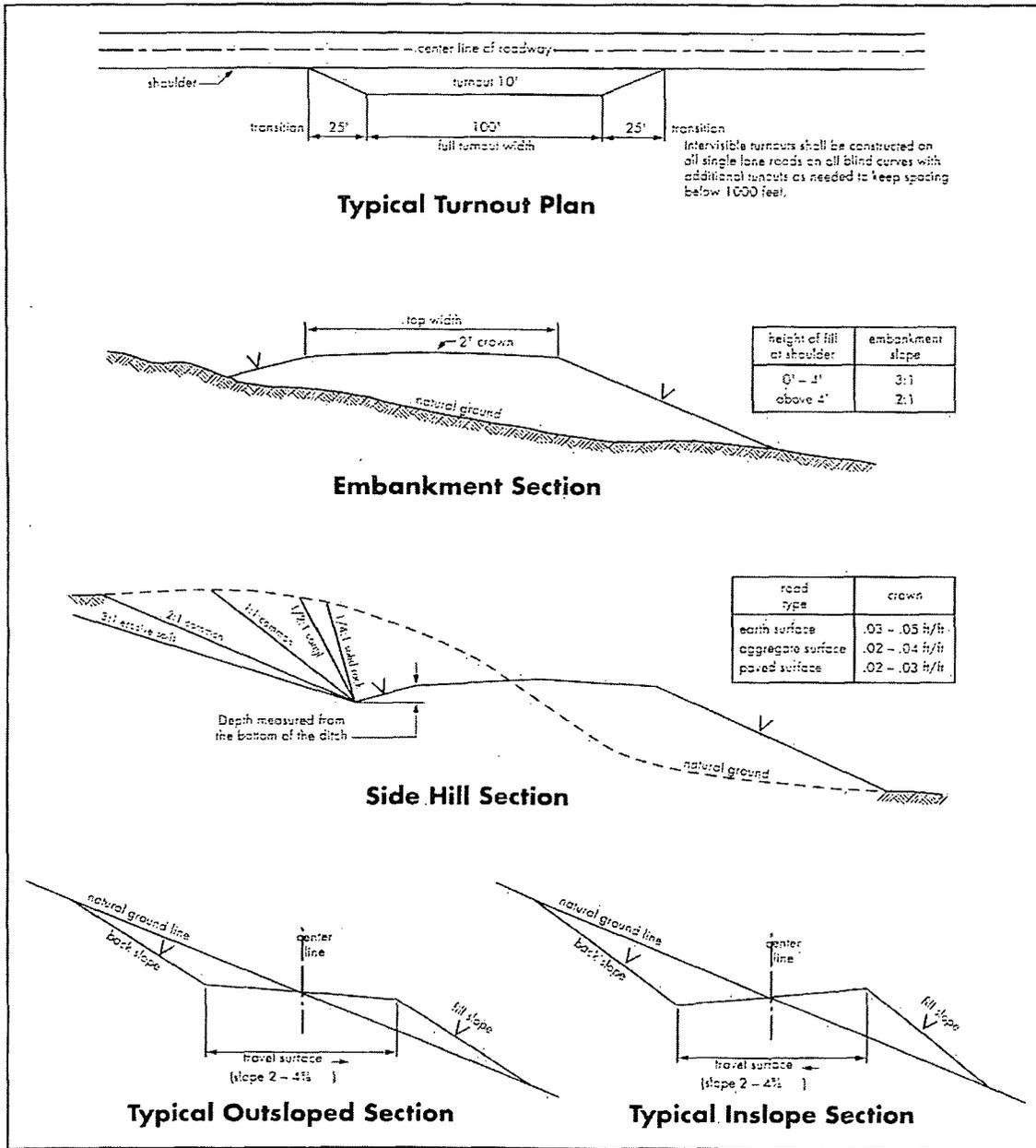
Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Figure 1 – Cross Sections and Plans For Typical Road Sections



VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. ELECTRIC LINES STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 *et seq.* (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, *et seq.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.*) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all

operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:

- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory

revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

(Insert Seed Mixture Here)

Seed Mixture 1, for Loamy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains lovegrass (<i>Eragrostis intermedia</i>)	0.5
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sideoats grama (<i>Bouteloua curtipendula</i>)	5.0
Plains bristlegrass (<i>Setaria macrostachya</i>)	2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed