

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

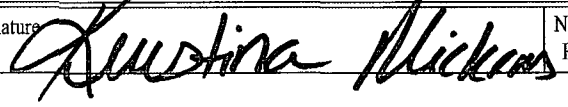
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC 0682825/A
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator CONOCOPHILLIPS COMPANY		7. If Unit or CA Agreement, Name and No. 315005
3a. Address 610 North Dairy Ashford P-10-4056 Houston, Texas 77079	3b. Phone No. (include area code) (281)206-5282	8. Lease Name and Well No. STAMPEDE 34 FEDERAL COM TC 4H
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 316' FSL & 255' FWL 34-26S-31E At proposed prod. zone 330' FNL & 380' FWL 27-26S-31E		9. API Well No. 30-015-43200
14. Distance in miles and direction from nearest town or post office* ~48.9 south/west of Jal, NM		10. Field and Pool, or Exploratory JENNINGS; UPPER BONE SPRING SHALE
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330'	16. No. of acres in lease SHL 900.8 BHL 1221.60	11. Sec., T. R. M. or Blk. and Survey or Area Sec. 34-T26S-R31E
17. Spacing Unit dedicated to this well 225.20	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 33'	12. County or Parish EDDY
19. Proposed Depth 16,721'	20. BLM/BIA Bond No. on file ES0085	13. State NM
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3136'	22. Approximate date work will start* 01/01/2015	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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) KRISTINA MICKENS	Date 05/08/2014
Title SENIOR REGULATORY SPECIALIST		
Approved by (Signature) /s/ JEANETTE MARTINEZ	Name (Printed/Typed)	Date JUN 25 2015
Title FIELD MANAGER	Office CARLSBAD FIELD 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.

APPROVAL FOR TWO YEARS

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)

*(Instructions on page 2)

Carlsbad Controlled Water Basin

NM OIL CONSERVATION

ARTESIA DISTRICT

JUN 29 2015

Approval Subject to General Requirements
& Special Stipulations AttachedRECEIVED
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Operator Certification

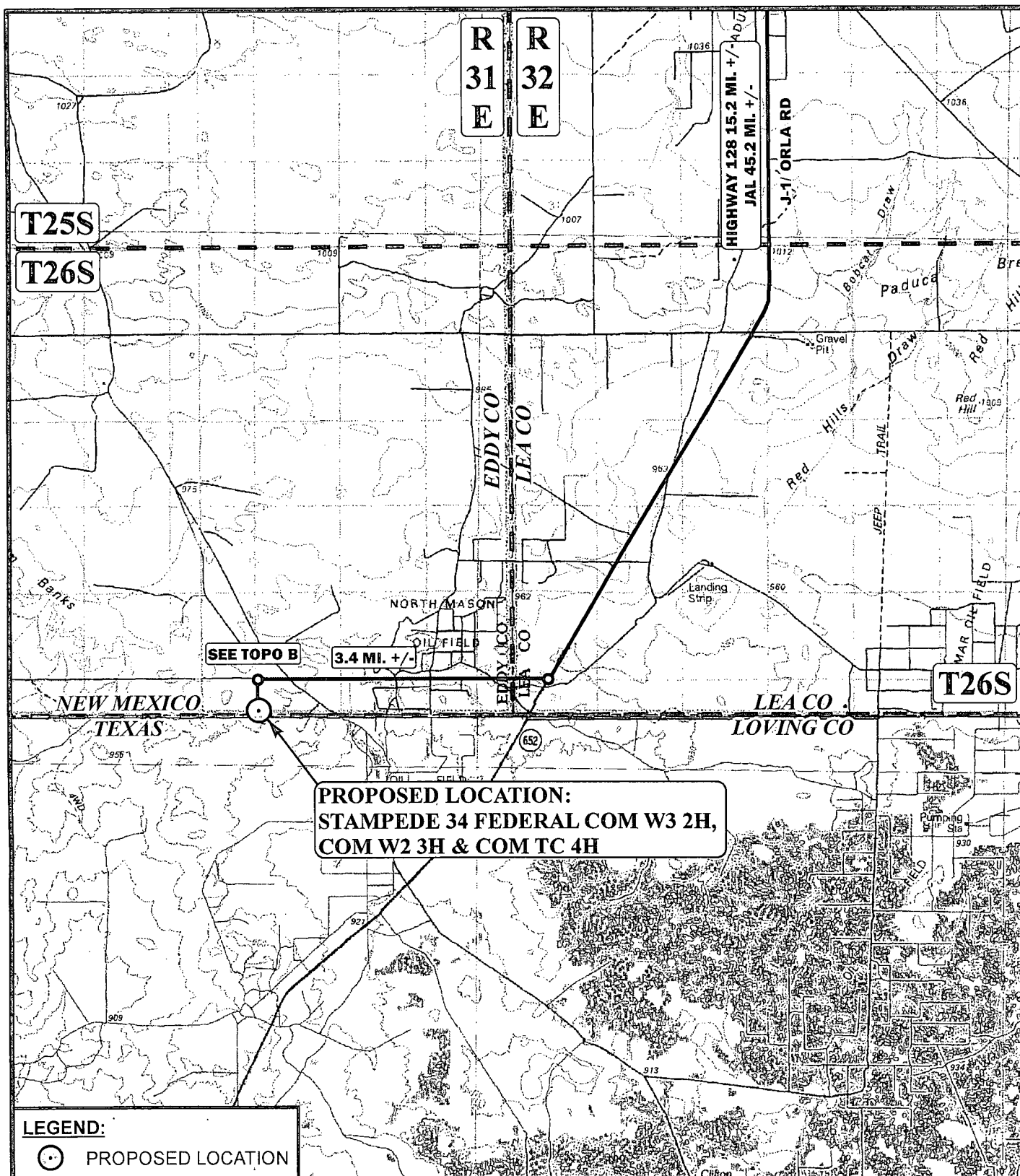
CONOCOPHILLIPS COMPANY

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.

 Date: 05/08/2014
Kristina Mickens
Senior Regulatory Specialist

Certificate Number:



SCALE: 1:100,000
DRAWN BY: L.S.
DATE DRAWN: 01-16-14

REVISED:



ConocoPhillips

ConocoPhillips Company

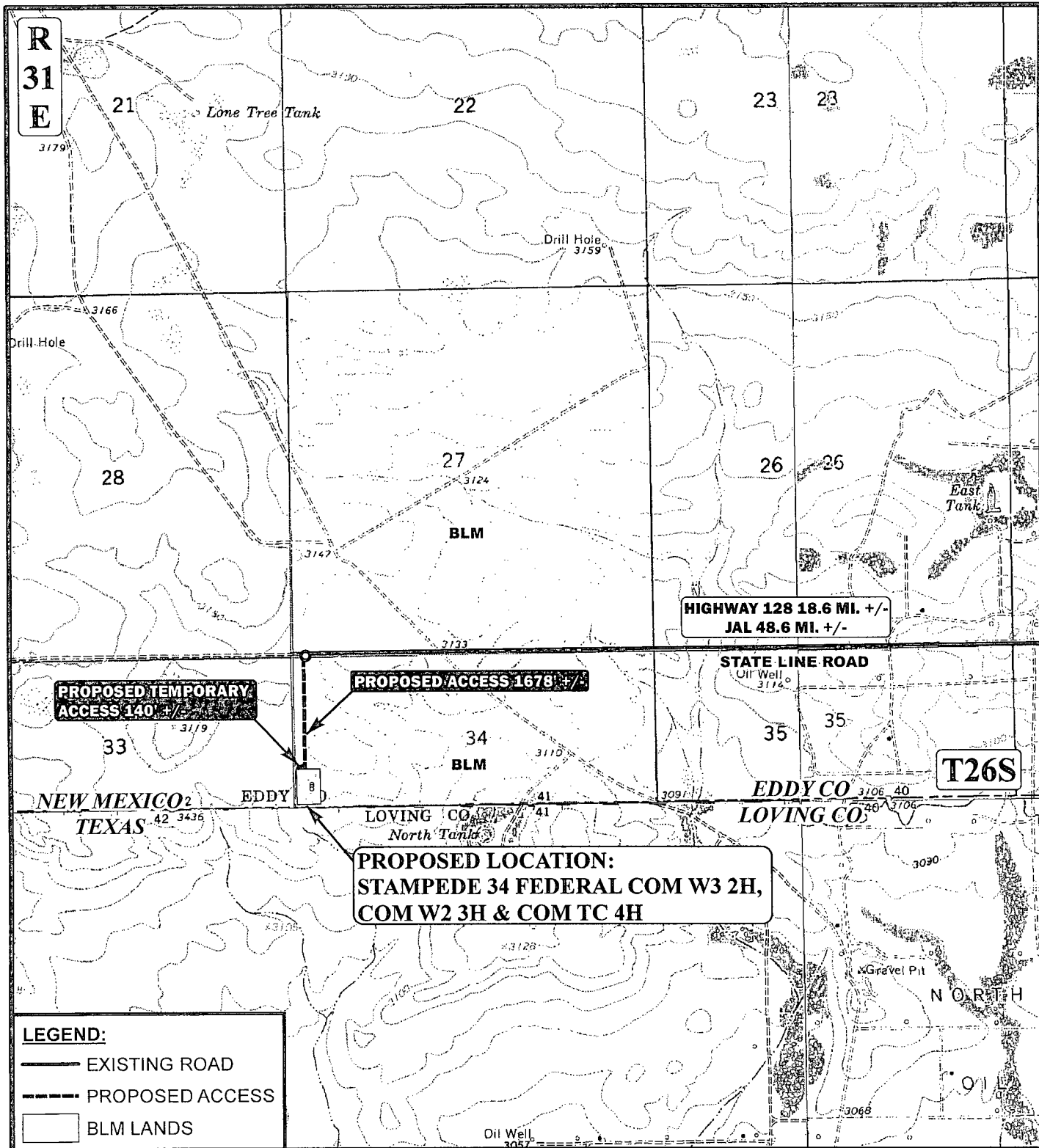
STAMPEDE 34 FEDERAL COM W3 2H,
COM W2 3H & COM TC 4H
SECTION 34, T26S, R31E, N.M.P.M.
LOT 4

ACCESS ROAD MAP

TOPO A



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



LEGEND:

- EXISTING ROAD
- - - PROPOSED ACCESS
- BLM LANDS

*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'
 DRAWN BY: L.S.
 DATE DRAWN: 01-16-14

REVISED:



ConocoPhillips

ConocoPhillips Company

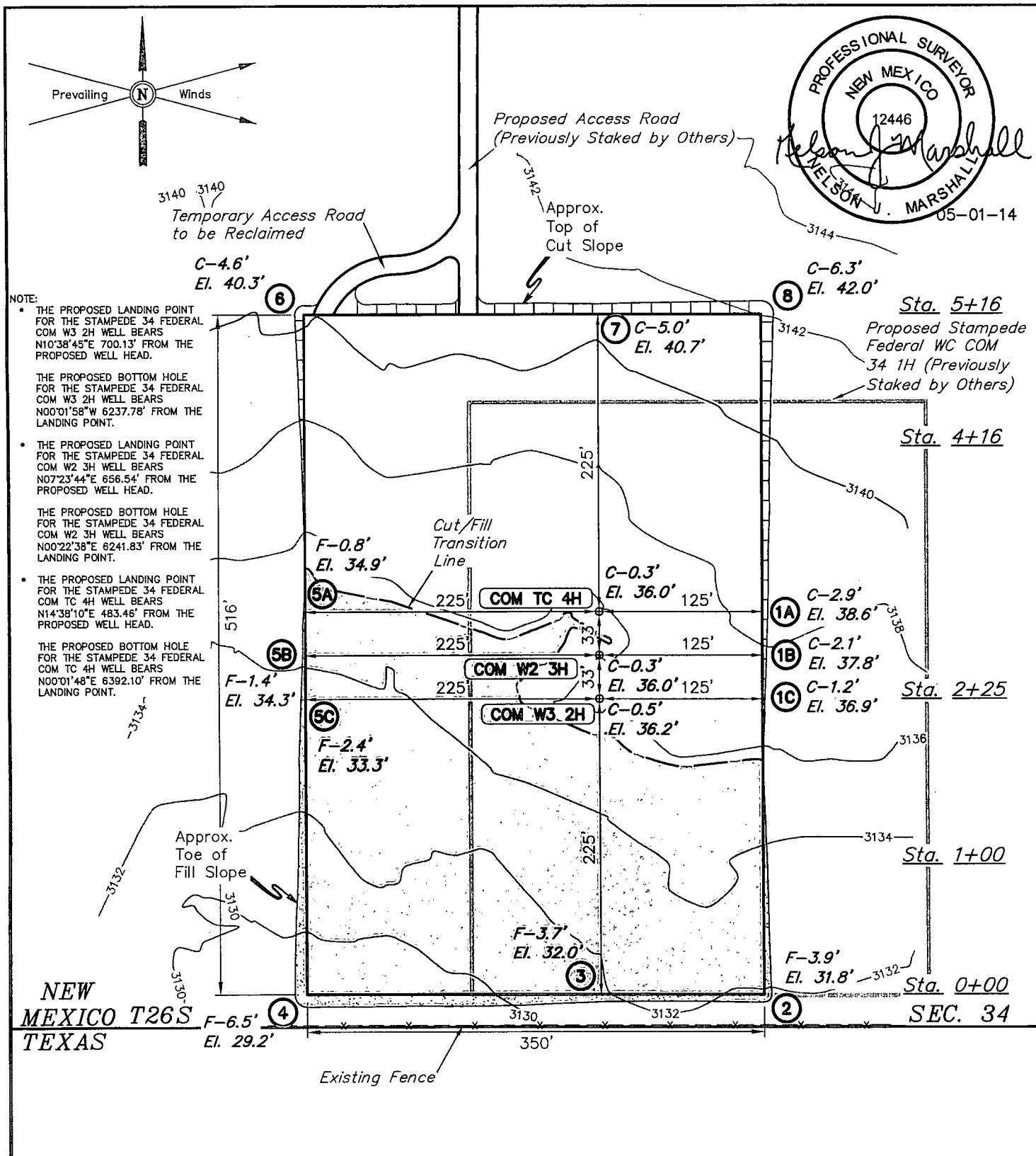
STAMPEDE 34 FEDERAL COM W3 2H,
 COM W2 3H & COM TC 4H
 SECTION 34, T26S, R31E, N.M.P.M.
 LOT 4

ACCESS ROAD MAP

TOPO B



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



ELEV. UNGRADED GROUND AT W3 LOC. STAKE = 3136.2' FINISHED GRADE ELEV. AT W3 LOC. STAKE = 3135.7'

NOTES:

- Flare pit is to be located a min. of 100' from the well head.
- Underground utilities shown on this sheet are for visualization purposes only, actual locations to be determined prior to construction.

ConocoPhillips

ConocoPhillips Company

STAMPEDE 34 FEDERAL COM W3 2H,
COM W2 3H & COM TC 4H
SECTION 34, T26S, R31E, N.M.P.M.
LOT 4

DRAWN BY: S.F.

SCALE: 1" = 100'

REVISED: 04-03-14 S.F.

DATE: 01-22-14

REVISED: 03-28-14 S.F.

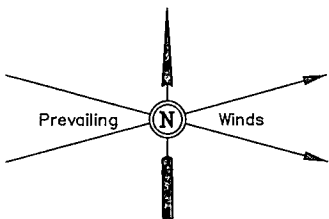
REVISED: 05-01-14 S.F.



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

LOCATION LAYOUT

FIGURE #1



Proposed Access Road
(Previously Staked by Others)



Temporary Access Road
to be Reclaimed

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S00°00'46"E	248.61'

Proposed Stampede
Federal WC COM
34 1H (Previously
Staked by Others)

640' X 550'
Archaeological
Survey
Boundary

○ COM TC 4H

○ COM W2 3H

○ COM W3 2H

NEW
MEXICO T26S
TEXAS

SEC. 34

Existing Fence

NOTES:

ConocoPhillips

ConocoPhillips Company

STAMPEDE 34 FEDERAL COM W3 2H,
COM W2 3H & COM TC 4H
SECTION 34, T26S, R31E, N.M.P.M.
LOT 4

DRAWN BY: S.F.

SCALE: 1" = 100'

DATE: 01-22-14

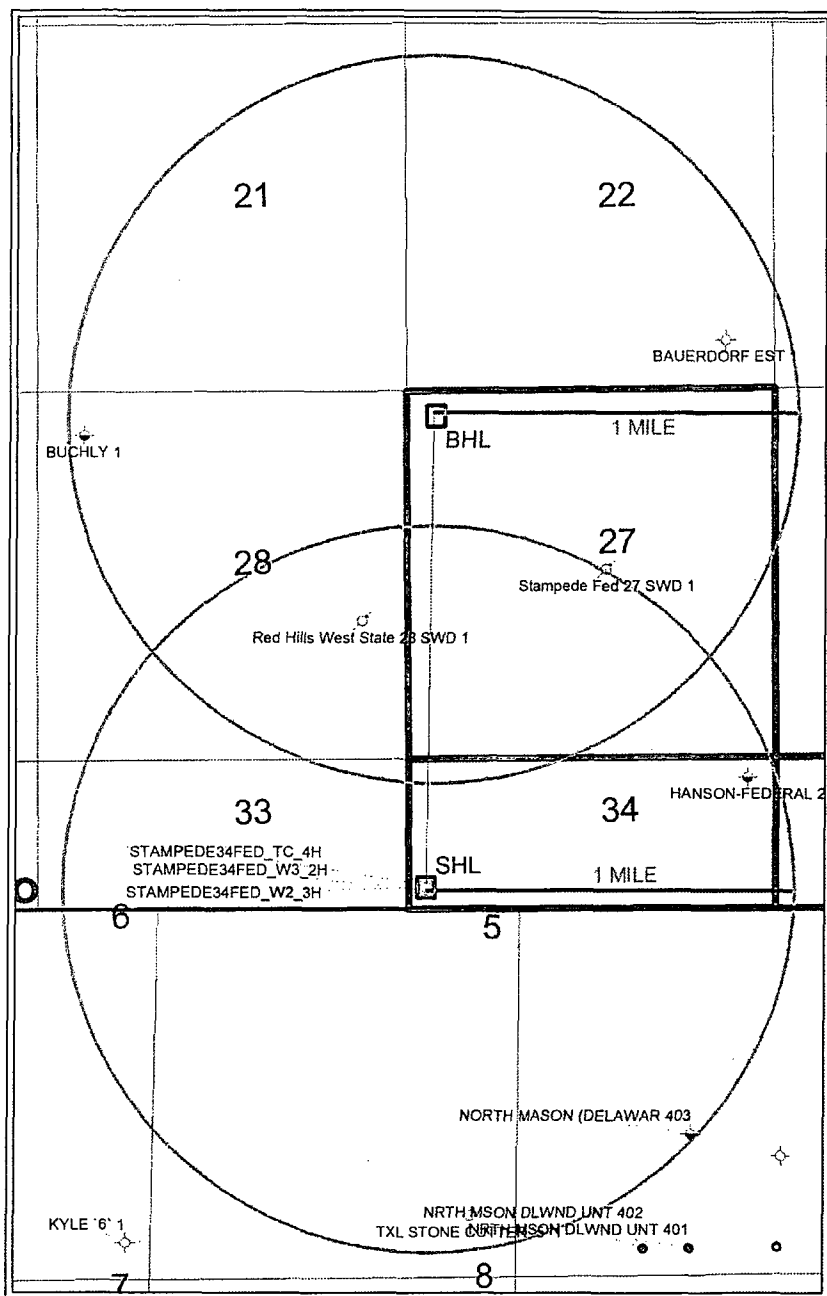
REVISED:



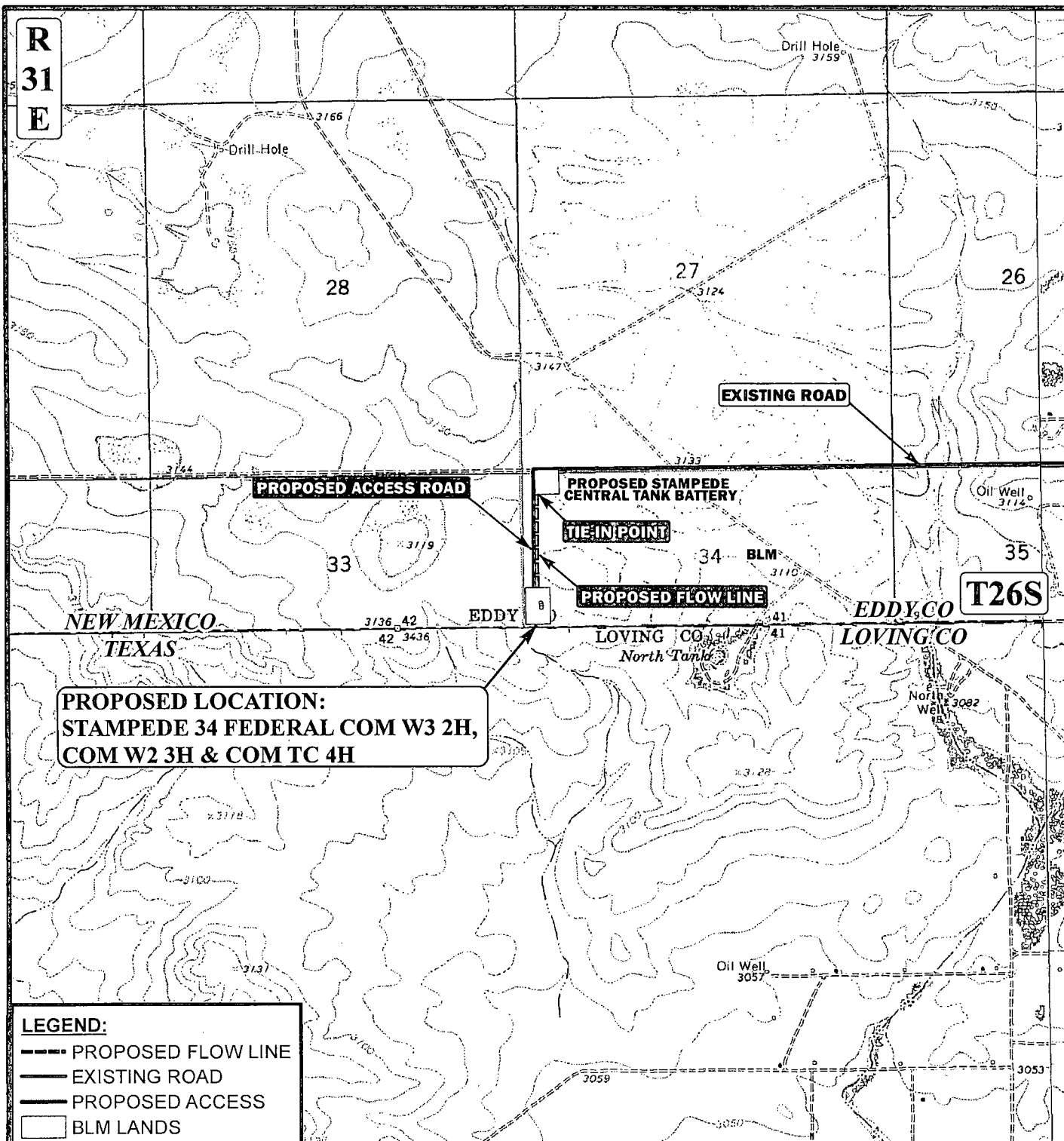
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

ARCHAEOLOGICAL SURVEY
BOUNDARY

FIGURE #5



Conoco Phillips	
Stampede 34 Federal Com TC 4H	
1 Mile Radius Map	
POSTED WELL DATA	
WELL SYMBOLS	
	Location Only
	Oil Well
	Dry Hole
	Temporarily Abandoned
	Dry Hole, With Show of Oil
	Injection Well
March 10, 2014	



APPROXIMATE TOTAL PIPELINE DISTANCE = 1,328' +/-

*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:	
DRAWN BY: L.S.		
DATE DRAWN: 01-16-14		



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



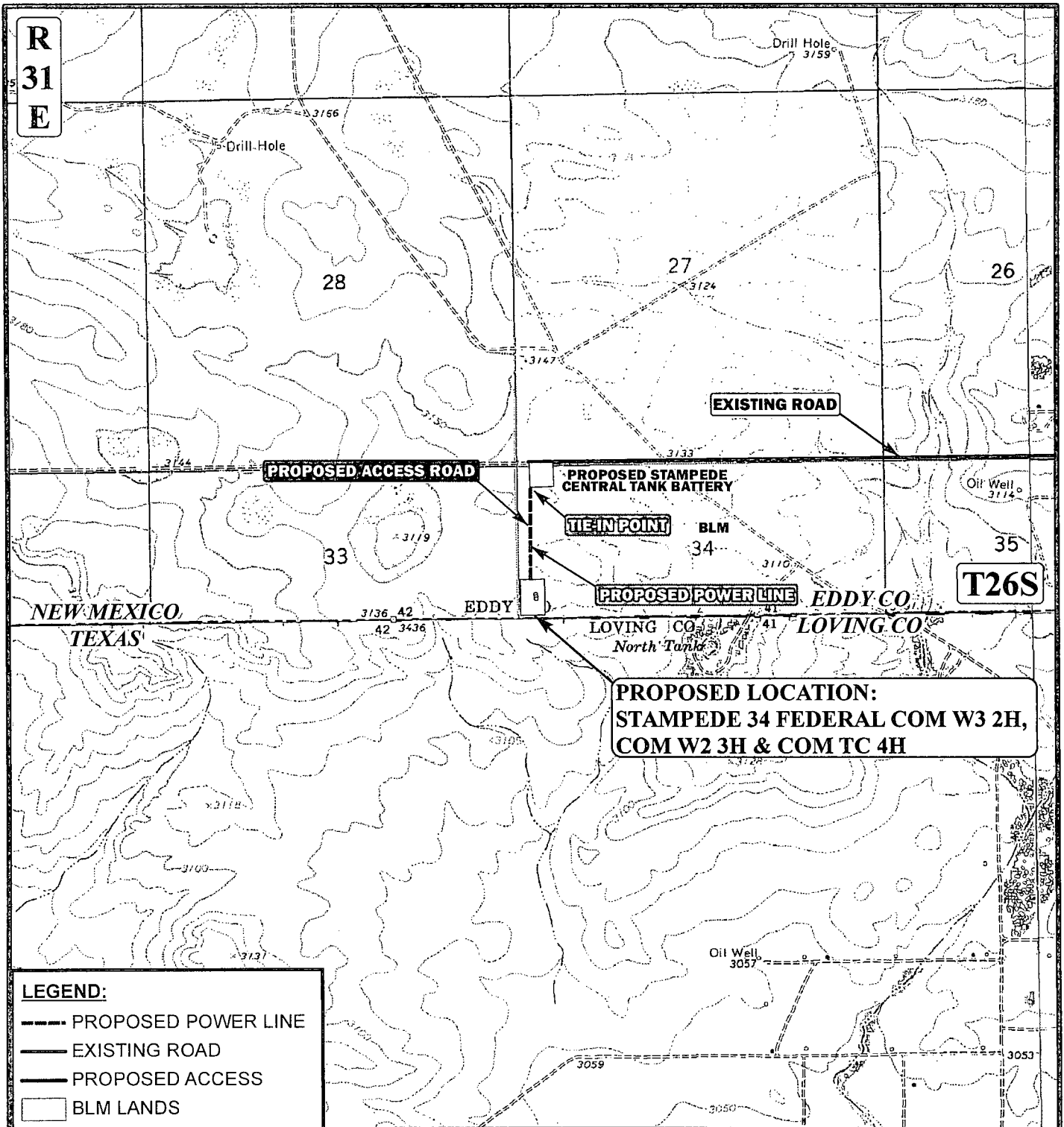
ConocoPhillips

ConocoPhillips Company

STAMPEDE 34 FEDERAL COM W3 2H,
COM W2 3H & COM TC 4H
SECTION 34, T26S, R31E, N.M.P.M.
LOT 4

FLOW LINE MAP

TOPO D



APPROXIMATE TOTAL POWER LINE DISTANCE = 1,328' +/-

*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:

DRAWN BY: L.S.

DATE DRAWN: 01-16-14



ConocoPhillips

ConocoPhillips Company

STAMPEDE 34 FEDERAL COM W3 2H,
COM W2 3H & COM TC 4H
SECTION 34, T26S, R31E, N.M.P.M.
LOT 4

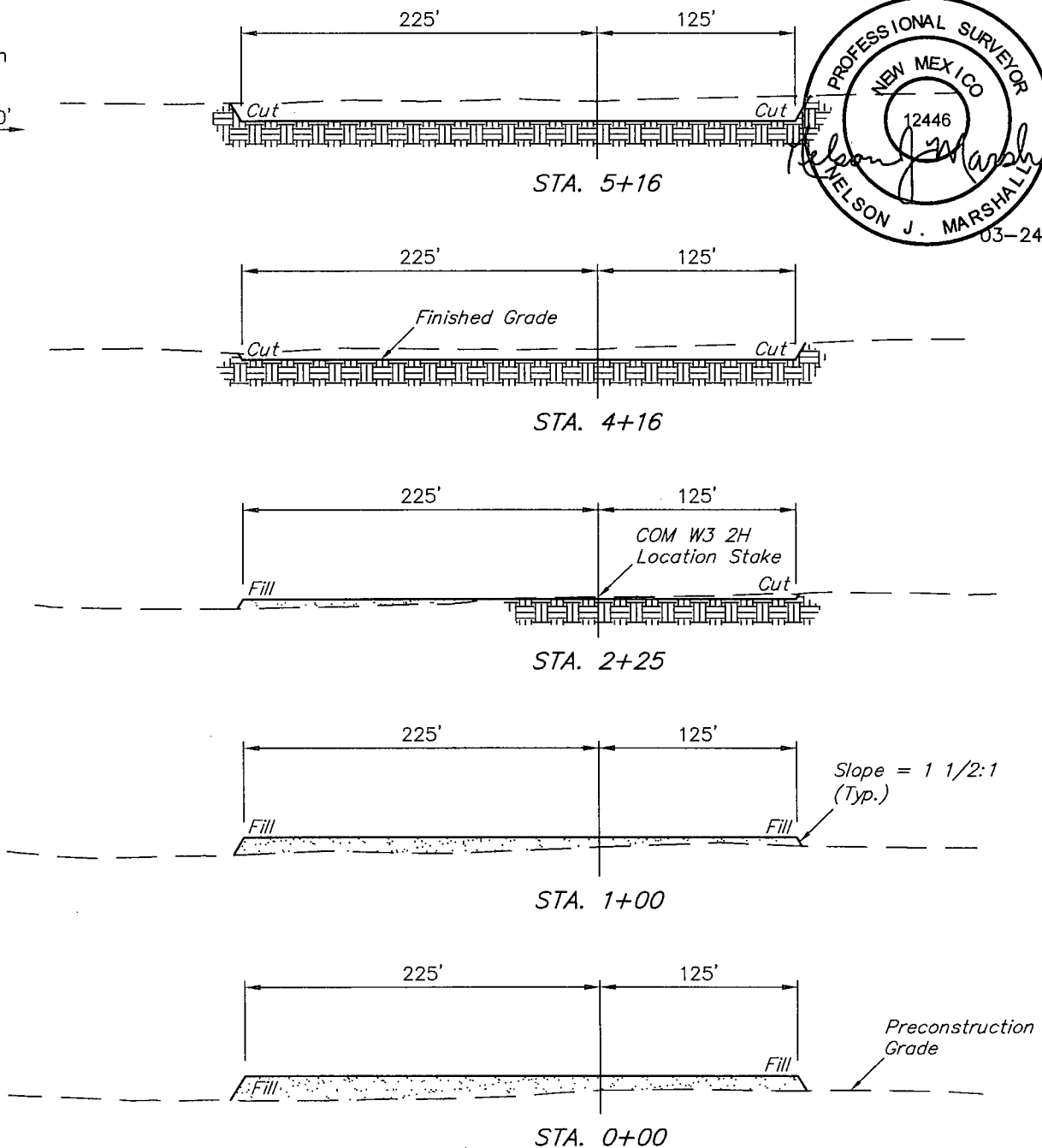
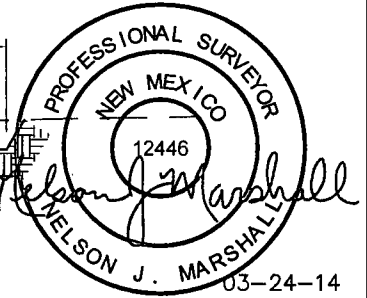
POWER LINE MAP

TOPO E



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

1" = 40'
X-Section
Scale
1" = 100'



APPROXIMATE EARTHWORK QUANTITIES		APPROXIMATE SURFACE DISTURBANCE AREAS		
TOPSOIL	0 Cu. Yds.		DISTANCE	ACRES
LOCATION	9,110 Cu. Yds.	WELL SITE DISTURBANCE	NA	±4.381
TOTAL CUT	9,110 Cu. Yds.	ACCESS ROAD DISTURBANCE	±1677.78'	±1.155
FILL	9,110 Cu. Yds.	TEMPORARY ACCESS ROAD DISTURBANCE	±140.11'	±0.096
EXCESS MATERIAL	0 Cu. Yds.	FLOW LINE DISTURBANCE	±1328.16'	±1.220
EXCESS UNBALANCE (After Interim Rehabilitation)	0 Cu. Yds.	POWER LINE DISTURBANCE	±1327.85'	±0.610
		TOTAL DISTURBANCE	±4473.90'	±7.462

NOTES:
• Fill quantity includes 5% for compaction.

ConocoPhillips

ConocoPhillips Company

STAMPEDE 34 FEDERAL COM W3 2H,
COM W2 3H & COM TC 4H
SECTION 34, T26S, R31E, N.M.P.M.
LOT 4

DRAWN BY: S.F.

SCALE: AS SHOWN

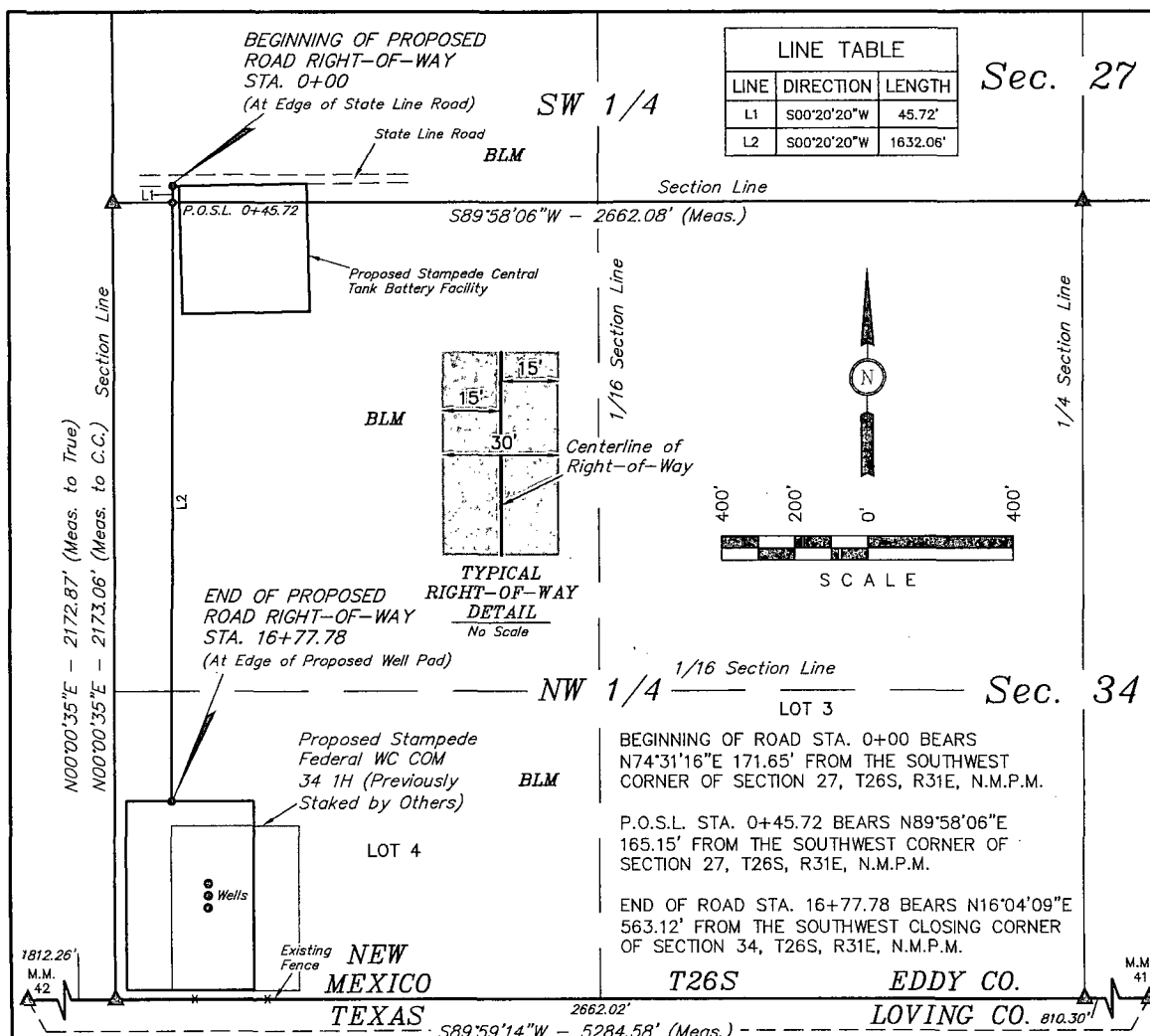
DATE: 01-22-14

REVISED: 03-24-14 S.F.



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

TYPICAL CROSS SECTIONS FIGURE #2



ROAD RIGHT-OF-WAY DESCRIPTION

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE SW 1/4 SW 1/4 OF SECTION 27, T26S, R31E, N.M.P.M., WHICH BEARS N74°31'16\"E 171.65' FROM THE SOUTHWEST CORNER OF SAID SECTION 27, THENCE S00°20'20\"W 45.72' TO A POINT ON THE SOUTH LINE OF THE SW 1/4 SW 1/4 OF SAID SECTION 27, WHICH BEARS N89°58'06\"E 165.15' FROM THE SOUTHWEST CORNER OF SAID SECTION 27, THENCE S00°20'20\"W 1632.06' TO A POINT IN LOT 4 OF SECTION 34, T26S, R31E, N.M.P.M., WHICH BEARS N16°04'09\"E 563.12' FROM THE SOUTHWEST CLOSING CORNER OF SAID SECTION 34. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 1.155 ACRES MORE OR LESS.

RIGHT-OF-WAY LENGTHS			
DESCRIPTION	FEET	ACRES	RODS
BLM SW 1/4 SEC 27	45.72	0.031	2.77
BLM NW 1/4 SEC 34	1632.06	1.124	98.91
TOTAL	1677.78	1.155	101.68

▲ = SECTION CORNERS LOCATED.

△ = SECTION CORNERS RE-ESTABLISHED.
(Not Set on Ground.)

NOTES:

The maximum grade of existing ground for the proposed access road is $\pm 2.7\%$.

ConocoPhillips

ConocoPhillips Company

STAMPEDE 34 FEDERAL COM W3 2H,
COM W2 3H & COM TC 4H
SECTION 34, T26S, R31E, N.M.P.M.
LOT 4

DRAWN BY: S.F.

SCALE: 1" = 400'

DATE: 01-22-14

REVISED:



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

ACCESS ROAD R-O-W

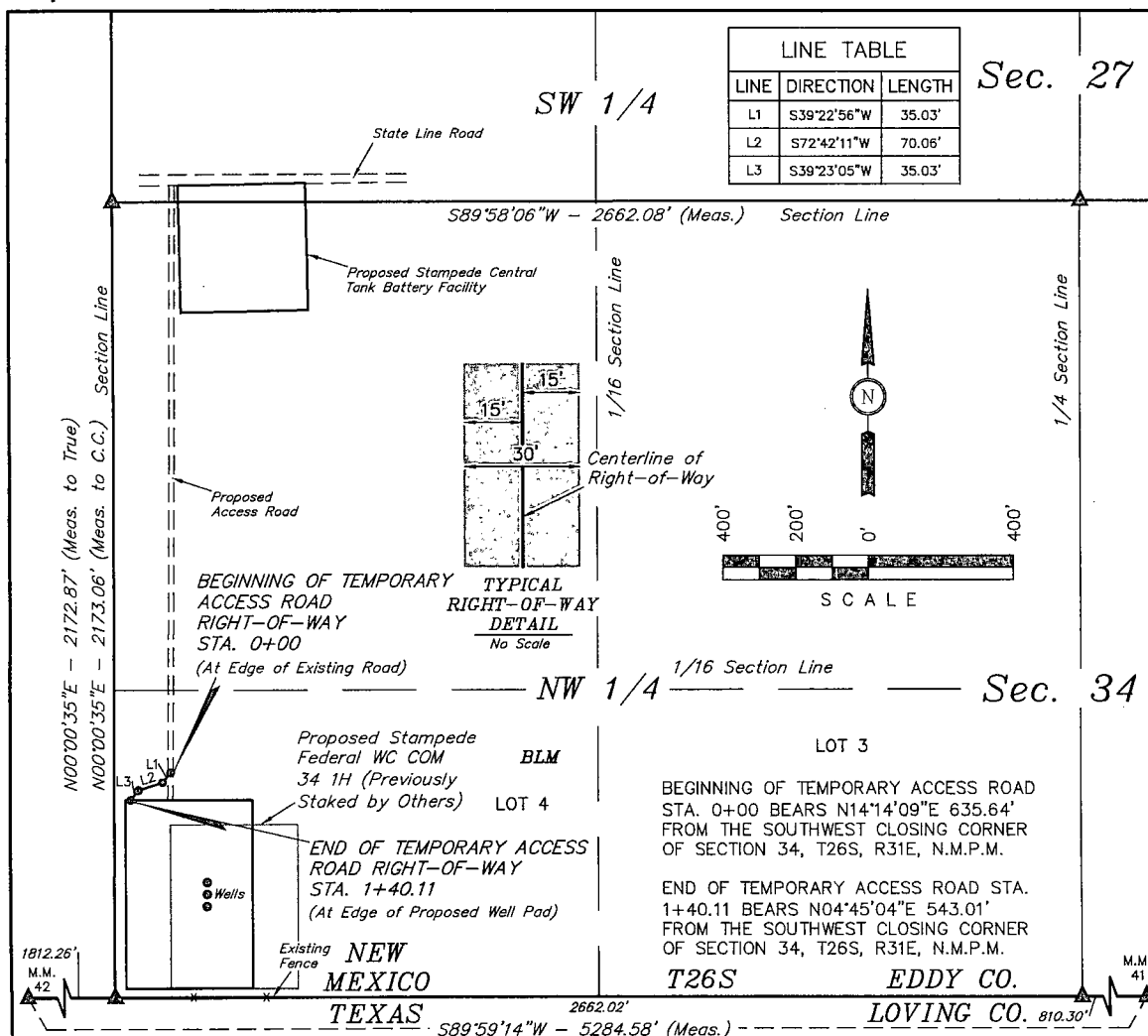
FIGURE #6

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE MAP WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. T2446
STATE OF NEW MEXICO

02-14-14



TEMPORARY ROAD RIGHT-OF-WAY DESCRIPTION

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN LOT 4 OF SECTION 34, T26S, R31E, N.M.P.M., WHICH BEARS N14°14'09"E 635.64' FROM THE SOUTHWEST CLOSING CORNER OF SAID SECTION 34, THENCE S39°22'56"W 35.03' S72°42'11"W 70.06' S39°23'05"W 35.03' TO A POINT IN LOT 4 OF SAID SECTION 34, WHICH BEARS N04°45'04"E 543.01' FROM THE SOUTHWEST CLOSING CORNER OF SAID SECTION 34. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 0.096 ACRES MORE OR LESS.

RIGHT-OF-WAY LENGTHS

DESCRIPTION	FEET	ACRES	RODS
TOTAL	140.11	0.096	8.49

▲ = SECTION CORNERS LOCATED.

△ = SECTION CORNERS RE-ESTABLISHED.
(Not Set on Ground.)

NOTES:

- The maximum grade of existing ground for the proposed access road is ± 2.7%.

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE STATEMENT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. T2446
STATE OF NEW MEXICO

02-14-14



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

ConocoPhillips

ConocoPhillips Company

STAMPEDE 34 FEDERAL COM W3 2H,
COM W2 3H & COM TC 4H
SECTION 34, T26S, R31E, N.M.P.M.
LOT 4

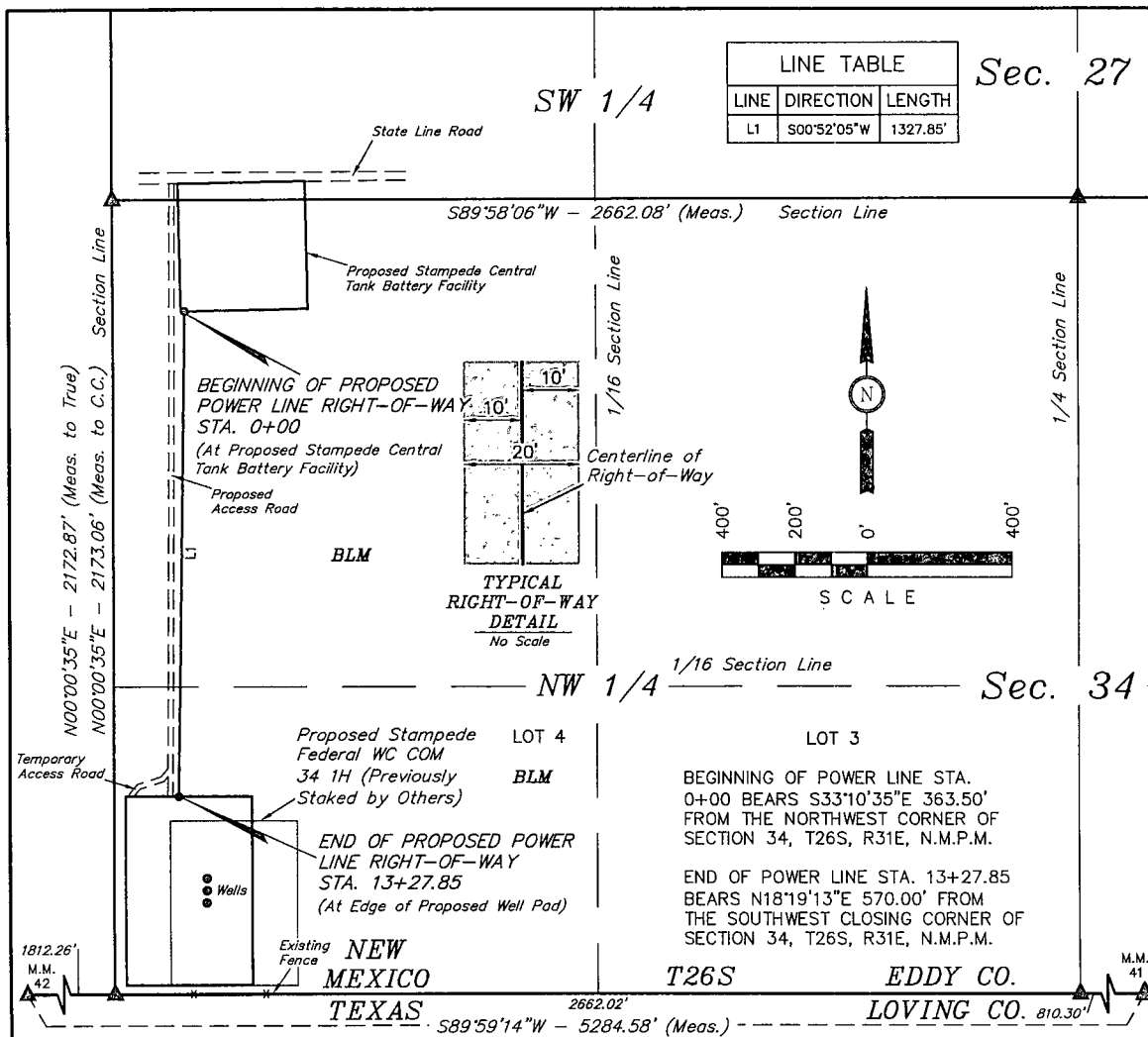
DRAWN BY: S.F.

SCALE: 1" = 400'

DATE: 01-22-14

REVISED:

TEMPORARY ACCESS ROAD RIGHT-OF-WAY FIGURE #7



POWER LINE RIGHT-OF-WAY DESCRIPTION

A 20' WIDE RIGHT-OF-WAY 10' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE NW 1/4 NW 1/4 OF SECTION 34, T26S, R31E, N.M.P.M., WHICH BEARS S33°10'35"E 363.50' FROM THE NORTHWEST CORNER OF SAID SECTION 34, THENCE S00°52'05"W 1327.85' TO A POINT IN LOT 4 OF SAID SECTION 34, WHICH BEARS N18°19'13"E 570.00' FROM THE SOUTHWEST CLOSING CORNER OF SAID SECTION 34. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 0.610 ACRES MORE OR LESS.

RIGHT-OF-WAY LENGTHS			
DESCRIPTION	FEET	ACRES	RODS
TOTAL	1327.85	0.610	80.48

▲ = SECTION CORNERS LOCATED.

△ = SECTION CORNERS RE-ESTABLISHED.
(Not Set on Ground.)

CERTIFICATE OF PROFESSIONAL SURVEYOR
THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 12446
STATE OF NEW MEXICO
02-14-14



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

ConocoPhillips

ConocoPhillips Company

STAMPEDE 34 FEDERAL COM W3 2H,
COM W2 3H & COM TC 4H
SECTION 34, T26S, R31E, N.M.P.M.
LOT 4

DRAWN BY: S.F.

SCALE: 1" = 400'

DATE: 01-22-14

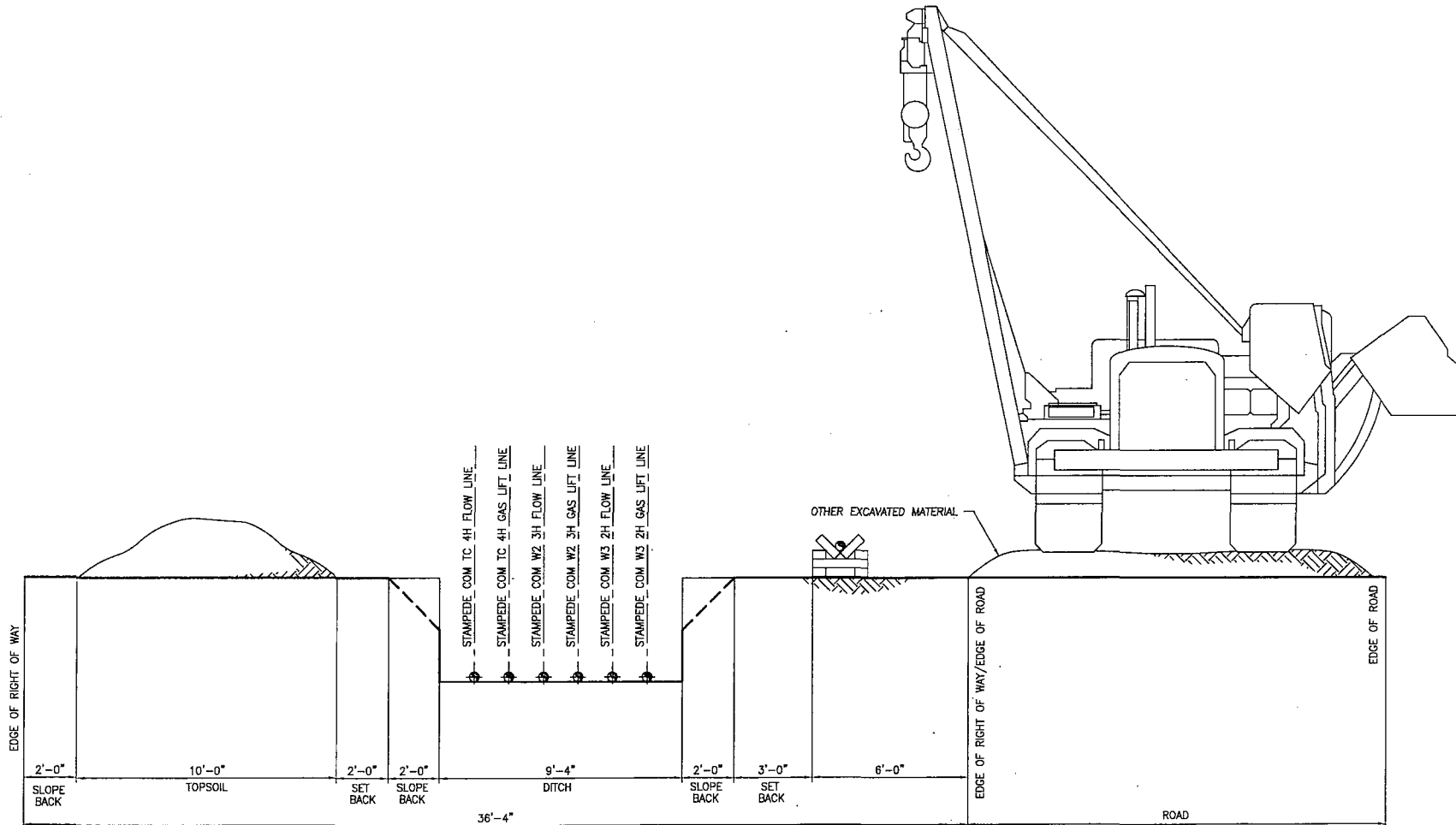
REVISED:

POWER LINE R-O-W

FIGURE #9

FLOW LINE RIGHT OF WAY

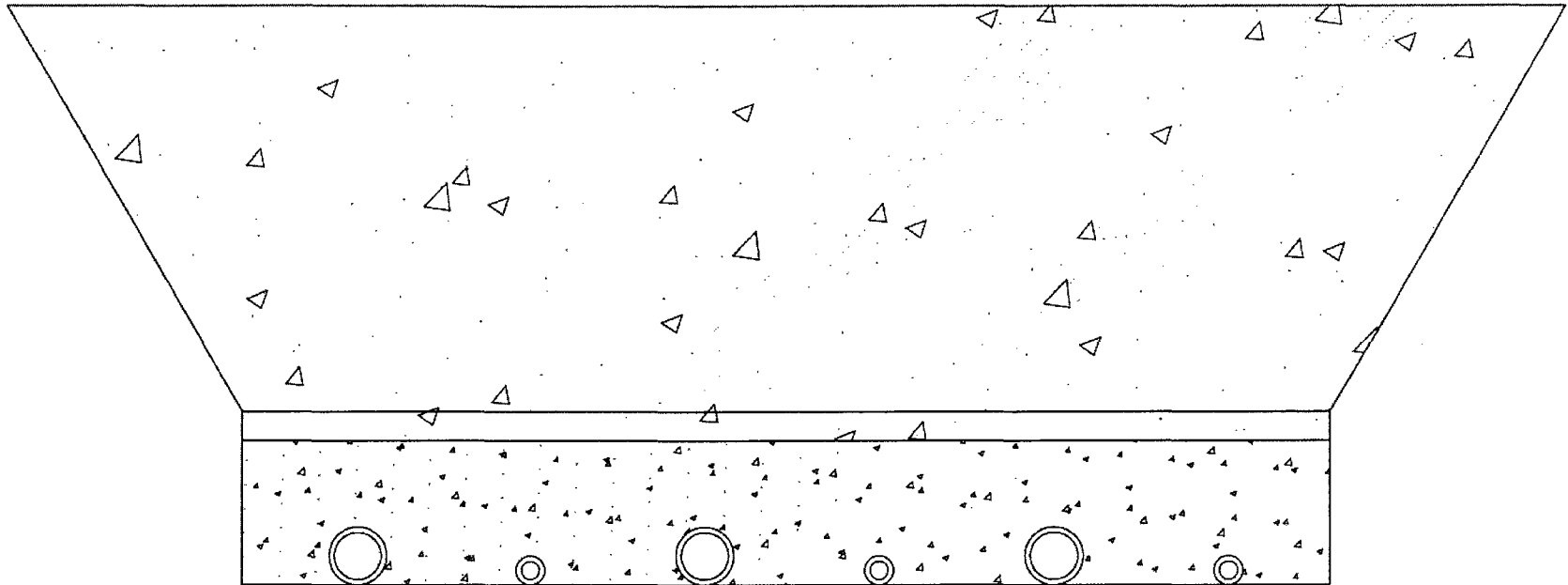
STAMPEDE 34 FEDERAL COM W3 2H, STAMPEDE 34 FEDERAL CO W2 3H, STAMPEDE 34 FEDERAL COM TC 4H



REFERENCE DWG NO:								DRAWN: TTM				DESIGN: RAR				<div>ConocoPhillips</div> <div>Mid Continent Business Unit</div>				PRMU FLOW LINE R-0-W											
								CHECKED: RAR				APPROVAL:								CC NO:				STAMPEDE 34 FEDERAL COM W3 2H, STAMPEDE 34 FEDERAL COM W2 3H, STAMPEDE 34 FEDERAL COM TC 4H							
B 5/13/14				ISSUE FOR APPROVAL				TTM RAR																							
A 05/12/14				ISSUE FOR APPROVAL				TTM RAR																							
REV		DATE				REVISION		BY		CHK		APP		APP		SCALE: NA		DATE: 05/12/14		CADD FILENAME:		JOB NO:		SUB JOB NO:		DRAWING NO: STAMPEDE COM W3 2H_W2 3H_TC 4H		SHEET: 1 of 1		REV: B	

BACKFILL AROUND PIPE

STAMPEDE 34 FEDERAL COM W3 2H, STAMPEDE 34 FEDERAL COM W2 3H,
STAMPEDE 34 FEDERAL COM TC 4H



BACKFILL DIRT TO BE AS FREE OF ROCKS AND LARGE PARTICLES AS POSSIBLE

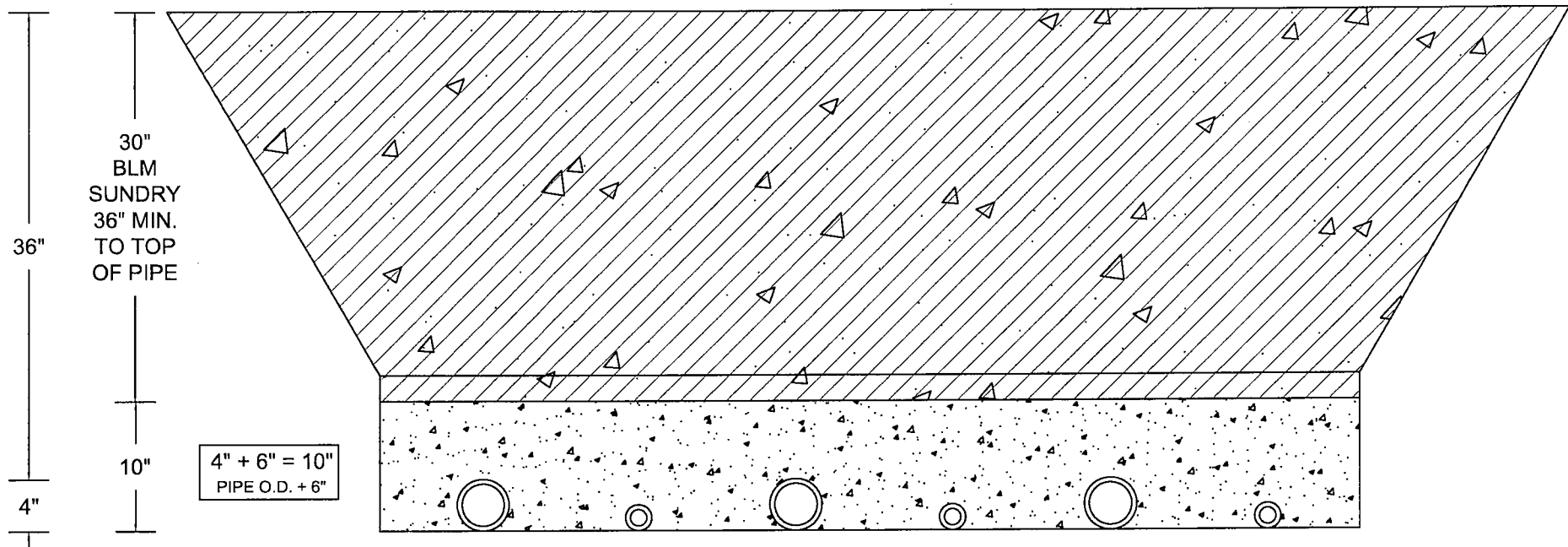
FLOW LINE WILL BE 4" COATED STEEL PIPE w/ AN OPERATING PRESSURE UP TO 1480# PSI.

GAS SUPPLY LINE WILL BE 2" STEEL PIPE w/ AN OPERATING PRESSURE UP TO 1100# PSI.

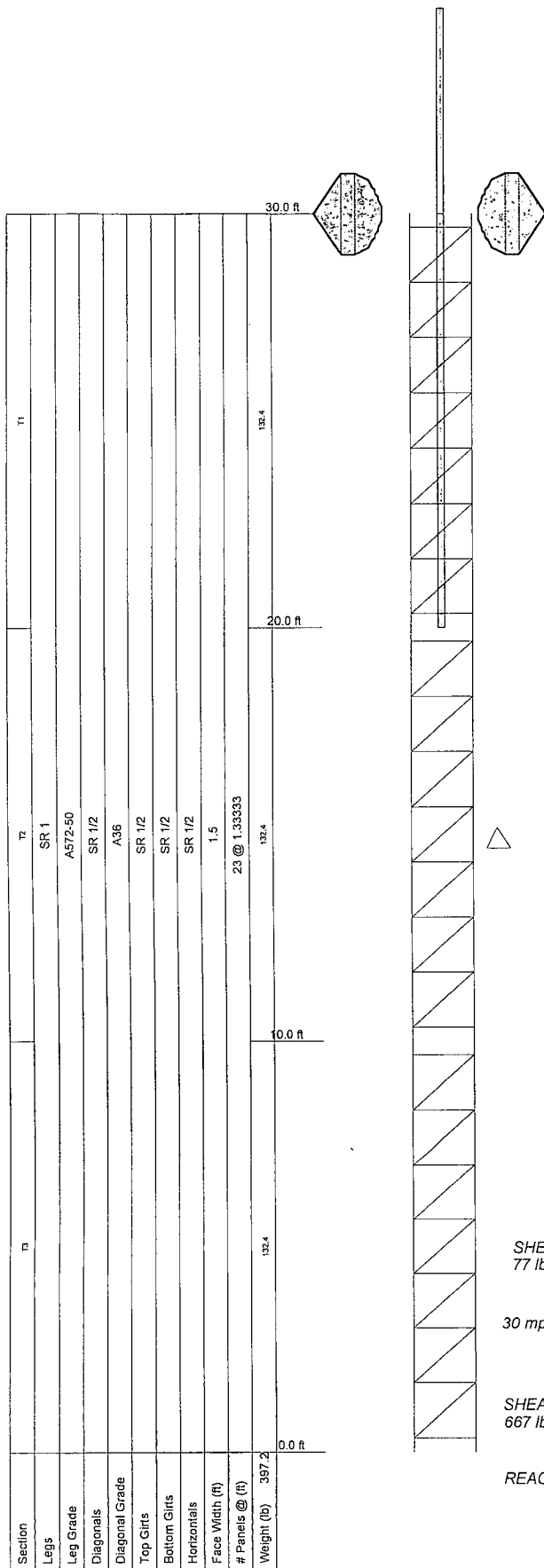
SOFT FILL DIRT OR SAND WITH NO ROCKS OR SOLID PARTICLES GREATER THAN 1" IN CIRCUMFERENCE

BACKFILL AROUND PIPE

STAMPEDE 34 FEDERAL COM W3 2H, STAMPEDE 34 FEDERAL COM W2 3H,
STAMPEDE 34 FEDERAL COM TC 4H



ALTERNATING 4" PIPE (FLOW LINE) +
2" PIPE (GAS LIFT)



DESIGNED APPURTENANCE LOADING

TYPE	ELEVATION	TYPE	ELEVATION
5000# Fall Load	50	12ft x 2.5" dia. Whip Antenna	30
Andrew 2' w/Radome	30	12ft x 2.5" dia. Whip Antenna	25
Andrew 2' w/Radome	30		

MATERIAL STRENGTH

GRADE	Fy	Fu	GRADE	Fy	Fu
A572-50	50 ksi	65 ksi	A36	36 ksi	58 ksi

TOWER DESIGN NOTES

1. Tower designed for Exposure C to the TIA-222-G Standard.
2. Tower designed for a 90 mph basic wind in accordance with the TIA-222-G Standard.
3. Tower is also designed for a 30 mph basic wind with 0.25 in ice. Ice is considered to increase in thickness with height.
4. Deflections are based upon a 60 mph wind.
5. Tower Structure Class II.
6. Topographic Category 1 with Crest Height of 0.00 ft
7. Tower members are "hot dipped" galvanized in accordance with ASTM A123 and ASTM A153 Standards.
8. Welds are fabricated with ER-80S-6 electrodes.
9. TOWER RATING: 41.1%

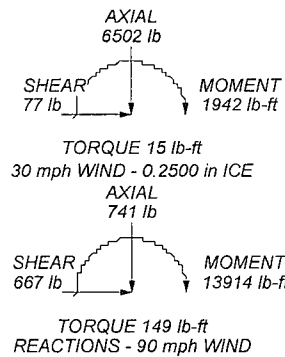
This engineering document is intended to be used as a sales tool. The engineering judgments herein are general in nature and are not intended to be site specific. Per section 107 of the International Building Code site specific drawings are required. Therefore, if or when this equipment is to be installed, a site specific analysis including site specific conditions (antenna equipment loading, elevations, wind speed, topographic factors, exposure coefficients, structure class, and soil strengths, ect) should be considered. DaVinci can provide site specific documents to meet the requirements of the building code and to ensure that the mounts, tower & foundation has sufficient structural capacity to support the proposed loading.

ALL REACTIONS
ARE FACTORED

MAX. CORNER REACTIONS AT BASE:

DOWN: 10768 lb
SHEAR: 182 lb

UPLIFT: -10132 lb
SHEAR: 271 lb



2/7/2014

DaVinci Engineering, Inc.		Job: 9914267-022	
PO Box 1966 Santa Maria, CA 93456 Phone: (805) 922-5221 FAX: (805) 880-0402		Project: 30-ft Light Duty Tower	
Client: 32.006009, -103.773487; Eddy County, New Mexico		Drawn by: Simon Leland	App'd:
Code: TIA-222-G		Date: 03/07/14	Scale: NTS
Path: R:\Engineering Documents\TNR TOWER Files\Light Duty Tower 267201414267-022.dwg		Dwg No. E-1	

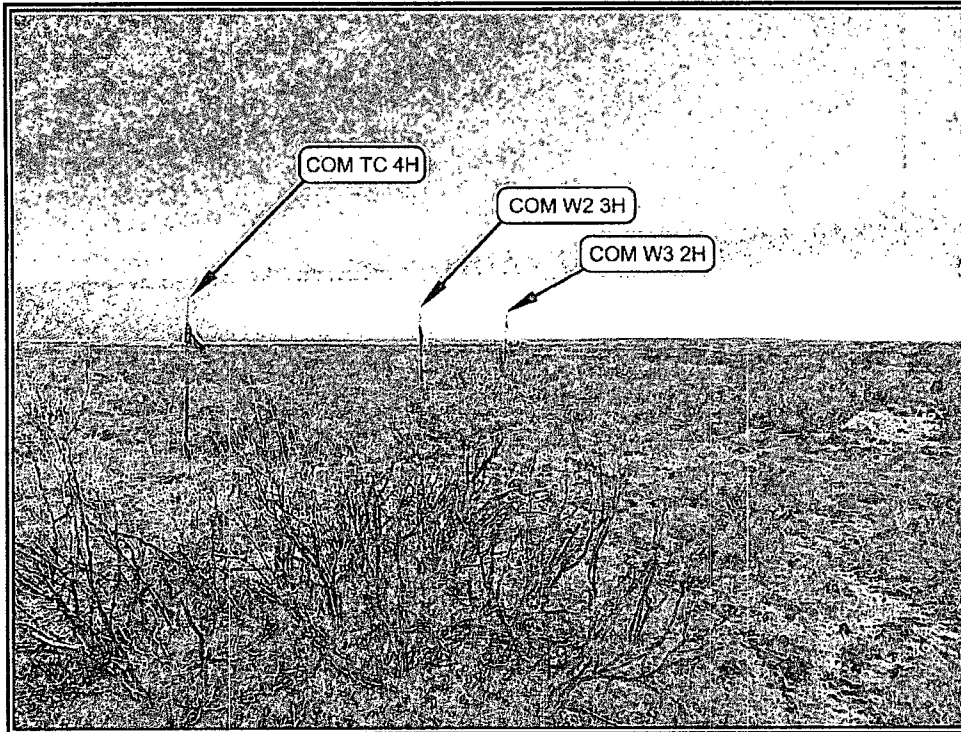


PHOTO: VIEW OF LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

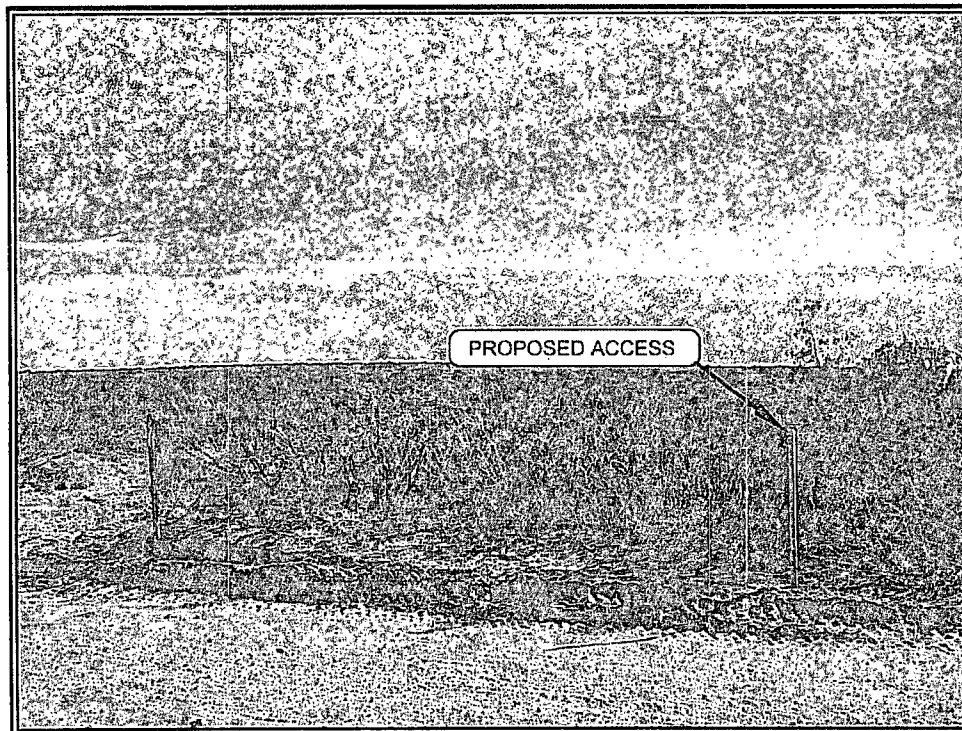


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY

NOTES:

ConocoPhillips

ConocoPhillips Company

STAMPEDE 34 FEDERAL COM W3 2H,
COM W2 3H & COM TC 4H
SECTION 34, T26S, R31E, N.M.P.M.
LOT 4

TAKEN BY: J.D.

DRAWN BY: L.S.

REVISED:

DATE: 01-07-14

DATE: 01-17-14



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

PHOTO SHEET

Drilling Program
ConocoPhillips Company
Stampede 34 Federal COM TC 4H
316' FSL 255' FWL (SHL)
Sec 34-T26S-R31E
330' FNL 380' FWL (BHL)
Sec 27-T26S-R31E
Eddy County, New Mexico

1. Estimated tops of geological formations:

Geologic Formation at surface: Quaternary

	Formation	TVD (ft)
	Base Fresh Water	300
	Rustler	1163
	Top Salt	1463
	Base Salt	3997
*	Cherry Canyon	4932
*	Brushy Canyon	6429
*	Bone Spring Carb	7977
*	Avalon	8248
*	1st Bone Spring	8913
*	2nd Bone Spring	9585
*	3rd Bone Spring	9995
*	Wolfcamp	11322

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

Water: Fresh water is anticipated above the Rustler at 300' and will be protected by surface casing at 950' and cemented to surface.

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

3. Pressure Control Equipment:

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

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

Multibowl wellhead

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

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

See COA

4. Proposed Casing Program

*All tubulars used for this design will be new.

See COA

Hole Size (in)	Casing (in)	Wt/Ft	Grade	Connection	Depth (ft)	Depth (ftTVD)	Depth (ftMD)	BOPE System
17 1/2	13 3/8	54.5	J-55	BTC	0- 950	950 10 25 950		N/A
12 1/4	9 5/8	40.0	L-80	BTC	0- 4150	4150 39 25 4150		5M
8 3/4	5 1/2	20.0	P-110	Ten XP BTC	0-16696	9995	16696	5M

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

Hole Size (in)	Casing (in)	Burst	Collapse	Tension	Thread & Cplg. OD (in)	Minimum Clearance (in)
17 1/2	13 3/8	5.94	2.46	20.46	14.375	1.5625
12 1/4	9 5/8	2.59	1.39	6.77	10.625	0.8125
8 3/4	5 1/2	2.61	2.30	3.74	6.100	1.3250

Drilling Program
ConocoPhillips Company
Stampede 34 Federal COM TC 4H
316' FSL 255' FWL (SHL)
Sec 34-T26S-R31E
330' FNL 380' FWL (BHL)
Sec 27-T26S-R31E
Eddy County, New Mexico

5. Proposed Cementing Program

		Volume (sx)	Type	Weight (ppg)	Yield (ft3/sx)	Water (Gal/sx)	Excess	Cement Top
Surface	Lead	540	Class C	13.7	1.68	8.684	100%	Surface
	Tail	320	Class C	14.8	1.33	6.349	100%	650ft
Additives (BWOB): 4% Extender, 2% CaCl2, 0.125 lb/sx LCM, 0.2% Anti-Foam								
Intermediate 1	Lead	1060	Class C	11.9	2.59	15.393	130%	Surface
	Tail	440	Class C	14.8	1.33	6.187	130%	3650ft
Additives (BWOB): 7% Extender, 0.6% Retarder, 0.2% Anti-foam, 0.9% Fluid Loss, 0.125 lb/sx LCM								
Production	Lead	900	Tuned Light	9.7	2.28	7.74	40%	3650ft
	Tail	1840	TXI	13.2	1.40	6.82	40%	9430ft
Additives (BWOB): 0.4% Retarder, 0.2% Anti-foam, 0.7 Anti-gelling, 0.4% Fluid Loss, 2% Expanding Agent, 5.0% Silica								
Production (Optional DV)	Depth (ft):	7,900						
	Lead	950	Tuned Light	9.7	2.28	7.74	100%	4052ft
Additives (BWOB): 0.4% Retarder, 0.2% Anti-foam, 0.7 Anti-gelling, 0.4% Fluid Loss, 2% Expanding Agent, 5.0% Silica								

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

6. Proposed Fluids Program

Depth (ft)			Type	Mud Weight (ppg)	Viscosity	Fluid Loss
0	to	950	Spud Mud	8.4 - 9.3	32-36	NC
950 to 25	to	4150	Brine	9.3 - 10.3	28-30	≤5
4150 to 3925	to	16721	Cut Brine	8.8 - 9.3	28-45	≤5

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

7. Formation Evaluation Program

Samples: Dry samples taken 30' from intermediate casing point to TD. GC Tracers KOP to TD.
Logging: GR/Neutron from base salt to surface if data is unavailable within one mile. GR from 200' above KOP to TD. Shuttle log in the lateral.

8. Anticipated Wellbore Conditions

	Value	Comments
Bottom Hole Pressure (psi)	2599	Assumes 0.48psi/ft - 0.22psi/ft Partial Evacuation
Bottom Hole Temperature (°F)	172	Assumes 0.01deg/100ft
Abnormal Pressure / Potential Hazards	Losses below Delaware will be mitigated with lost circulation material. Potential overpressure below the top of Wolfcamp will be mitigated with mud weight. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. All personnel will be familiar with all aspects of safe operation being used to drill this well.	

9. Directional Plan:

Kick off Point MD (ft)	Landing TVD (ft)	Landing MD (ft)	Total Measured Depth (ft)
9430	9995	10330	16721

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

Drilling Program
ConocoPhillips Company
Stampede 34 Federal COM TC 4H
316' FSL 255' FWL (SHL)
Sec 34-T26S-R31E
330' FNL 380' FWL (BHL)
Sec 27-T26S-R31E
Eddy County, New Mexico

10. Spudder Rig and Skid Operations.

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

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

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

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

SKID / BATCH DRILLING OPERATIONS – “TRIPLE PAD”

SKID / BATCH DRILLING OPERATION PLAN FOR “TRIPLE PAD”:

1. ALL SURFACE CASINGS PRE-SET (Pre-set with “Spudder Rig”).
 2. WELL 1 / WolfCamp 3. 9-5/8” CASING – WBM.
 3. WELL 2 / WolfCamp 2. 9-5/8” CASING – WBM.
 4. WELL 3 / BS 3RD CARB. 9-5/8” CASING – WBM.
 5. WELL 3 / BS 3RD CARB. 5-1/2” CASING – WBM.
 6. WELL 2 / WolfCamp 2. 7-5/8” CASING – WBM.
 7. WELL 1 / WolfCamp 3. 7-5/8” CASING – WBM.
 8. WELL 1 / WolfCamp 3. 5” CASING – OBM.
 9. WELL 2 / WolfCamp 2. 5” CASING – OBM.
 10. RIG RELEASE.
- “INTERMEDIATE 1” BATCH
- “INTERMEDIATE 2” BATCH
- “PRODUCTION” BATCH

July 29 2014



Connection: TenarisXP™ BTC
Casing/Tubing: CAS
Coupling Option: REGULAR

Size: 5.500 in.
Wall: 0.361 in.
Weight: 20.00 lbs/ft
Grade: P110
Min. Wall Thickness: 87.5 %

PIPE BODY DATA			
GEOMETRY			
Nominal OD	5.500 in.	Nominal Weight	20.00 lbs/ft
Nominal ID	4.778 in.	Wall Thickness	0.361 in.
Plain End Weight	19.83 lbs/ft	Standard Drift Diameter	4.653 in.
		Special Drift Diameter	N/A
PERFORMANCE			
Body Yield Strength	641 x 1000 lbs	Internal Yield	12630 psi
Collapse	11100 psi	SMYS	110000 psi

TENARISXP™ BTC CONNECTION DATA			
GEOMETRY			
Connection OD	6.100 in.	Coupling Length	9.450 in.
Critical Section Area	5.828 sq. in.	Threads per in.	5.00
		Connection ID	4.766 in.
		Make-Up Loss	4.204 in.
PERFORMANCE			
Tension Efficiency	100 %	Joint Yield Strength	641 x 1000 lbs
Structural Compression Efficiency	100 %	Structural Compression Strength	641 x 1000 lbs
External Pressure Capacity	11100 psi	Internal Pressure Capacity ⁽¹⁾	12630 psi
		Structural Bending ⁽²⁾	92 %/100 ft

ESTIMATED MAKE-UP TORQUES ⁽³⁾			
Minimum	11270 ft-lbs	Target	12520 ft-lbs
		Maximum	13770 ft-lbs
BLANKING DIMENSIONS			
Blanking Dimensions			

(1) Internal Pressure Capacity related to structural resistance only. Internal pressure leak resistance as per section 10.3 API 5C3 / ISO 10400 - 2007.

(2) Structural rating, pure bending to yield (i.e no other loads applied)

(3) Torque values calculated for API Modified thread compounds with Friction Factor=1. For other thread

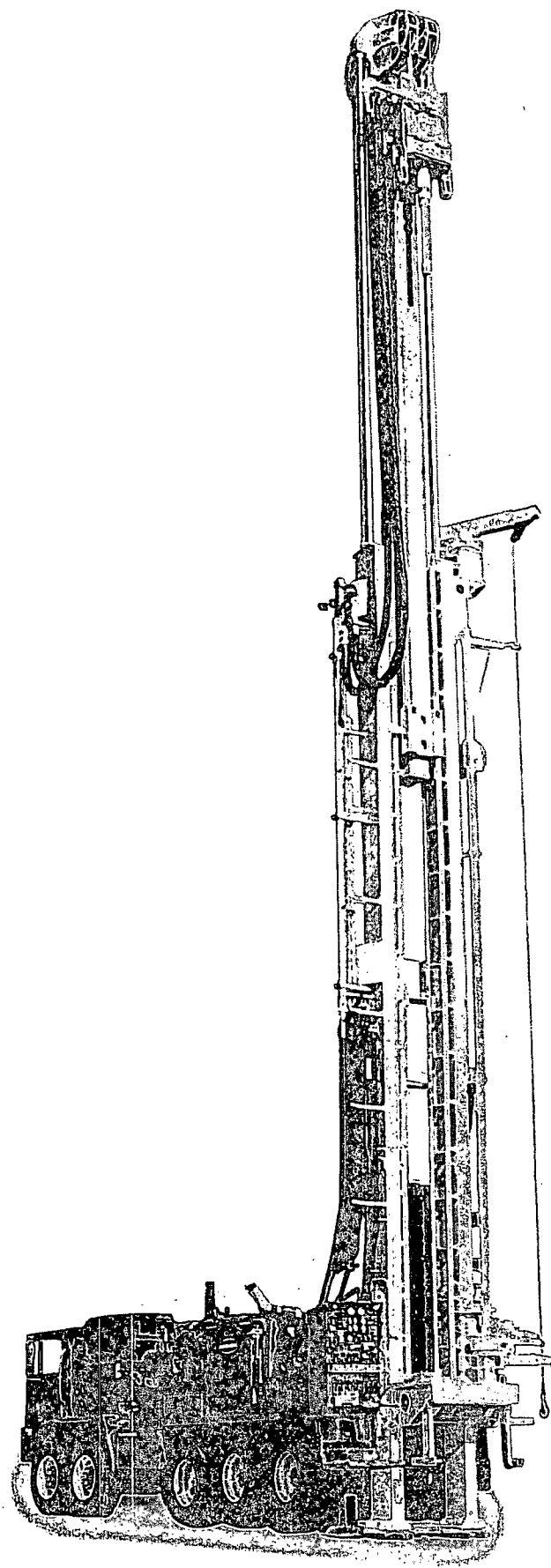


T130XD

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

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

ROTADRILL



CARRIER MOUNTED RIG EQUIPPED WITH TELEMAST

T130XD ROTADRILL SPECIFICATIONS

Engine

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

Standard Compressor

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

Cooling

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

Dimensions

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

Carrier

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

Top Head Rotation

Ductile iron, single reduction oil bath gearbox
with two disc valve type hydraulic motors.
Infinitely variable rotation speed.
3.5:1 Reduction Gear
3" diameter (76.2 mm) spindle thru hole
0-143 rpm, infinitely variable
106,600 in-lb (12,045 N·m) torque

Feed System

Top head is driven by hydraulic traverse
cylinders through special wire rope and large
diameter Nylatron sheaves. As top head is raised,
the inner mast section extends by a ratio of 1:2
until it reaches its fully extended position at 50'
of clear head travel.
42' 9" (13 m) OA height (retracted)
69' 9" (21.65 m) OA height (extended)
50' (15.24 m) top head travel
130,000 lb (59,090 kg) pullup
8 fpm (2.44 mpm) pullup speed-slow feed
125 fpm (38.1 mpm) pullup speed-rapid feed
32,000 lb (14,545 kg) pulldown capacity
26 fpm (7.92 mpm) pulldown speed-slow feed
270 fpm (82.3 mpm) pulldown speed-rapid feed
52' 10" (16.1 m) working clearance mast spindle
to table (sub removed)
48' 10" (14.9 m) working clearance mast sub to
table

Drill Pipe & Casing

30' x 4-1/2" OD x 2-7/8" IF breakout style drill pipe,
range III casing
28" (711 mm) max. diameter through slipbox

Mast

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

32" (813 mm) cylinder operated slide
Free-standing mast
hydraulically operated adjustable mast feet
hydraulically retracted slip box
20" (508 mm) table opening w/o slips

Winch

Planetary with spring applied hydraulic
release brake
9,600 lb (4,354 kg) bare drum line pull
151 fpm (46 mpm) bare drum line speed

Hydraulic System

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

Water Injection System

25 gpm (95 lpm) water pump
Electric foam pump

Outriggers

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

Tool Lubricator

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

Lighting & Electrical System - 24 Volt

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

Accessories

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

Optional Equipment

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

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



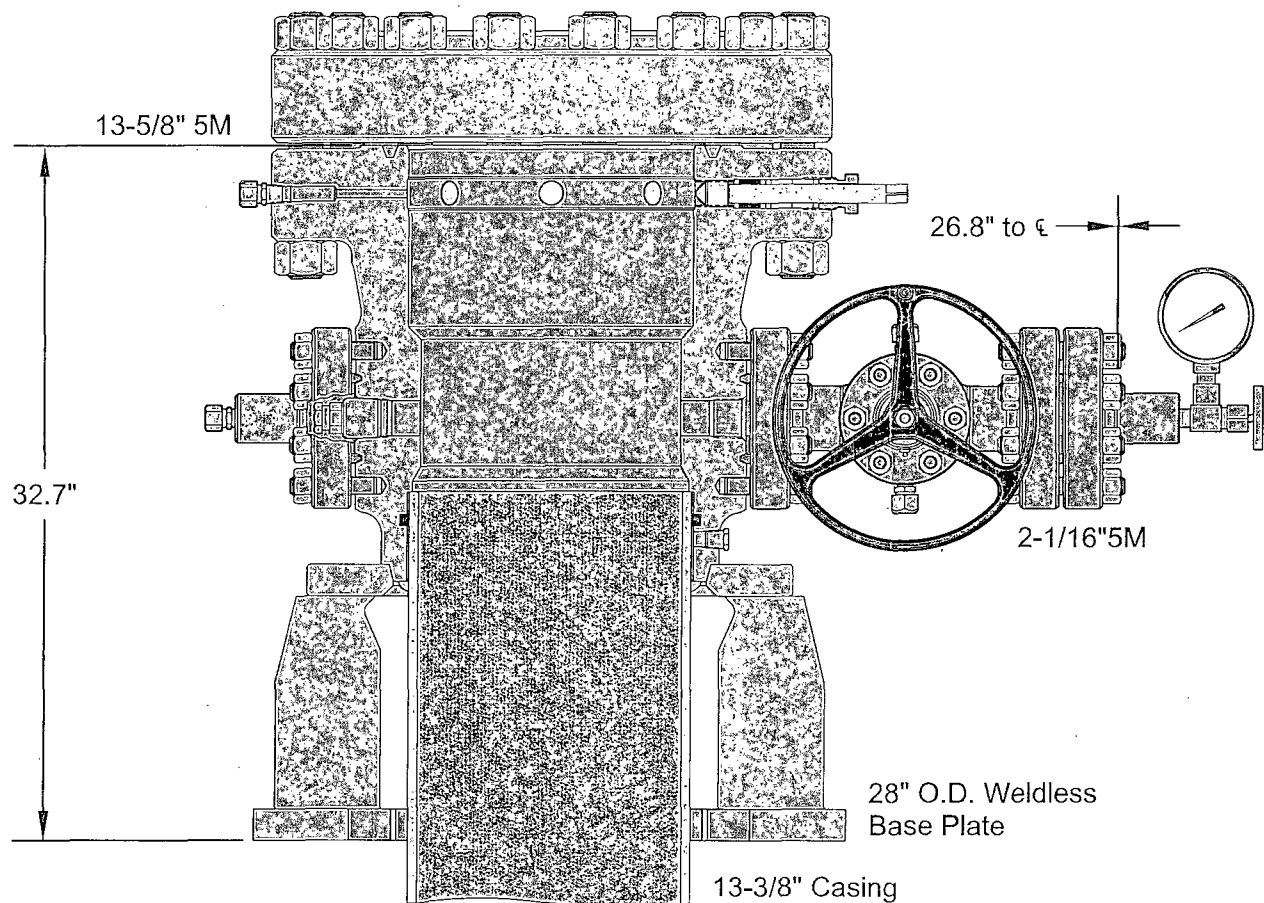
www.schramm-inc.com

SCHRAMM, INC.

800 E. Virginia Avenue
West Chester, PA 19380 USA
Phone: 610-696-2500
Fax: 610-696-6950
E-mail: schramm@schramm-inc.com



GE Oil & Gas



ALL DIMENSIONS ARE APPROXIMATE

This drawing is the property of GE Oil & Gas Pressure Control LP and is considered confidential. Unless otherwise approved in writing, neither it nor its contents may be used, copied, transmitted or reproduced except for the sole purpose of GE Oil & Gas Pressure Control LP.

CONOCOPHILLIPS
SPUDDER RIG

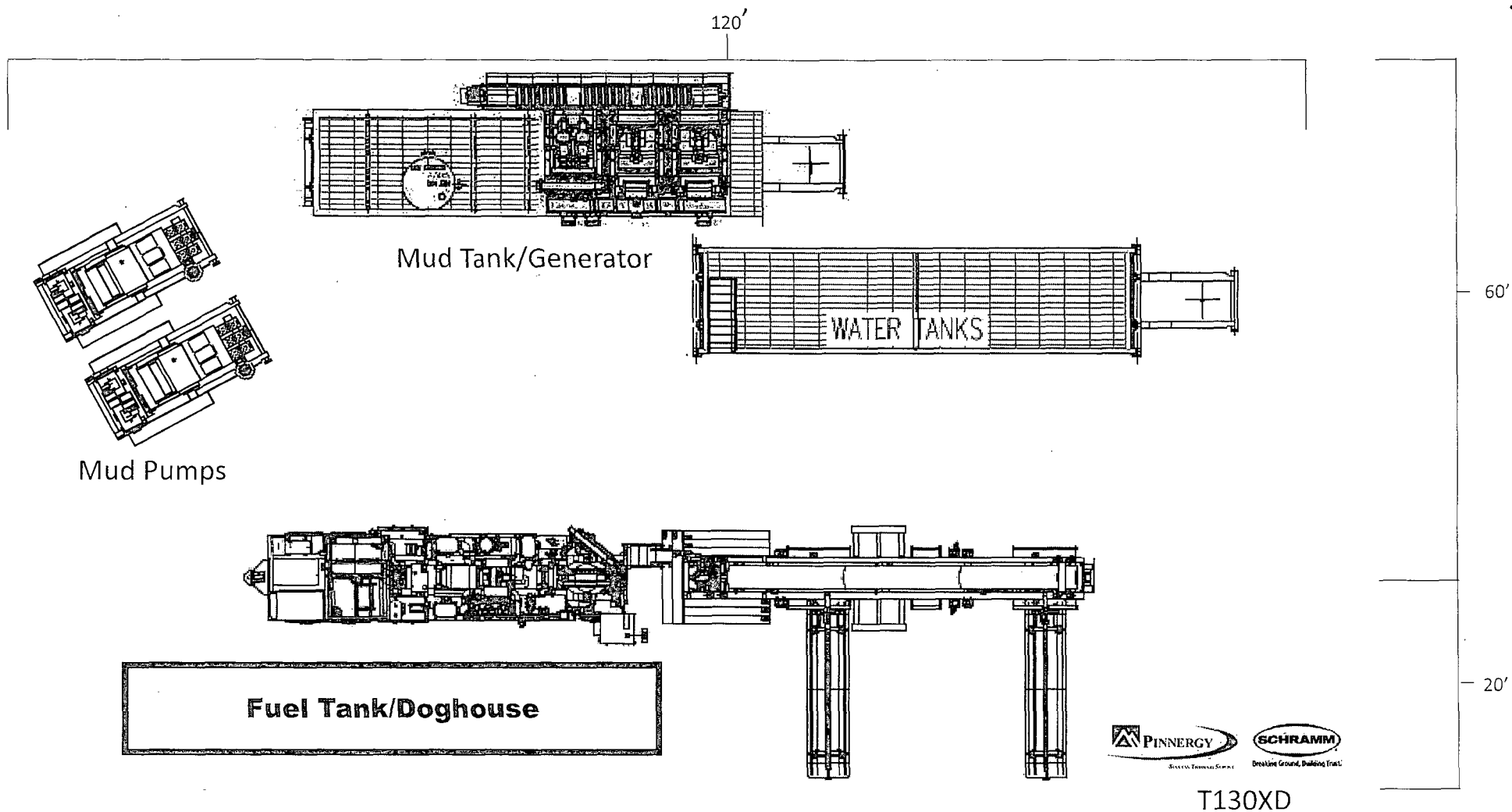
HSG,WG,SH2-LWR,13-5/8 5M X 13-3/8 SOW,W/2 2-1/16 5M FP
BASEPLATE,WELDLESS,28 OD
FLANGE,BLIND, 13-5/8 5M

DRAWN	VJK	19AUG14
APPRV	KN	16AUG14

FOR REFERENCE ONLY

DRAWING NO.

PE00624



"Pinnergy #1" Spudder Rig Layout

March 05 2014



Size: 7.625 in.
Wall: 0.430 in.
Weight: 33.70 lbs/ft
Grade: P110
Min. Wall Thickness: 87.5 %

Connection: Wedge 523™
Casing/Tubing: CAS

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

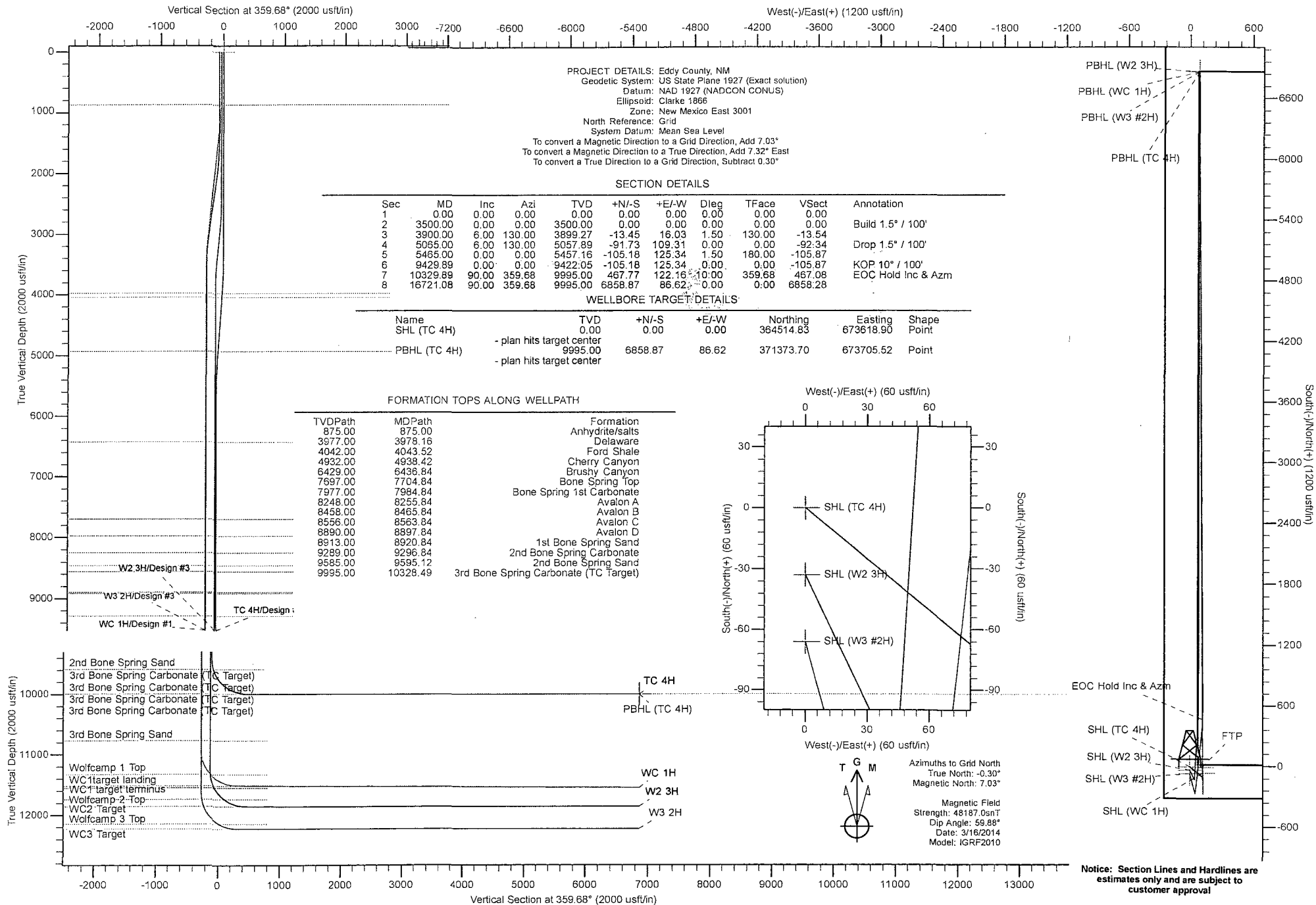
WEDGE 523™ CONNECTION DATA			
GEOMETRY			
Connection OD	7.775 in.	Connection ID	6.675 in.
		Make-Up Loss	4.060 in.
Critical Section Area	7.057 sq. in.	Threads per in.	3.06
PERFORMANCE			
Tension Efficiency	72.6 %	Joint Yield Strength	776 x 1000 lbs
		Internal Pressure Capacity	10860 psi
Compression Strength	881 x 1000 lbs	Compression Efficiency	82.4 %
External Pressure Capacity	7870 psi	Bending	48°/100 ft.

MAKE-UP TORQUES			
Minimum	9900 ft-lbs	Target	11900 ft-lbs
		Maximum (E)	17300 ft-lbs

OPERATIONAL LIMIT TORQUES			
Operating Torque	42000 ft-lbs	Yield Torque	63000 ft-lbs

BLANKING DIMENSIONS			
* Blanking Dimensions			

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



Gyrodatab Inc
Planning Report

Database:	GyrodatabNWDB	Local Co-ordinate Reference:	Well TC 4H
Company:	ConocoPhillips	TVD Reference:	Well @ 3161.00usft (RKB: 25' + GL: 3136')
Project:	Eddy County, NM	MD Reference:	Well @ 3161.00usft (RKB: 25' + GL: 3136')
Site:	Stampede 34 Federal COM	North Reference:	Grid
Well:	TC 4H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Design #3		

Project:	Eddy County, NM		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site		Stampede 34 Federal COM			
Site Position:		Northing:	364,448.87 usft	Latitude:	32° 0' 2.69 N
From:	Map	Easting:	673,619.03 usft	Longitude:	103° 46' 23.74 W
Position Uncertainty:	0.00 usft	Slot Radius:	13.20 in	Grid Convergence:	0.30 °

Well	TC 4H					
Well Position	+N/-S	65.96 usft	Northing:	364,514.83 usft	Latitude:	32° 0' 3.34 N
	+E/-W	-0.13 usft	Easting:	673,618.90 usft	Longitude:	103° 46' 23.74 W
Position Uncertainty		0.00 usft	Wellhead Elevation:	0.00 usft	Ground Level:	3,136.00 usft

Wellbore	Original Hole				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	3/16/2014	7.32	59.88	48,187

Design:		Design #3		
Audit Notes:				
Version:		Phase:	PROTOTYPE	Tie On Depth: 0.00
Vertical Section:		Depth From (TVD)	+N-S	+E-W
		(usft)	(usft)	(usft)
		0.00	0.00	0.00
				Direction
				(°)
				359.68

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/S (usft)	+E/W (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
3,900.00	6.00	130.00	3,899.27	-13.45	16.03	1.50	1.50	0.00	130.00	
5,065.00	6.00	130.00	5,057.89	-91.73	109.31	0.00	0.00	0.00	0.00	
5,465.00	0.00	0.00	5,457.16	-105.18	125.34	1.50	-1.50	0.00	180.00	
9,429.89	0.00	0.00	9,422.05	-105.18	125.34	0.00	0.00	0.00	0.00	
10,329.89	90.00	359.68	9,995.00	467.77	122.16	10.00	10.00	-0.04	359.68	
16,721.08	90.00	359.68	9,995.00	6,858.87	86.62	0.00	0.00	0.00	0.00	PBHL (TC 4H)

ConocoPhillips

Eddy County, NM

Stampede 34 Federal COM

TC 4H

Original Hole

Plan: Design #3

Standard Planning Report

07 April, 2014

Gyrodata Inc

Planning Report

Database:	GyrodataNWDB	Local Co-ordinate Reference:	Well TC 4H
Company:	ConocoPhillips	TVD Reference:	Well @ 3161.00usft (RKB: 25' + GL: 3136')
Project:	Eddy County, NM	MD Reference:	Well @ 3161.00usft (RKB: 25' + GL: 3136')
Site:	Stampede 34 Federal COM	North Reference:	Grid
Well:	TC 4H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Design #3		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	6.00	130.00	3,899.27	-13.45	16.03	-13.54	1.50	1.50	0.00
5,065.00	6.00	130.00	5,057.89	-91.73	109.31	-92.34	0.00	0.00	0.00
5,465.00	0.00	0.00	5,457.16	-105.18	125.34	-105.87	1.50	-1.50	0.00
9,429.89	0.00	0.00	9,422.05	-105.18	125.34	-105.87	0.00	0.00	0.00
10,329.89	90.00	359.68	9,995.00	467.77	122.16	467.08	10.00	10.00	0.00
16,721.08	90.00	359.68	9,995.00	6,858.87	86.62	6,858.28	0.00	0.00	0.00

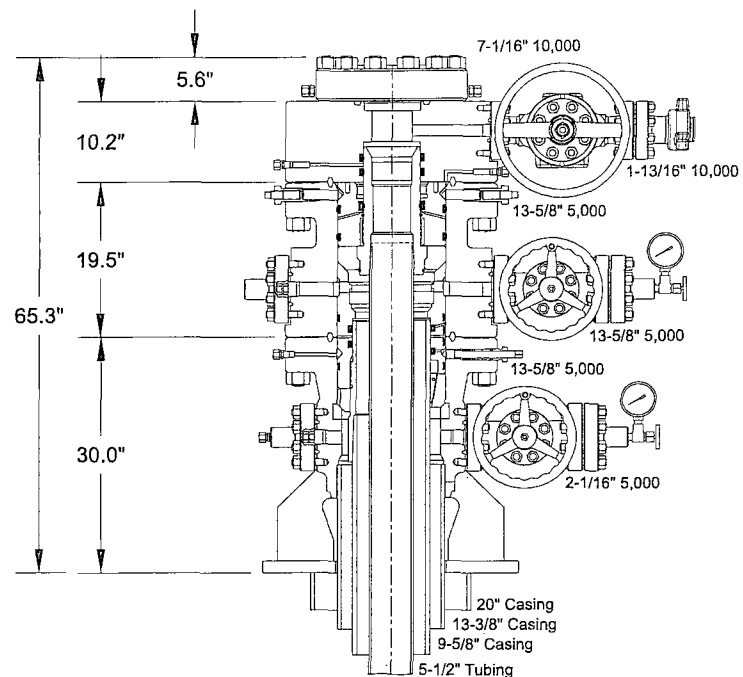
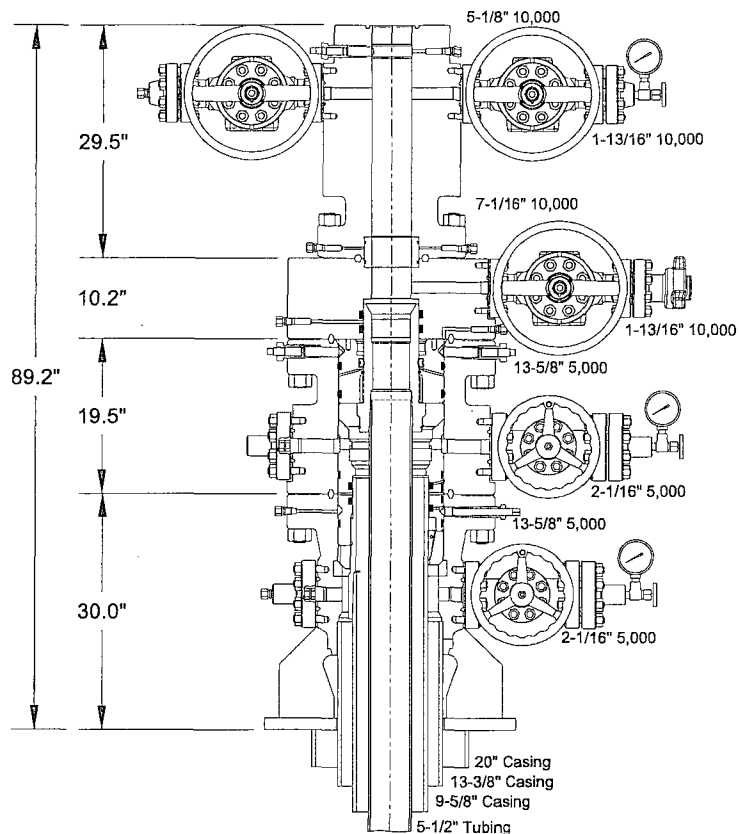
Design Targets									
Target Name	hit/miss target	Dip Angle (°)	Dip Dir (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	
SHL (TC 4H)	- plan hits target center	0.00	0.00	0.00	0.00	0.00	364,514.83	673,618.90	32° 0' 3.34 N
	- Point								103° 46' 23.74 W
PBHL (TC 4H)	- plan hits target center	0.00	0.01	9,995.00	6,858.87	86.62	371,373.70	673,705.52	32° 1' 11.22 N
	- Point								103° 46' 22.32 W

Formations						
Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)	
875.00	875.00	Anhydrite/salts		0.00	0.00	
3,978.16	3,977.00	Delaware		0.00	0.00	
4,043.52	4,042.00	Ford Shale		0.00	0.00	
4,938.42	4,932.00	Cherry Canyon		0.00	0.00	
6,436.84	6,429.00	Brushy Canyon		0.00	0.00	
7,704.84	7,697.00	Bone Spring Top		0.00	0.00	
7,984.84	7,977.00	Bone Spring 1st Carbonate		0.00	0.00	
8,255.84	8,248.00	Avalon A		0.00	0.00	
8,465.84	8,458.00	Avalon B		0.00	0.00	
8,563.84	8,556.00	Avalon C		0.00	0.00	
8,897.84	8,890.00	Avalon D		0.00	0.00	
8,920.84	8,913.00	1st Bone Spring Sand		0.00	0.00	
9,296.84	9,289.00	2nd Bone Spring Carbonate		0.00	0.00	
9,595.12	9,585.00	2nd Bone Spring Sand		0.00	0.00	
10,328.49	9,995.00	3rd Bone Spring Carbonate (TC Target)		0.00	0.00	

Gyrodata Inc
Planning Report

Database:	GyrodataNWDB	Local Co-ordinate Reference:	Well TC 4H
Company:	ConocoPhillips	TVD Reference:	Well @ 3161.00usft (RKB: 25' + GL: 3136')
Project:	Eddy County, NM	MD Reference:	Well @ 3161.00usft (RKB: 25' + GL: 3136')
Site:	Stampede 34 Federal COM	North Reference:	Grid
Well:	TC 4H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Design #3		

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
3,500.00	3,500.00	0.00	0.00	Build 1.5° / 100'
5,065.00	5,057.89	-91.73	109.31	Drop 1.5° / 100'
9,429.89	9,422.05	-105.18	125.34	KOP 10° / 100'
10,329.89	9,995.00	467.77	122.16	EOC Hold Inc & Azm



GE Oil & Gas

Pressure Control

CONOCOPHILLIPS

This drawing is the property of GE Oil & Gas Pressure Control LP and is considered confidential. Unless otherwise approved in writing, neither it nor its contents may be used, copied, transmitted or reproduced except for the sole purpose of manufacturing product for GE Oil & Gas Pressure Control LP.

WELLHEAD ASS'Y, SH2 5,000 W/MTH 10,000

20" X 13-3/8" 9-5/8" 5-1/2"

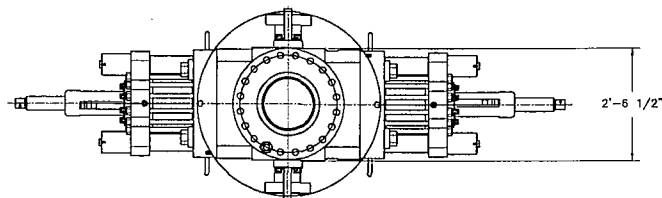
AVALON & BONE SPRING CARB

Not for Manufacturing Use.

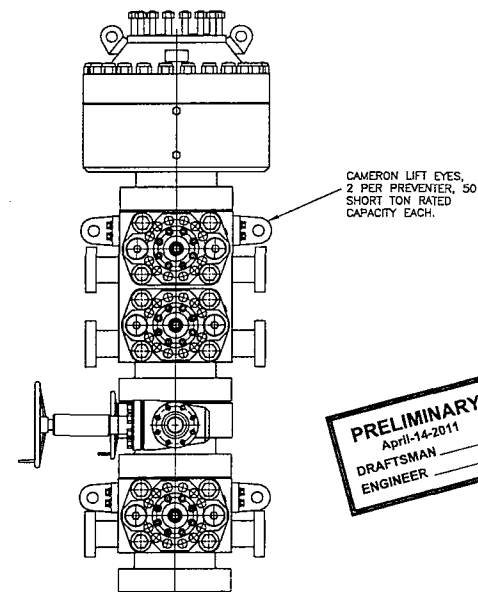
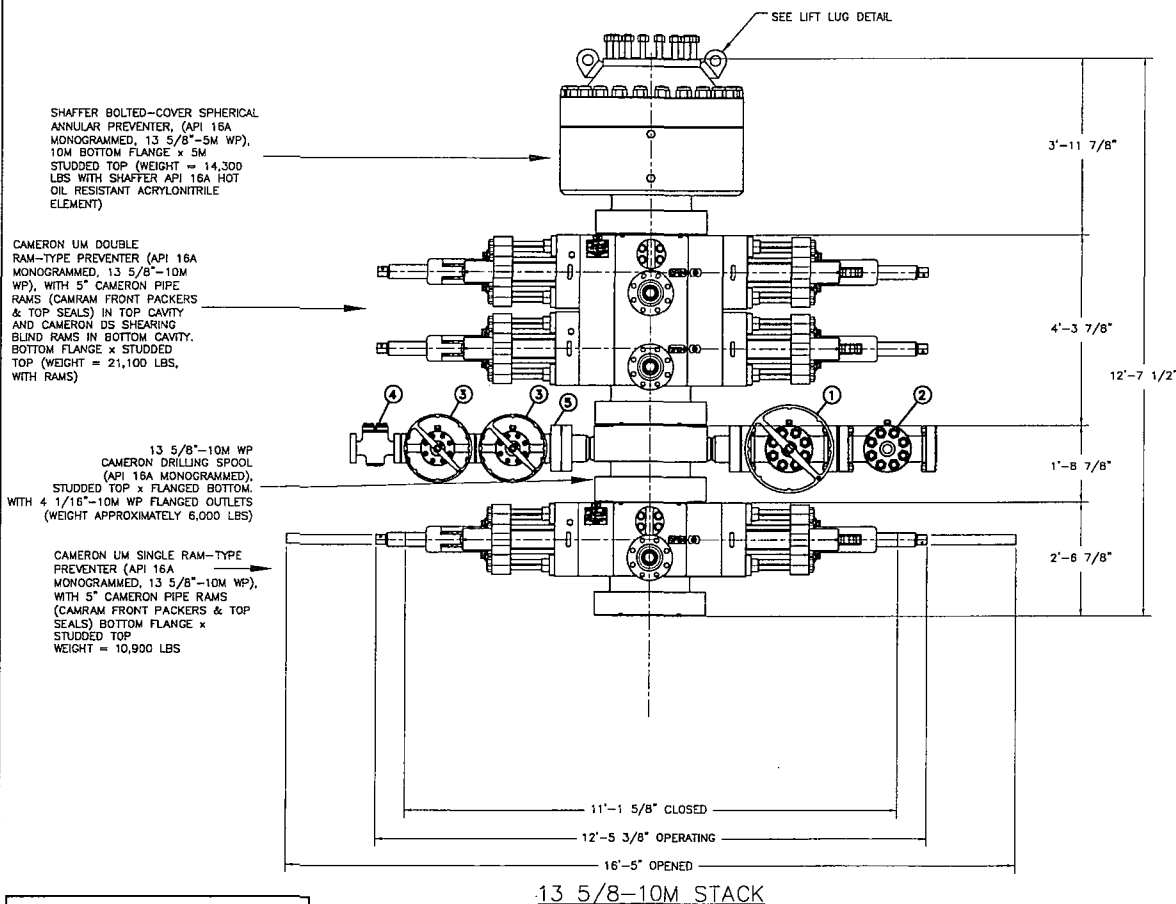
DRAWN SAA 20FEB14

APPRV.

DRAWING NO. HP140028-1 Rev. A



- LEGEND
- ① - 4 1/16"-10M FLANGED END GATE VALVE
 - ② - 4 1/16"-10M FLANGED END GATE VALVE WITH DOUBLE ACTING HYDRAULIC ACTUATOR
 - ③ - 2 1/16"-10M FLANGED END GATE VALVE
 - ④ - 2 1/16"-10M FLANGED END CHECK VALVE
 - ⑤ - DOUBLE STUDDED ADAPTER



PRELIMINARY
April-14-2011
DRAFTSMAN
ENGINEER

API 6A MONOGRAMMED CAMERON CHOKE AND KILL WING VALVE ASSEMBLIES ARE NOT SHOWN FOR CLARITY

WEIGHTS DO NOT INCLUDE HOSES, ADAPTER SPOOLS OR QUICK CONNECT FITTINGS

HELMERICH & PAYNE
INTERNATIONAL DRILLING CO.

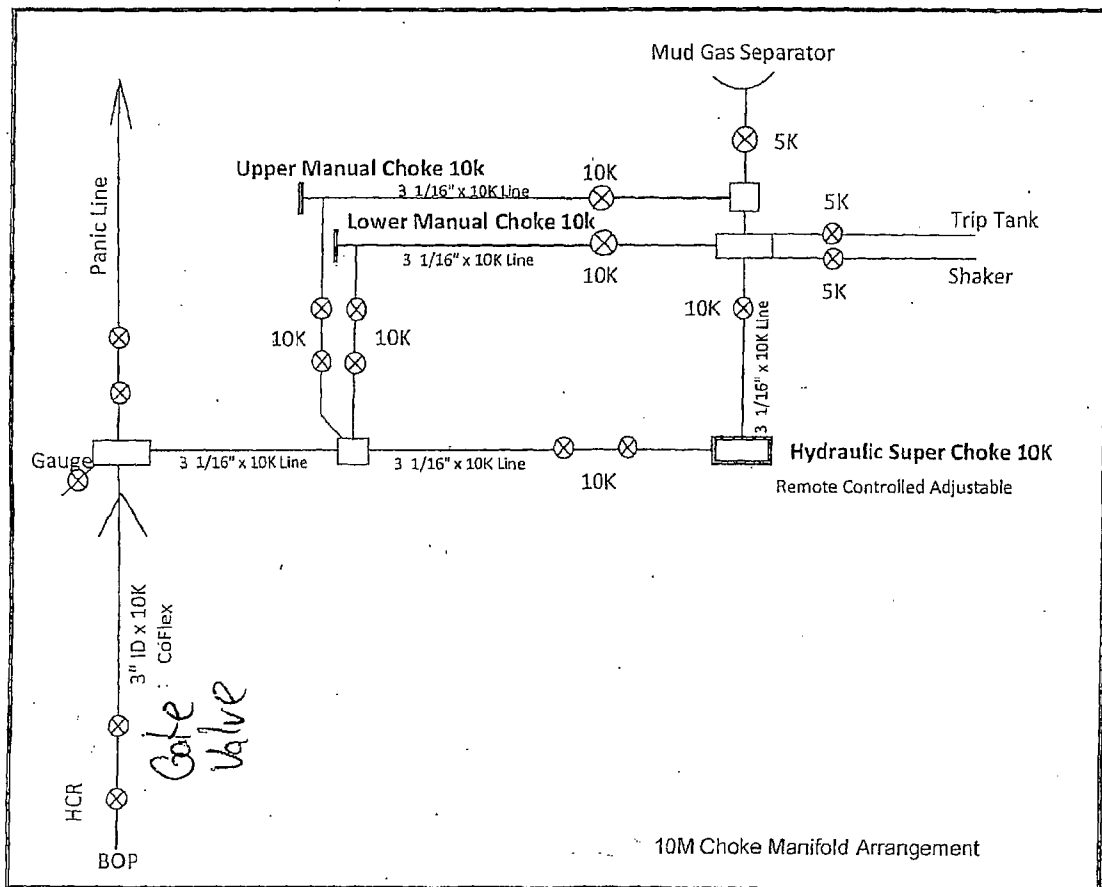
TITLE:
13 5/8"-10M BOP 3 RAM STACK
FLEXRIG3

ENGINEERING APPROVAL		DATE	DATE
12/18/07	ADDED SHEET 03	JAV	
4-10-07	INDICATION OVER DOUBLE STUDDED ADAPTER VALVES 1, 2, & 3 AND HS CHECK VALVE ADDED	JBG	
4-04-07	6" ADDED TO SPACER ADAPTER SPOOL	JBG	
02-07-07	ADDED ADAPTER SPOOL	MWL	
06-13-02	CORRECTED BOP STACK	MWL	
REV	DATE	DESCRIPTION	BY
1	12/18/07	ADDED SHEET 03	JAV
2	4-10-07	INDICATION OVER DOUBLE STUDDED ADAPTER VALVES 1, 2, & 3 AND HS CHECK VALVE ADDED	JBG
3	4-04-07	6" ADDED TO SPACER ADAPTER SPOOL	JBG
4	02-07-07	ADDED ADAPTER SPOOL	MWL
5	06-13-02	CORRECTED BOP STACK	MWL
6	12/18/07	ADDED SHEET 03	JAV

CUSTOMER: H&P
PROJECT: FLEXRIG3
DRAWN: MTS
DATE: 6-5-02
DWG. NO.: 210-P1-07
SCALE: 3/4"=1'
SHEET: 1 OF 1
REV: E

PROPRIETARY

THIS DRAWING AND THE IDEAS AND INFORMATION INCLUDED IN THIS DRAWING ARE PROPRIETARY AND ARE NOT TO BE REPRODUCED, DISTRIBUTED OR DISCLOSED IN ANY MANNER, WITHOUT THE PRIOR, WRITTEN CONSENT OF A DULY AUTHORIZED OFFICER OF HELMERICH & PAYNE INT'L DRILLING CO.



Closed Loop System Design, Operating and Maintenance, and Closure Plan

ConocoPhillips Company
Well: Stampede 34 Federal Com TC 4H
Location: Sec. 34, T26S, R31E
Date: 3/31/2014

ConocoPhillips proposes the following plan for design, operating and maintenance, and closure of our proposed closed loop system for the above named well:

1. We propose to use a closed loop system with steel pits, haul-off bins, and frac tanks for containing all cuttings, solids, mud, water, brine, and liquids. We will not dig a pit, nor will we use a drying pad, nor will we build an earth pit above ground level, nor will we dispose of or bury any waste on location.

All drilling waste and all drilling fluids (fresh water, brine, mud, cuttings, drill solids, cement returns, and any other liquid or solid that may be involved) will be contained on location in the rig's steel pits or in haul-off bins or in frac tanks as needed. The intent is as follows:

- We propose to use the rigs' steel pits for containing and maintaining the drilling fluids.
- We propose to remove cuttings and drilled solids from the mud by using solids control equipment and to contain such cuttings and drilled solids on location in haul-off bins.
- We propose that any excess water that may need to be stored on location will be stored in tanks.

The closed loop system components will be inspected daily by each tour and any needed repairs will be made immediately. Any leak in the system will be repaired immediately, and any spilled liquids and/or solids will be cleaned immediately, and the area where any such spill occurred will be remediated immediately.

2. Cuttings and solids will be removed from location in haul-off bins by an authorized contractor and disposed of at an authorized facility. For this well, we propose the following disposal facility:

R-360 Inc.
4507 West Carlsbad Hwy, Hobbs, NM 88240,
P.O. Box 388; Hobbs, New Mexico 88241
Toll Free Phone: 877.505.4274, Local Phone Number: 432.638.4076

The physical address for the plant where the disposal facility is located is Highway 62/180 at mile marker 66 (33 miles East of Hobbs, NM and 32 miles West of Carlsbad, NM).

The Permit Number for R-360 is NM-01-0006.

A photograph showing the type of haul-off bins that will be used is attached.

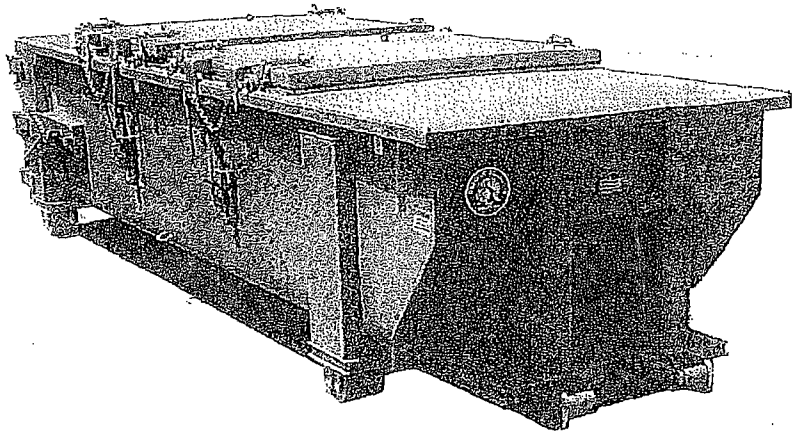
3. Mud will be transported by vacuum truck and disposed of at R-360 Inc. at the facility described above.
4. Fresh Water and Brine will be hauled off by vacuum truck and disposed of at an authorized salt water disposal well. We propose the following for disposal of fresh water and brine as needed:
 - Nabors Well Services Company, 3221 NW County Rd; Hobbs, NM 88240, PO 5208 Hobbs, NM, 88241, Permit SWD 092. (Well Location: **Section 3, T19S R37E**)
 - Basic Energy Services, P.O. Box 1869; Eunice, NM 88231 Phone Number: 575.394.2545, Facility located at Hwy 18, Mile Marker 19; Eunice, NM.

Jason Levinson
Drilling Engineer
Office: 281-206-5334
Cell: 281-682-2783

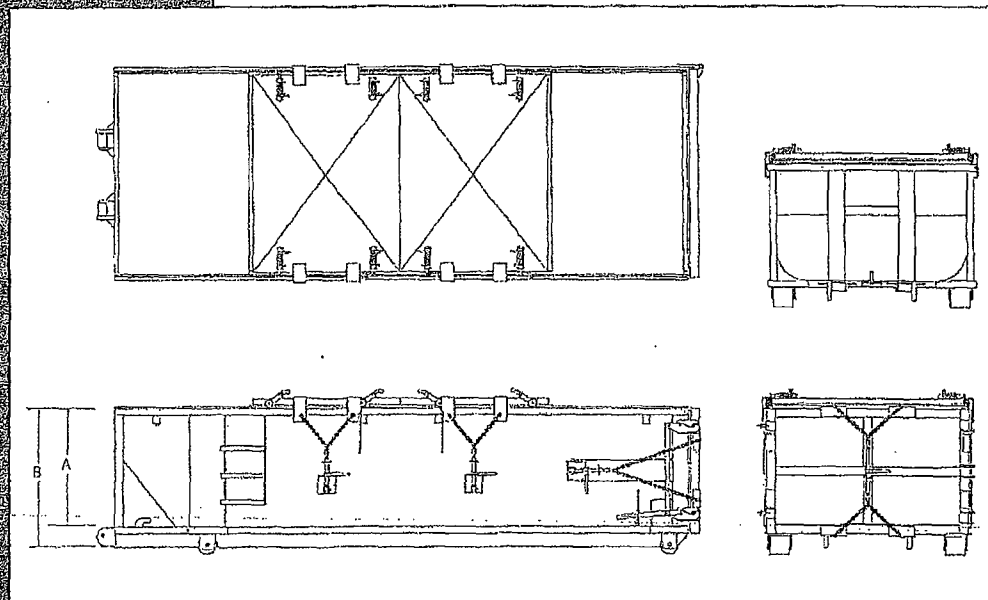
SPECIFICATIONS

Heavy Duty Split Metal Rolling Lid

FLOOR: 3/16" PL one piece
 CROSS MEMBER: 3 x 4.1 channel 16" on center
 WALLS: 3/16" PL solid welded with tubing top inside 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, gusset at each crossmember
 WHEELS: 10 DIA x 9" long with grease fittings
 DOOR LATCH: 3 Independent ratchet binders with chains; vertical second latch
 GASKETS: Extruded rubber seal with metal retainers
 WELDS: All welds continuous except sub structure crossmembers
 FINISH: Coated inside and out with direct to metal, rust inhibiting acrylic enamel color coat
 HYDROTESTING: Full capacity static test
 DIMENSIONS: 22'-11" long (21'-8" inside), 99" wide (88" inside), see drawing for height
 OPTIONS: Steel grit blast and special paint, Ampliroll, Hail 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 fittings
 OPENING: (2) 60" x 82" openings with 8" divider centered on container
 LATCH: (2) independent ratchet binders with chains per lid
 GASKETS: Extruded rubber seal with metal retainers



CONT.	A	B
20 YD	41	53
25 YD	53	65
30 YD	65	77



Request for Variance

ConocoPhillips Company

Lease Number: NMLC 068282B

Well: Stampede 34 Federal Com TC 4H

Location: Sec. 34, T26S, R31E

Rig: If drilled with H&P 486

Date: 3/31/2014

Request:

ConocoPhillips Company respectfully requests a variance to install a flexible choke line instead of a straight choke line prescribed in the Onshore Order No. 2, III.A.2.b Minimum standards and enforcement provisions for choke manifold equipment. This request is made under the provision of Onshore Order No. 2, IV Variances from Minimum Standard. The rig to be used to drill this well is equipped with a flexible choke line if the requested variance is approved and determined that the proposed alternative meets the objectives of the applicable minimum standards.

Justifications:

The applicability of the flexible choke line will reduce the number of target tees required to make up from the choke valve to the choke manifold. This configuration will facilitate ease of rig up and BOPE Testing.

Attachments:

- Attachment # 1 Specification from Manufacturer
- Attachment # 2 Mill & Test Certification from Manufacturer

Contact Information:

Program prepared by:

Jason A. Levinson

Drilling Engineer, ConocoPhillips Company

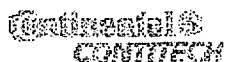
Phone (281) 206-5335

Cell (281) 682-2783

Date: 05 February 2014

Attachment # 1

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


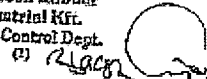


Hose Data Sheet

CRI Order No.	516273
Customer	ContiTech Beattie Co.
Customer Order No	PO5438 STOCK
Item No.	3
Hose Type	Flexible Hose
Standard	API SPEC 16 C
Inside dia in inches	3
Length	35 ft
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 PSIBX155 RING GROOVE
H2S service NACE MR0175	Yes
Working Pressure	10 000 psi
Design Pressure	10 000 psi
Test Pressure	15 000 psi
Safety 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

Quality Document



QUALITY CONTROL INSPECTION AND TEST CERTIFICATE				CERT. N°: 184	
PURCHASER: ContiTech Beattie Co.				P.O. N°: 005438	
CONTITECH ORDER N°: 516273		HOSE TYPE: 3" ID Choke and Kill Hose			
HOSE SERIAL N°: 61477		NOMINAL / ACTUAL LENGTH: 10,67 m / 10,71 m			
W.P. 68,9 MPa 10000 psi		T.P. 103,4 MPa 15000 psi		Duration: 60 min.	
Pressure test with water at ambient temperature					
See attachment. (1 page)					
<p>↑ 10 mm = 10 Min.</p> <p>→ 10 mm = 20 MPa</p>					
COUPLINGS Type		Serial N°		Quality	
3" coupling with		10178 10173		AISI 4130	
4 1/16" 10K API Flange end				AISI 4130	
				Heat N°	
				20231	
				33051	
NOT DESIGNED FOR WELL TESTING				API Spec 16 C	
				Temperature rate: "B"	
All metal parts are flawless					
WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER INSPECTED AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.					
STATEMENT OF CONFORMITY: We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements.					
COUNTRY OF ORIGIN HUNGARY/EU					
Date:		Inspector		Quality Control	
30. January 2012.				ContiTech Rubber Industrial Kft. Quality Control Dept.  	

Conflicts of Interest: declared Nil.
 Background: 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843,

Phone: +30 62 565 737
Fax: +30 62 565 736
e-mail: info@kall.com.gr
Internet: www.kall.com.gr

The Court of Criminal Justice as
Housing Court
Regency Court No. 111 65-112 622502
Eu-WAT Fla. 1111 1021073

Bark. d.28
Commerconk Zr.
Gudigast
11220104 10120025 00000001

ATTACHMENT OF QUALITY CONTROL INSPECTION AND TEST CERTIFICATE

No: 182, 184, 185

Page: 1/1


Sachin
Certified Rubber
Inspector KIL
Quality Control Dept.
(B)

Sl. No.	Lot No.	Grade	Size	Weight	Length	Width	Thickness	Hardness	Compression	Impact	Heat Resistance	Chemical Resistance	Other
1	182	1	10	100	10	10	10	10	10	10	10	10	10
2	184	1	10	100	10	10	10	10	10	10	10	10	10
3	185	1	10	100	10	10	10	10	10	10	10	10	10
4	182	1	10	100	10	10	10	10	10	10	10	10	10
5	184	1	10	100	10	10	10	10	10	10	10	10	10
6	185	1	10	100	10	10	10	10	10	10	10	10	10
7	182	1	10	100	10	10	10	10	10	10	10	10	10
8	184	1	10	100	10	10	10	10	10	10	10	10	10
9	185	1	10	100	10	10	10	10	10	10	10	10	10
10	182	1	10	100	10	10	10	10	10	10	10	10	10
11	184	1	10	100	10	10	10	10	10	10	10	10	10
12	185	1	10	100	10	10	10	10	10	10	10	10	10
13	182	1	10	100	10	10	10	10	10	10	10	10	10
14	184	1	10	100	10	10	10	10	10	10	10	10	10
15	185	1	10	100	10	10	10	10	10	10	10	10	10
16	182	1	10	100	10	10	10	10	10	10	10	10	10
17	184	1	10	100	10	10	10	10	10	10	10	10	10
18	185	1	10	100	10	10	10	10	10	10	10	10	10
19	182	1	10	100	10	10	10	10	10	10	10	10	10
20	184	1	10	100	10	10	10	10	10	10	10	10	10
21	185	1	10	100	10	10	10	10	10	10	10	10	10
22	182	1	10	100	10	10	10	10	10	10	10	10	10
23	184	1	10	100	10	10	10	10	10	10	10	10	10
24	185	1	10	100	10	10	10	10	10	10	10	10	10
25	182	1	10	100	10	10	10	10	10	10	10	10	10
26	184	1	10	100	10	10	10	10	10	10	10	10	10
27	185	1	10	100	10	10	10	10	10	10	10	10	10
28	182	1	10	100	10	10	10	10	10	10	10	10	10
29	184	1	10	100	10	10	10	10	10	10	10	10	10
30	185	1	10	100	10	10	10	10	10	10	10	10	10
31	182	1	10	100	10	10	10	10	10	10	10	10	10
32	184	1	10	100	10	10	10	10	10	10	10	10	10
33	185	1	10	100	10	10	10	10	10	10	10	10	10
34	182	1	10	100	10	10	10	10	10	10	10	10	10
35	184	1	10	100	10	10	10	10	10	10	10	10	10
36	185	1	10	100	10	10	10	10	10	10	10	10	10
37	182	1	10	100	10	10	10	10	10	10	10	10	10
38	184	1	10	100	10	10	10	10	10	10	10	10	10
39	185	1	10	100	10	10	10	10	10	10	10	10	10
40	182	1	10	100	10	10	10	10	10	10	10	10	10
41	184	1	10	100	10	10	10	10	10	10	10	10	10
42	185	1	10	100	10	10	10	10	10	10	10	10	10
43	182	1	10	100	10	10	10	10	10	10	10	10	10
44	184	1	10	100	10	10	10	10	10	10	10	10	10
45	185	1	10	100	10	10	10	10	10	10	10	10	10
46	182	1	10	100	10	10	10	10	10	10	10	10	10
47	184	1	10	100	10	10	10	10	10	10	10	10	10
48	185	1	10	100	10	10	10	10	10	10	10	10	10
49	182	1	10	100	10	10	10	10	10	10	10	10	10
50	184	1	10	100	10	10	10	10	10	10	10	10	10
51	185	1	10	100	10	10	10	10	10	10	10	10	10
52	182	1	10	100	10	10	10	10	10	10	10	10	10
53	184	1	10	100	10	10	10	10	10	10	10	10	10
54	185	1	10	100	10	10	10	10	10	10	10	10	10
55	182	1	10	100	10	10	10	10	10	10	10	10	10
56	184	1	10	100	10	10	10	10	10	10	10	10	10
57	185	1	10	100	10	10	10	10	10	10	10	10	10
58	182	1	10	100	10	10	10	10	10	10	10	10	10
59	184	1	10	100	10	10	10	10	10	10	10	10	10
60	185	1	10	100	10	10	10	10	10	10	10	10	10
61	182	1	10	100	10	10	10	10	10	10	10	10	10
62	184	1	10	100	10	10	10	10	10	10	10	10	10
63	185	1	10	100	10	10	10	10	10	10	10	10	10
64	182	1	10	100	10	10	10	10	10	10	10	10	10
65	184	1	10	100	10	10	10	10	10	10	10	10	10
66	185	1	10	100	10	10	10	10	10	10	10	10	10
67	182	1	10	100	10	10	10	10	10	10	10	10	10
68	184	1	10	100	10	10	10	10	10	10	10	10	10
69	185	1	10	100	10	10	10	10	10	10	10	10	10
70	182	1	10	100	10	10	10	10	10	10	10	10	10
71	184	1	10	100	10	10	10	10	10	10	10	10	10
72	185	1	10	100	10	10	10	10	10	10	10	10	10
73	182	1	10	100	10	10	10	10	10	10	10	10	10
74	184	1	10	100	10	10	10	10	10	10	10	10	10
75	185	1	10	100	10	10	10	10	10	10	10	10	10
76	182	1	10	100	10	10	10	10	10	10	10	10	10
77	184	1	10	100	10	10	10	10	10	10	10	10	10
78	185	1	10	100	10	10	10	10	10	10	10	10	10
79	182	1	10	100	10	10	10	10	10	10	10	10	10
80	184	1	10	100	10	10	10	10	10	10	10	10	10
81	185	1	10	100	10	10	10	10	10	10	10	10	10
82	182	1	10	100	10	10	10	10	10	10	10	10	10
83	184	1	10	100	10	10	10	10	10	10	10	10	10
84	185	1	10	100	10	10	10	10	10	10	10	10	10
85	182	1	10	100	10	10	10	10	10	10	10	10	10
86	184	1	10	100	10	10	10	10	10	10	10	10	10
87	185	1	10	100	10	10	10	10	10	10	10	10	10
88	182	1	10	100	10	10	10	10	10	10	10	10	10
89	184	1	10	100	10	10	10	10	10	10	10	10	10
90	185	1	10	100	10	10	10	10	10	10	10	10	10
91	182	1	10	100	10	10	10	10	10	10	10	10	10
92	184	1	10	100	10	10	10	10	10	10	10	10	10
93	185	1	10	100	10	10	10	10	10	10	10	10	10
94	182	1	10	100	10	10	10	10	10	10	10	10	10
95	184	1	10	100	10	10	10	10	10	10	10	10	10
96	185	1	10	100	10	10	10	10	10	10	10	10	10
97	182	1	10	100	10	10	10	10	10	10	10	10	10
98	184	1	10	100	10	10	10	10	10	10	10	10	10
99	185	1	10	100	10	10	10	10	10	10	10	10	10
100	182	1	10	100	10	10	10	10	10	10	10	10	10

DEPARTMENT OF

Request for Variance

ConocoPhillips Company

Lease Number: NMLC 068282B

Well: Stampede 34 Federal Com TC 4H

Location: Sec. 34, T26S, R31E

Rig: If drilled with H&P 453

Date: 3/31/2014

Request:

ConocoPhillips Company respectfully requests a variance to install a flexible choke line instead of a straight choke line prescribed in the Onshore Order No. 2, III.A.2.b Minimum standards and enforcement provisions for choke manifold equipment. This request is made under the provision of Onshore Order No. 2, IV Variances from Minimum Standard. The rig to be used to drill this well is equipped with a flexible choke line if the requested variance is approved and determined that the proposed alternative meets the objectives of the applicable minimum standards.

Justifications:

The applicability of the flexible choke line will reduce the number of target tees required to make up from the choke valve to the choke manifold. This configuration will facilitate ease of rig up and BOPE Testing.

Attachments:

- Attachment # 1 Specification from Manufacturer
- Attachment # 2 Mill & Test Certification from Manufacturer

Contact Information:

Program prepared by:

Jason A. Levinson

Drilling Engineer, ConocoPhillips Company

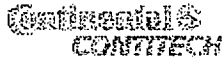
Phone (281) 206-5335

Cell (281) 682-2783

Date: 05 February 2014

Attachment # 1

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



Hose Data Sheet

CRI Order No.	516273
Customer	ContiTech Beattie Co.
Customer Order No	PO5438 STOCK
Item No.	3
Hose Type	Flexible Hose
Standard	API SPEC 16 C
Inside dia in inches	3
Length	35 ft
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 PSIBX155 RING GROOVE
H2S service NACE MR0175	Yes
Working Pressure	10 000 psi
Design Pressure	10 000 psi
Test Pressure	15 000 psi
Safety 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



Fluid Technology

Quality Document

453.369-001

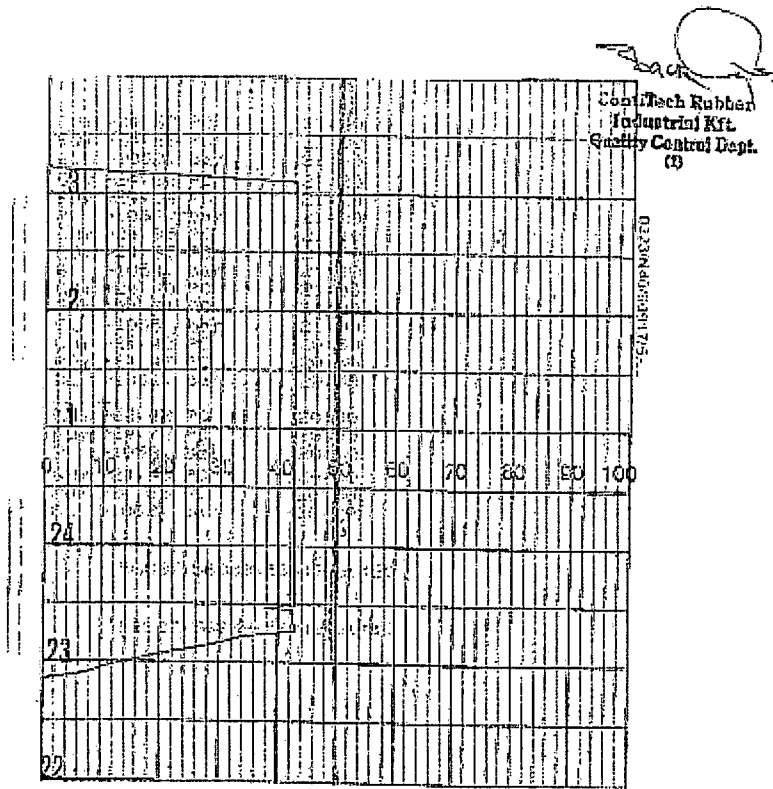
QUALITY CONTROL INSPECTION AND TEST CERTIFICATE				CERT. N°: 1098	
PURCHASER: ContiTech Beattie Co.				P.O. N°: 004452	
CONTITECH ORDER N°: 482598		HOSE TYPE: 3" ID		Choke and Kill Hose	
HOSE SERIAL N°: 56839		NOMINAL / ACTUAL LENGTH: 10,67 m / 10,69 m			
W.P. 68,9 MPa 10000 psi		T.P. 103,4 MPa 15000 psi		Duration: 60 min.	
<p>Pressure test with water at ambient temperature</p> <p style="text-align: center;">See attachment. (1 page)</p> <p>↑ 10 min = 10 Min. → 10 min = 25 MPa</p>					
COUPLINGS Type		Serial N°		Quality	
3" coupling with		8436 1682		AISI 4130	
4 1/16" Flange end				AISI 4130	
				31296 31501	
API Spec 16 C Temperature rate: "B"					
All metal parts are flawless					
WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER INSPECTED AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.					
STATEMENT OF CONFORMITY: We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated, inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements.					
COUNTRY OF ORIGIN HUNGARY/EU					
Date:	Inspector		Quality Control		
02. November 2010.			ContiTech Rubber Industrial Kft. Quality Control Dept. (1) <i>[Signature]</i>		

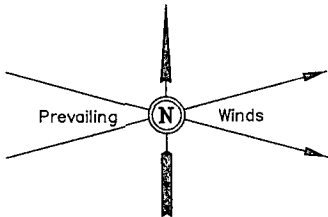
Continental Rubber Hungary Rt.

Phone: +36 62 851 737

Fax: +36 62 851 737

E-mail: info@contitech.hu





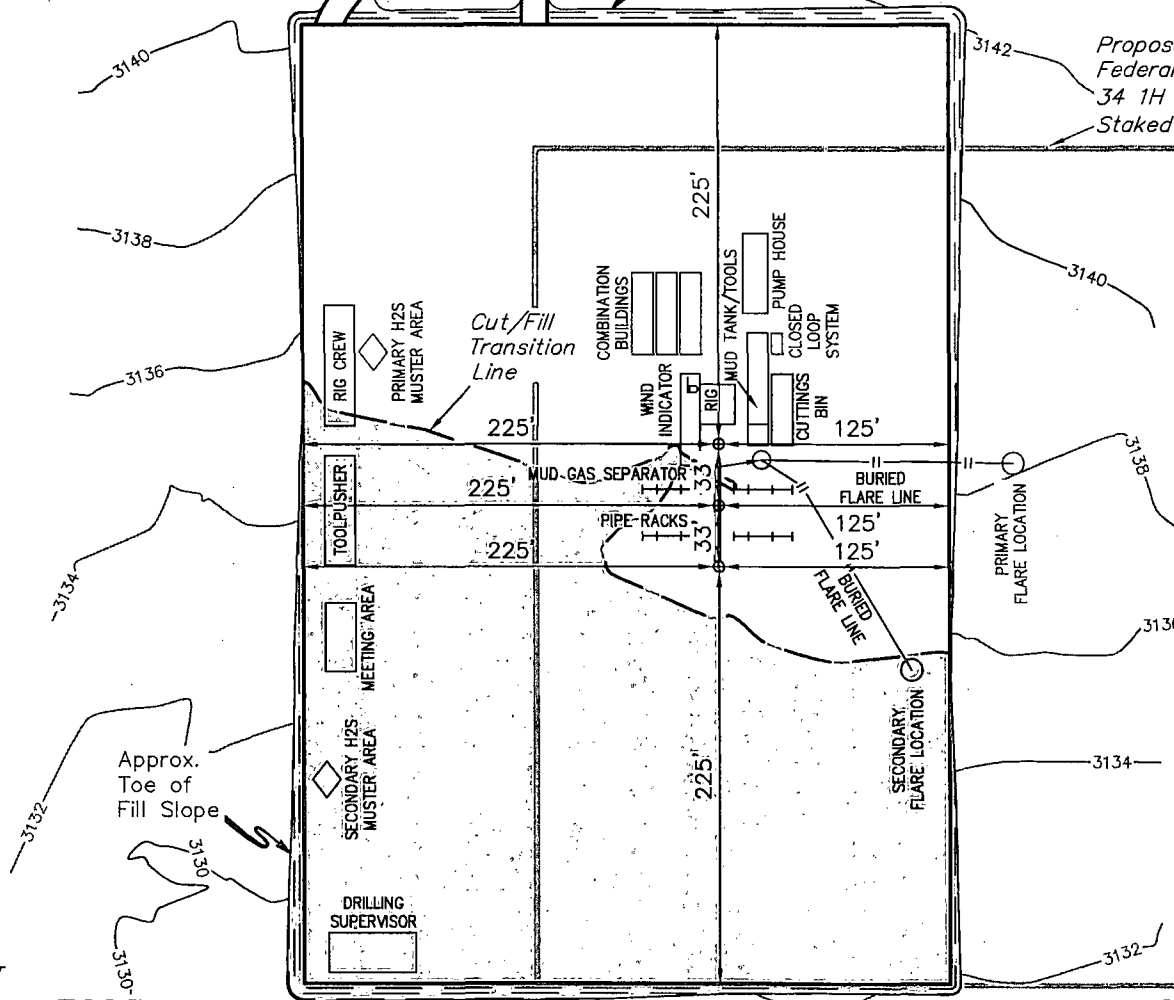
3140 3140
Temporary Access Road
to be Reclaimed

Proposed Access Road
(Previously Staked by Others)

3142
Approx.
Top of
Cut Slope



3142
Proposed Stampede
Federal WC COM
34 1H (Previously
Staked by Others)



NEW
MEXICO T26S
TEXAS

SEC. 34

Existing Fence

NOTES:

- Flare pit is to be located a min. of 160' from the well head.

ConocoPhillips

ConocoPhillips Company

STAMPEDE 34 FEDERAL COM W3 2H,
COM W2 3H & COM TC 4H
SECTION 34, T26S, R31E, N.M.P.M.
LOT 4

DRAWN BY: S.F.

SCALE: 1" = 100'

DATE: 01-22-14

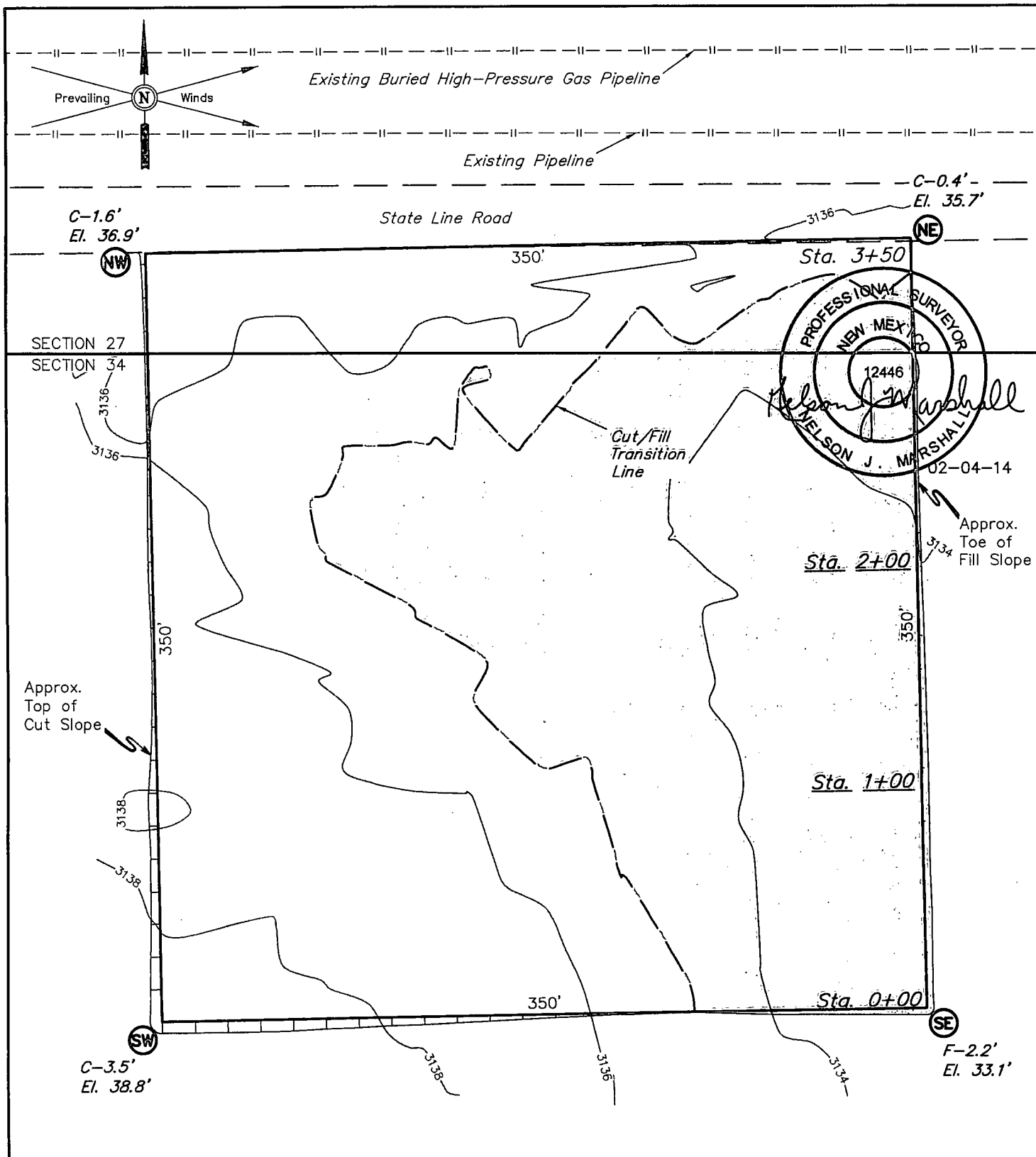
REVISED:



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

TYPICAL RIG LAYOUT

FIGURE #3



FINISHED GRADE ELEVATION = 3135.3'

NOTES:

- Underground utilities shown on this sheet are for visualization purposes only, actual locations to be determined prior to construction.

ConocoPhillips

ConocoPhillips Company

**STAMPEDE CENTRAL TANK BATTERY FACILITY PAD
SECTIONS 27 & 34, T26S, R31E, N.M.P.M.**

DRAWN BY: S.F.

SCALE: 1" = 60'

DATE: 01-22-14

REVISED:

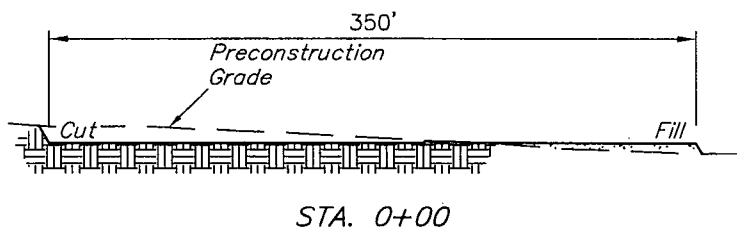
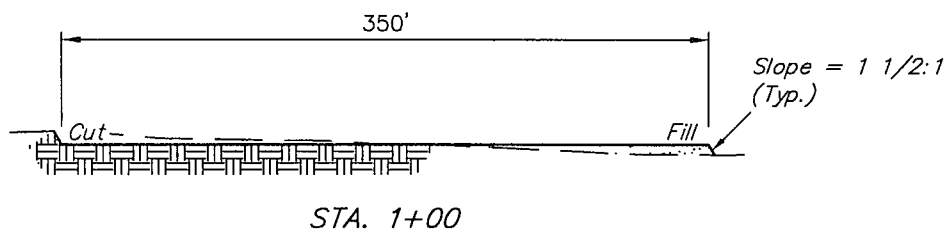
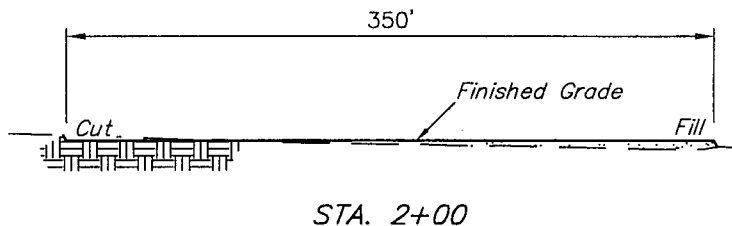
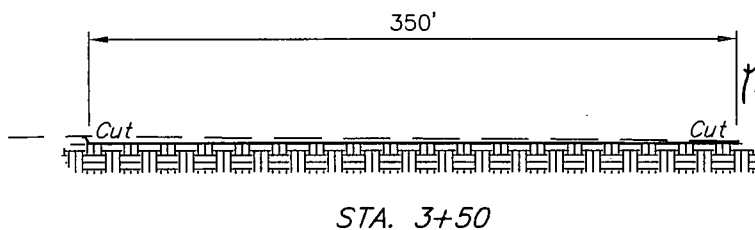
LOCATION LAYOUT

FIGURE #1



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

1" = 40'
X-Section
Scale
1" = 100'



APPROXIMATE EARTHWORK QUANTITIES		APPROXIMATE SURFACE DISTURBANCE AREAS		
TOPSOIL	0 Cu. Yds.		DISTANCE	ACRES
LOCATION	2,420 Cu. Yds.	WELL SITE DISTURBANCE	NA	±2.887
TOTAL CUT	2,420 Cu. Yds.	PIPELINE DISTURBANCE	±86.93'	±0.100
FILL	2,420 Cu. Yds.			
EXCESS MATERIAL	0 Cu. Yds.			
EXCESS UNBALANCE (After Interim Rehabilitation)	0 Cu. Yds.	TOTAL DISTURBANCE	±86.93'	±2.987

NOTES:
• Fill quantity includes 5% for compaction.

ConocoPhillips

ConocoPhillips Company

STAMPEDE CENTRAL TANK BATTERY FACILITY PAD
SECTIONS 27 & 34, T26S, R31E, N.M.P.M.

DRAWN BY: S.F.

SCALE: AS SHOWN

DATE: 01-22-14

REVISED:



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

TYPICAL CROSS SECTIONS FIGURE #2



H₂S Contingency Plan

H₂S Contingency Plan Holders:

Attached is an H₂S Contingency Plan for COPC Permian Drilling working in the West Texas and Southeastern New Mexico areas operated by ConocoPhillips Company.

If you have any questions regarding this plan, please call Tom Samarraipa at ConocoPhillips Company, 432.368.1263.

Table of Contents

Section

I. Purpose

II. Scope

III. Procedures

IV. Emergency Equipment and Maintenance

Emergency Equipment Suppliers

General Information

H₂S Safety Equipment and Monitoring Systems

V. Emergency Call List

VI. Public/Media Relations

VII. Public Notification/Evacuation

VIII. Forms/Reports



HYDROGEN SULFIDE (H₂S) OPERATIONS

Contingency Plan For Permian Drilling Operations

ConocoPhillips Company
Mid-Continent Business Unit
Permian Asset Area

I. PURPOSE

The purpose of this Contingency Plan is to provide an organized plan of action for alerting and protecting the public following the release of a potentially hazardous volume of hydrogen sulfide. This plan prescribes mandatory safety procedures to be followed in the event of a release of H₂S into the atmosphere from exploration and production operations included in the scope of this plan. The extent of action taken will be determined by the supervisor and will depend on the severity and extent of H₂S release. Release of H₂S must be reported to the Drilling Superintendent and documented on the IADC and in Wellview.

II. SCOPE

This Contingency plan shall cover the West Texas and Southeastern New Mexico areas, which contain H₂S gas and could result in a release where the R.O.E. is greater than 100 ppm at 50' and less than 3000' and does not include a public area and 500 ppm R.O.E. does not include a public road. Radius of exposure is defined as the maximum distance from the source of release that a specified calculated average concentration of H₂S could exist under specific weather conditions.

III. PROCEDURES

First Employee on Scene

- _____ Assess the incident and ensure your own safety.

Note the following:

- _____ Location of the incident.
 - _____ Nature of the incident.
 - _____ Wind direction and weather conditions.
 - _____ Other assistance that may be needed.
-
- _____ Call local supervisory personnel (refer to Section V: Emergency Call List) until personal contact is made with a person on the list.
 - _____ Perform emergency assessment and response as needed. The response may include rescue and/or evacuation of personnel, shutting in a system and/or notification of nearby residents/public (refer to Section VII: Public Notification/Evacuation).
 - _____ Secure the site.
 - _____ Follow the direction of the On-scene Incident Commander (first ConocoPhillips supervisor arriving on-scene).

First Supervisor on Scene (ConocoPhillips On-scene Incident Commander)

- _____ Becomes ConocoPhillips' On-scene Incident Commander upon arrival to location.
- _____ Follow the principles of the **D.E.C.I.D.E.** process below to assess the incident. (Note wind direction and weather conditions and ensure everyone's safety).

DETECT the problem
ESTIMATE likely harm without intervention
CHOOSE response objectives
IDENTIFY action options
DO the best option
EVALUATE the progress

- _____ Complete the Preliminary Emergency Information Sheet (refer to Section VIII: Forms/Reports).
- _____ Call your supervisor (refer to Section V: Emergency Call List).

- Perform emergency response as necessary. (This may include notification & evacuation of all personnel and/or nearby residents/public (refer to Section VII: Public Notification/Evacuation), requesting assistance from ConocoPhillips personnel or outside agencies (refer to Section V: Emergency Call List) and obtaining any safety equipment that may be required (refer to Section IV: Emergency Equipment and Maintenance).
- Notify appropriate local emergency response agencies of the incident as needed. Also notify the appropriate regulatory agencies. (refer to Section V: Emergency Call List).
- Ensure site security.
 - Set barricades and /or warning signs at or beyond the calculated 100 ppm H₂S radius of exposure (ROE). All manned barricades must be equipped with an H₂S monitor and a 2-way radio.
 - Set roadblocks and staging area as determined.
- Establish the Incident Command Structure by designating appropriate on-scene response personnel as follows:

Recording Secretary	_____
Public Information Officer	_____
Safety/Medical Officer	_____
Decontamination Officer	_____
- Have the “Recording Secretary” begin documenting the incident on the “Incident Log” (refer to Section VIII: Forms/Reports).
- If needed, request radio silence on all channels that use your radio tower stating that, until further notice, the channels should be used for emergency communications only.
- Perform a Site Characterization and designate the following:

Hot Zone	--	Hazardous Area
Warm Zone	--	Preparation & Decontamination Area
Cold Zone	--	Safe Area

AND

On-Scene Incident Command Post	(Cold Zone)
Public Relations Briefing Area	(Cold Zone)
Staging Area	(Cold Zone)
Triage Area	(Cold Zone)
Decontamination Area	(Warm Zone)

_____ Refer all media personnel to ConocoPhillips' On-Scene Public Information Officer (refer to Section VI: Public Media Relations).

_____ Coordinate the attempt to stop the release of H₂S. You should consider closing upstream and downstream valves to shut-off gas supply sources, and/or plugging or clamping leaks. Igniting escaping gas to reduce the toxicity hazard should be used **ONLY AS A LAST RESORT**. (It must first be determined if the gas can be safely ignited, taking into consideration if there is a possibility of a widespread flammable atmosphere.)

_____ Once the emergency is over, return the situation to normal by:

Confirming the absence of H₂S and combustible gas throughout the area,

Discontinuing the radio silence on all channels, stating that the emergency incident is over,

Removing all barricades and warning signs,

Allowing evacuees to return to the area, and

Advising all parties previously notified that the emergency has ended.

_____ Ensure the proper regulatory authorities/agencies are notified of the incident (refer to Section V: Emergency Call List).

_____ Clean up the site. (Be sure all contractor crews have had appropriate HAZWOPER training.)

_____ Report completion of the cleanup to the Asset Environmentalist.
(Environmentalism will report this to the proper State and/or Federal agencies.)

_____ Fill out all required incident reports and send originals to the Safety Department. (Keep a copy for your records.)

- Company employee receiving occupational injury or illnesses.
- Company employee involved in a vehicle accident while driving a company vehicle.
- Company property that is damaged or lost.
- Accident involving the public or a contractor; includes personal injuries, vehicle accidents, and property damage. Also includes any situation, which could result in a claim against the Company.
- Hazardous Material Spill/Release Report Form
- Emergency Drill Report

_____ Assist the Safety Department in the investigation of the incident. Review the factors that caused or allowed the incident to occur, and modify operating, maintenance, and/or surveillance procedures as needed. Make appropriate repairs and train or retrain employees in the use and operation of the system.

_____ If this incident was simulated for practice in emergency response, complete the Emergency Drill Report found in Section VIII: Forms/Reports and submit a copy to the Drilling Manager. (Keep one copy in area files to document exercising of the plan.)

Emergency Procedures Responsibility

In the event of a release of potentially hazardous amounts of H₂S, all personnel will immediately proceed upwind/ crosswind to the nearest designated briefing area. The COPC Drilling Rep. will immediately, upon assessing the situation, set this into action by taking the proper procedures to contain the gas and notify appropriate people and agencies.

1. In an emergency situation, the Drilling Rep. on duty will have complete responsibility and will take whatever action is deemed necessary in an emergency situation to insure the personnel's safety, to protect the well and to prevent property damage.
2. The Toolpusher will assume all responsibilities of the Drilling Rep. in an emergency situation in the event the Drilling Rep. becomes incapacitated.
3. Advise each contractor, service company, and all others entering the site that H₂S may be encountered and the potential hazards that may exist.
4. Authorize the evacuation of local residents if H₂S threatens their safety.
5. Keep the number of persons on location to a minimum during hazardous operations.
6. Direct corrective actions to control the flow of gas.
7. Has full responsibility for igniting escaping gas to reduce the toxicity hazard.
This should be used **ONLY AS A LAST RESORT**.

IV. EMERGENCY EQUIPMENT and MAINTENANCE

Emergency Equipment Suppliers

Safety International – Odessa, Tx.

H ₂ S monitors	432.580.3770
Breathing air includes cascade systems	
First aid and medical supplies	
Safety equipment	
H ₂ S Specialist	

Total Safety US Odessa, Tx/ Hobs, NM

H ₂ S monitors	432.561.5049 Odessa, Tx.
Breathing air includes cascade systems	575.392.2973 Hobbs, NM
Fire fighting equipment	
First aid and medical supplies	
Safety equipment	

Indian Fire & Safety – Hobbs, NM

H ₂ S monitors	575.393.3093
Breathing air including cascade systems trailer mounted	
30 minute air packs	
Safety Equipment	

Emergency Equipment and Maintenance (continued)

General Information

Materials used for repair should be suitable for use where H₂S concentrations exceed 100 ppm. In general, carbon steels having low-yield strengths and a hardness below RC-22 are suitable. The engineering staff should be consulted if any doubt exists on material specifications.

Appropriate signs should be maintained in good condition at location entrance and other locations as specified in Texas Rule 36 and NMOCD Rule 118.

All notification lists should be kept current with changes in names, telephone numbers, etc.

All shutdown devices, alarms, monitors, breathing air systems, etc., should be maintained in accordance with applicable regulations.

All personnel working in H₂S areas shall have received training on the hazards, characteristics, and properties of H₂S, and on procedures and safety equipment applicable for use in H₂S areas.

H2S Safety Equipment and Monitoring Systems

An H2S emergency response package will be maintained at locations requiring H2S monitoring. The package will contain at a minimum the following:

3 – Fixed H2S sensors located as follows:

- 1 – on the rig floor
- 1 – at the Bell Nipple
- 1 – at the Shale Shaker or Flowline

1 – Entrance Warning Sign located at the main entrance to the location, with warning signs and colored flags to determine the current status for entry into the location.

2 – Windsocks that are clearly visible.

1 – Audible warning system located on rig floor

2 – Visual warning systems (Beacon Lights)

- 1 – located at the rig floor
- 1 – located in the mud mixing room

Note: All alarms (audible and visual) should be set to alarm at 10 ppm.

2 - Briefing areas clearly marked

- 2 - SCBA's at each briefing area
- 1- SCBA located at the Drilling Reps office

Note:

- 1. All SCBA's must be positive pressure type only!!!**
- 2. All SCBA's must either be Scott or Drager brand.**
- 3. All SCBA's face pieces should be size large, unless otherwise specified by the Drilling Supervisor.**

5 – Emergency Escape Paks located at Top Doghouse.

Note: Ensure provisions are included for any personnel working above rig floor in derrick.

1 – Tri or Quad gas monitor located at the Drilling Reps office. This will be used to determine if the work area is safe to re-enter prior to returning to work following any alarm.

V. EMERGENCY CALL LIST:

The following is a priority list of personnel to contact in an emergency situation:

Supervisory Personnel	Office No.	Home	Cellular
R.W. "Cottton" Hair Permian Drilling Supt.	432.368.1302	432.563.9467	432.556.9116
Dennis Paschall Permian Drilling Field Supt.	432.368.1517	432.683.9400	432.238.3150
Tom Samarripa WSER	423.368.1263	432.367.4961	432.556.9113
Ty Maxey Permian Asset Operations Manager	432.368.1100		281.217.8492
Leo Gatson Safety and Environmental Coordinator	432.368.1248		432.631.066
Lynn Dooley Drilling Mngr.	832.486.2567	281.225.8063	281.435.3517

EMERGENCY CALL LIST: State Officials

Regulatory Agencies

New Mexico Oil Conservation Commission

P. O. Box 1980
Hobbs, New Mexico 88240-1980

Office: 575.393.6161

Bureau of Land Mngt.

Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220

Office: 575.234.5972

Fax: 575.885.9264

EMERGENCY CALL LIST: Local Officials

Refer to the Location Information Sheet

Note: The LIS should include any area residents (i.e. rancher's house, etc)

VI. Public Media Relations

The **Public Information Officer** becomes the ConocoPhillips on-scene contact (once designated by the Phillips On-Scene Incident Commander).

Confers with Houston Office's Human Relations Representative, who is responsible for assisting in the coordination of local public relations duties.

Answer media questions honestly and **only with facts**, do not speculate about the cause, amount of damage, or the potential impact of the incident of the community, company, employees, or environment. (This information will be formally determined in the incident investigation.)

If you are comfortable answering a question or if you are unsure of the answer, use terms such as the following:

- "I do not know. I will try to find out."
- I am not qualified to answer that question, but I will try to find someone who can."
- "It is under investigation."

Note:

Do Not Say "No Comment." (This implies a cover-up.)

Do Not Disclose Names of Injured or Dead! Confer with the Houston Office's Human Relations Representative, who is responsible for providing that information.

VII. Public Notification/Evacuation

Alert and/or Evacuate People within the Exposure Area

1. Public Notification – If the escape of gas could result in a hazard to area residents, the general public, or employees, the person **first** observing the leak should take **immediate** steps to cause notification of any nearby residents. The avoidance of injury or loss of life should be of prime consideration and given top priority in all cases. If the incident is of such magnitude, or at such location as to create a hazardous situation, local authorities will be requested to assist in the evacuation and roadblocks of the designated area until the situation can be returned to normal.

Note: Bilingual employees may be needed to assist in notification of residents.

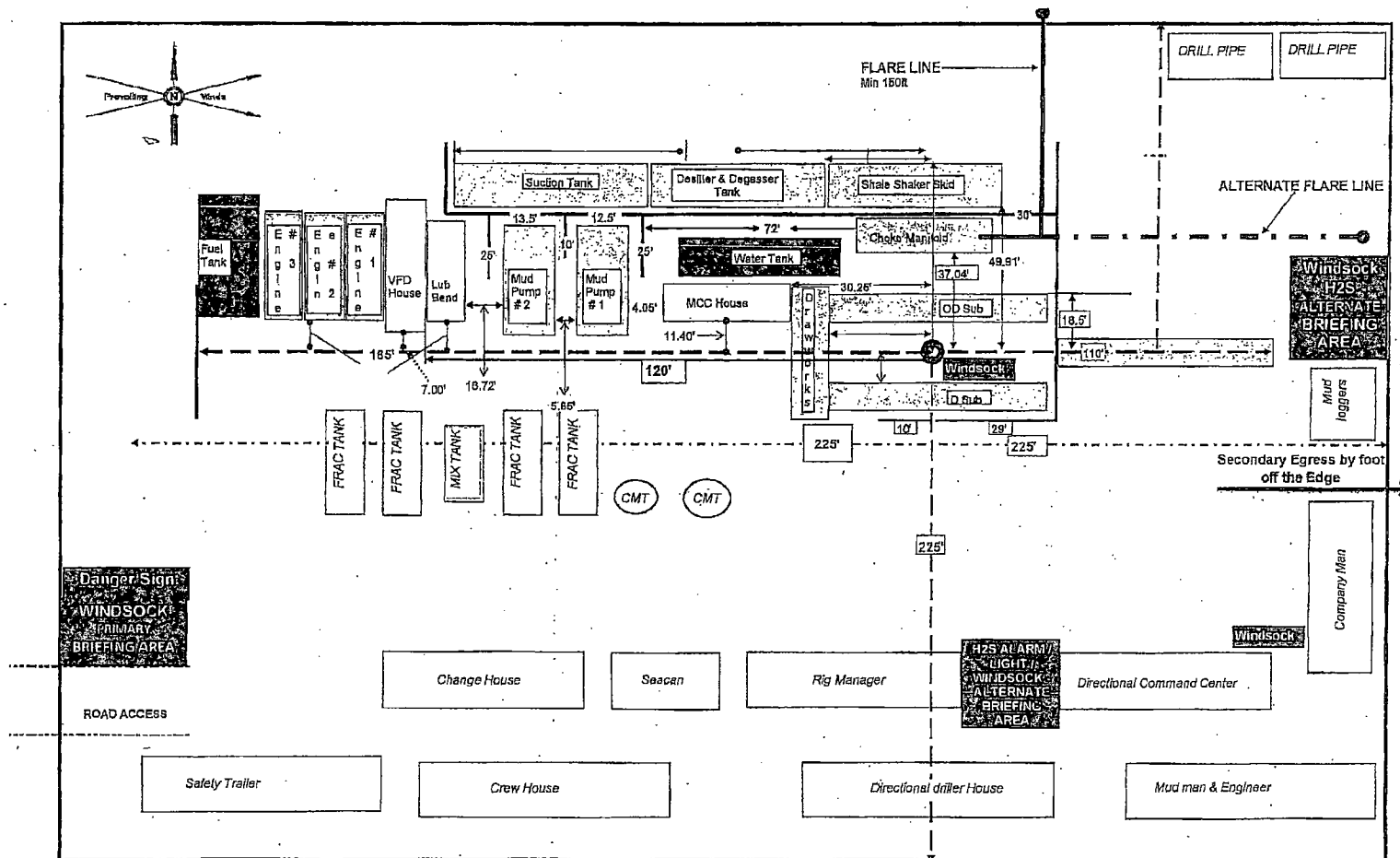
2. Evacuation Procedures – Evacuation will proceed upwind from the source of the release of H₂S. Extreme caution should be exercised in order to avoid any depressions or low-lying areas in the terrain. The public area within the radius of exposure should be evacuated in a southwesterly and southeasterly direction so as to avoid the prevailing southern wind direction.

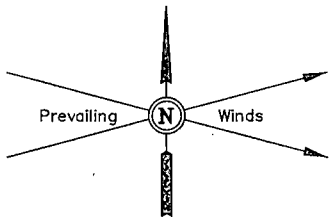
Roadblocks and the staging area should be established as necessary for current wind conditions.

Note: In all situations, consideration should be given to wind direction and weather conditions. H₂S is heavier than air and can settle in low spots. Shifts in wind direction can also change the location of possible hazardous areas.

VIII. FORMS & REPORTS

- I. Incident Log
- II. Preliminary Emergency Information Sheet
- III. Emergency Drill Report
- IV. Onshore Hazardous Material Spill/Release Report Form
- V. Immediate Report of Occupational Injury or Illness
 - Report of Accident-Public Contractor
 - Report of Loss or Damage to Company Property
 - Report of Automotive Incident





Proposed Access Road
(Previously Staked by Others)

Approx.
Top of
Cut Slope

Proposed Stampede
Federal WC COM
34 1H (Previously
Staked by Others)

Cut/Fill
Transition
Line

125'

○ COM TC 4H

○ COM W2 3H

○ COM W3 2H

Approx.
Toe of
Fill Slope

NEW
MEXICO T26S
TEXAS

SEC. 34

APPROXIMATE ACREAGE
UN-RECLAIMED = ± 1.829 ACRES

Existing Fence

LEGEND:

Reclaimed Area

NOTES:

ConocoPhillips

ConocoPhillips Company

STAMPEDE 34 FEDERAL COM W3 2H,
COM W2 3H & COM TC 4H
SECTION 34, T26S, R31E, N.M.P.M.
LOT 4

DRAWN BY: S.F.

SCALE: 1" = 100'

DATE: 01-22-14

REVISED:



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

RECLAMATION DIAGRAM

FIGURE #4

Surface Use Plan of Operations

ConocoPhillips Company
Stampede 34 Federal Com TC 4H
316 FSL & 255 FWL (SWSW) of Section 34-26S-31E
Federal Lease No. NMLC 068282B (SHL)
Eddy County, New Mexico

ConocoPhillips Company respectfully requests that this APD be reviewed with other wells in this development; Stampede 34 Federal COM W3 2H, Stampede 34 Federal COM W2 3H & Stampede 34 Federal COM TC 4H.

Location was finalized during an onsite conducted December 17, 2013 with BLM staff.

1. Access Road - Existing

- A. Directions to Proposed Location:
Beginning at the intersection of Highway 18 and Highway 128 proceed in a westerly 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 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 3.4 miles to the beginning of the proposed access road to the south; follow road flags in a southerly direction approximately 1678' to the proposed location.
- B. Proposed route to location - **See Enclosed Access Road 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 approximately 1818' of new access road with a 30' construction right of way and a minimum travel width of 14'. All is on federal surface. **See Figure 1 & 3 for Temporary Access Road.**
- B. Approximately 140' of the new access road is temporary. The temporary road will be reclaimed following the initial development phase, as agreed upon during the onsite evaluation. Following drilling and completions operations, a permanent road will be built to provide long term access to the site according to BLM specifications. **See Figure 4 for Permanent Configuration.**
- C. Maximum grade will not exceed 8 percent.
- D. There will be no County approach.
- E. There will be no low water crossing or culverts
- F. There will be no cattleguard installed on the access road.
- G. 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 is at least 4 dry holes located within a one-mile radius.
- C. There are 0 plugged and abandoned wells within a one-mile radius.
- D. There are 0 saltwater disposal wells within a one-mile radius.
- E. There are at least 5 proposed drill wells within a one-mile radius.
- F. There are 0 producing/recently drilled wells within a one-mile radius.
- G. There are 0 shut-in wells within a one-mile radius.
- H. There are at least 0 injection wells within a one-mile radius.

- I. There are 0 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 the Well Pad:

- 1. This well will be placed on oil production. A well pad will be constructed to accommodate a 3 well pad.
- 2. Planned dimensions of the 3 well pad are approximately 516 feet by 350 feet. Our intent is to perform interim reclamation to reduce the pad footprint following initial development phase. Interim reclamation will be done as shown on the enclosed map titled "Reclamation Diagram" on the north, west, and south sides of the pad.
- 3. There will be no top soil.
- 4. There will be no production equipment on this pad.

C. Utility Corridor:

A. Power:

- 1. About 1328' of new power line will be installed following the lease road connecting to an existing power source for the proposed well and proposed CTB. **See Enclosed Power Map.**

B. Pipeline:

- 1. Production will be through the Stampede Central Tank Battery. Produced fluid will utilize a utility corridor for installation of a line to the Stampede Central Tank Battery in which approximately 1328' of a new flow line in a 37ft ROW will be constructed to that facility. The enclosed pipeline survey plat shows new flow lines following lease road(s). The produced fluid line will be 4" Steel, buried, operated up to 1480# PSI, and within BLM specifications to the proposed Stampede Central Tank Battery. **See Enclosed Pipeline Map, Flow Line ROW Schematic & Buried Pipe Diagram.**
- 2. The utility corridor will also be utilized for a 1,328', 2" Steel, buried gas supply line in a 37ft ROW from the Stampede Central Tank Battery back to the wellhead on the pad, operated up to 1100# psi, and within BLM specifications. **See Enclosed Pipeline Map, Flow Line ROW Schematic & Buried Pipe Diagram.**
- 3. The utility corridor for the pipeline ROW will be 37'. **See Enclosed Flow Line ROW Schematic and Buried Pipe Diagram.**

C. Water Transfer Lines:

- 1. Above ground temporary water lines will be installed following the roads to transfer produced water from the Stampede Central Tank Battery to the 3 wells on the pad during completion operations.

D. Proposed Stampede Central Tank Battery (Also requested separately via Sundry Notice)

- 1. A new Central Tank Battery is needed to develop this area. The location is in Section 27 & 34, T26S, R31E. **See Enclosed Location Layout.**
- 2. The proposed tank battery pad is 350 feet by 350 feet.
- 3. This well will be placed on oil production. The production equipment may include but not limited to oil and water tanks.
- 4. There will be a 30' Communications Tower on the Stampede Central Tank Battery location. **See Enclosed Diagrams.**

E. Facilities Paint Color

All above ground existing facilities are painted an earth tone color that blends with the surrounding area. Any proposed new facilities will be painted shale green.

5. Location and Type of Water Supply

- A. Fresh water will be obtained from an approved source.

- B. No water well will be drilled on this location.

6. Source of Construction Materials

- A. Any materials needed in addition to what can be used from location and access road will be hauled in from a supplier having a permitted source of materials.
- B. If production is established, any additional construction materials required for the surfacing of the access road and for installation of the production facilities will be purchased from a supplier having a permitted source of materials.
- C. No construction materials will be taken from Federal lands without a prior approval from the appropriate Surface Management Agency.

7. Methods for Handling Waste Disposal

- A. A closed-loop system will be used for handling drilling wastes. These materials will be disposed of in an approved facility.
- B. 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.
- C. Any spills of oil or any other potentially hazardous material will be cleaned up and immediately removed to an approved disposal site.
- D. 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.
- E. 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 Location Layout Plat.**
- B. Well Site Layout – **See Enclosed Well Pad Detail.**
- C. There will be no top soil.
- 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. Interim Reclamation
 - 1. Interim reclamation will be completed, after well has been drilled, as indicated on the enclosed map titled "Reclamation Diagram" (Figure #4).
 - 2. 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.
 - 3. Interim reclamation is to be performed according to BLM standards and currently consists of removing excess caliche (for re-use or disposal at an approved facility), turning the sides to be

reclaimed so that sand and topsoil are on the surface and re-contouring. The unused portion of the site will be ripped prior to replacing the topsoil. The soil-banked material will be spread over the area.

B. Final Reclamation

1. At such time as the well is abandoned, ConocoPhillips Company will contact the BLM for development of the final rehabilitation plan. Upon abandonment, an erect dry hole marker welded to surface casing four feet below ground level will be installed. It will contain the same information as the well sign as directed by 43 CFR 3162.6 (30 CFR 221.22). The dry hole marker sealing the casing will have an 1/8" to 1/4" weep hole which will allow pressure to dissipate and make detection of any fluid seepage easier.
2. Caliche will be removed and disposed of in an approved facility. Re-contouring will be performed prior to topsoil being spread over location.
3. Reseeding will be an approved mixture by the BLM. If the broadcast method is utilized, the seed mixture shall be doubled.
4. There shall be no primary or secondary noxious weed seed in the native seed mixture.
5. The entire disturbed location shall be fenced after seeding. When the location has been rehabilitated and vegetation re-established, the fence shall be removed or fenced area reduced as required by the landowner or BLM.
6. 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.

C. Other Reclamation Information

1. 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.
2. A pre-work onsite with BLM and ConocoPhillips Company may be held for all phases of reclamation.

11. Surface Ownership

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

12. Other Information

- A. ConocoPhillips Company may request that this well location be covered under the BLM MOA NM-930-2008-003 at a later date.
- B. ConocoPhillips Company will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts.

If historic or archaeological materials are uncovered, ConocoPhillips Company will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer, Bureau of Land Management.

Within five (5) working days the Authorized Officer will inform ConocoPhillips Company as to whether the materials appear eligible for the National Register of Historic Places; the mitigation measures the operator will likely have to undertake before the site can be used (assuming in site preservation is not necessary); and a time frame for the Authorized officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

- C. ConocoPhillips Company will protect, in place, all public land survey monuments, private property corner, and Forest service boundary markers. In the event that any such land markers or monuments are destroyed in the exercise of their rights, depending on the type of monument destroyed, the operator shall

see that they are reestablished or referenced in accordance with (1) the procedures outlined in the "Manual of Instructions for the Survey of the Public Land of the United States", (2) the specifications of the county surveyor, or (3) the specification of the BLM.

- D. ConocoPhillips Company will comply with the additional Conditions of Approval provided by the BLM.

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	ConocoPhillips Co
LEASE NO.:	LC068282A
WELL NAME & NO.:	4H-Stampede 34 Federal Com TC
SURFACE HOLE FOOTAGE:	316'/S & 255'/W
BOTTOM HOLE FOOTAGE:	330'/N & 380'/W, sec. 27
LOCATION:	Sec. 34, T. 26 S., R. 31 E.
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**

- Communitization Agreement
- Phantom Bank Heronries
- Cave/Karst

- ☐ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads

- ☒ **Road Section Diagram**

- ☒ **Drilling**
 - H2S Requirements
 - Cement Requirements
 - Logging Requirements
 - Waste Material and Fluids

- ☒ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
 - 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)

Communitization Agreement

A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales. In addition, the well sign shall include the surface and bottom hole lease numbers. **When the Communitization Agreement number is known, it shall also be on the sign.**

Phantom Bank Heronry Stips

Surface disturbance will not be allowed within up to 200 meters of active heronries or by delaying activity for up to 120 days, or a combination of both.

Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Cave and Karst

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production.

Construction:

In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting:

No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Pad Berming:

The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.

- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g. caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.

- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)

Tank Battery Liners and Berms:

Tank battery locations and all facilities will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Leak Detection System:

A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating valves and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

Automatic Shut-off Systems:

Automatic shut off, check valves, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and ground water concerns:

Rotary Drilling with Fresh Water:

Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:

Kick off for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:

ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report.

Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave bearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:

Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:

Annual pressure monitoring will be performed by the operator on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

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 strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area 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 exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure 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

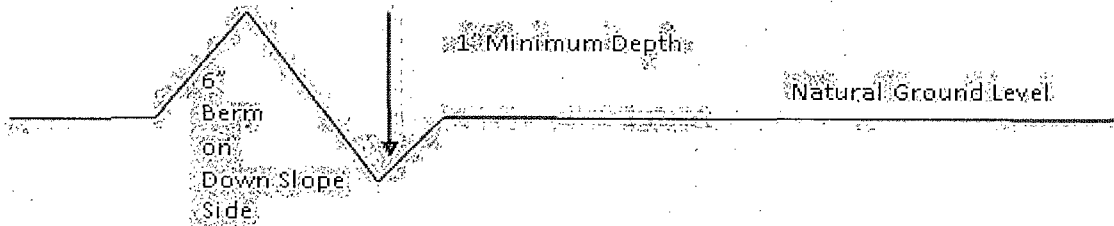
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill out sloping 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:

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

Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route 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 cattleguards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted 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 fences.

Public Access

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

Construction Steps

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

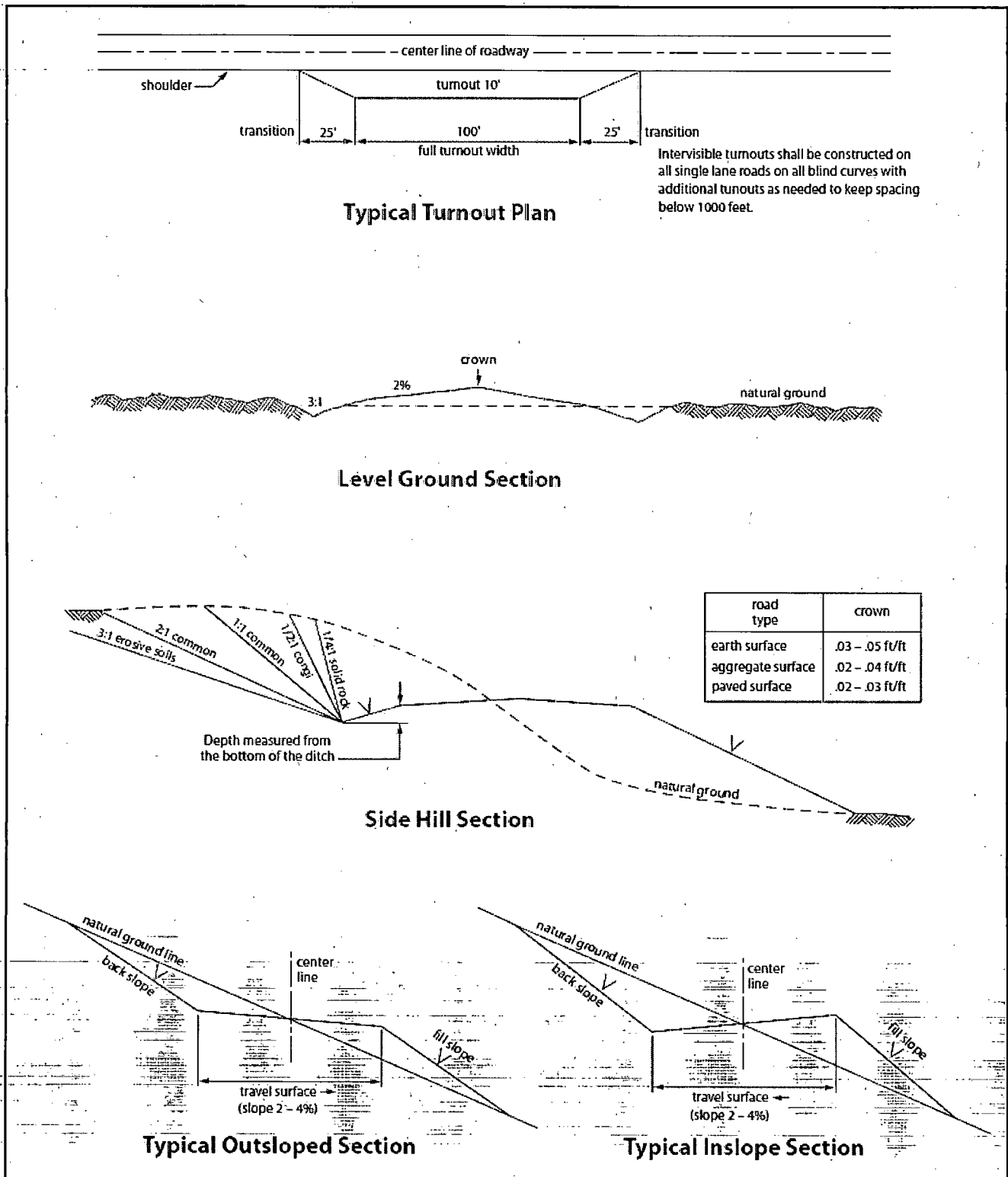


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 234-5972

1. **Although Hydrogen Sulfide has not been reported in the area, it is always a potential hazard. If Hydrogen Sulfide is encountered, report measured amounts and formations to the BLM.**
2. Setting surface casing with Pinnergy Rig
 - a. Notify the BLM when removing the Pinnergy Rig.
 - b. Notify the BLM when moving in the H&P Flex Rig. Rig to be moved in within 90 days of notification that Pinnergy Rig has left the location. Failure to notify or have rig on location within 90 days will result in an Incident of Non-Compliance.
 - c. Once the H&P Flex Rig is on location, it will drill the Stampede 34 Federal Com W3 #2H/ W2 #3H/ TC #4H in conjunction using batch drilling.
 - d. BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as H&P Flex Rig is rigged up on well. CIT for the surface casing shall be performed and results recorded on subsequent sundry.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well = vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36 pounds to 40 pounds). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) for Water Basin:

After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Medium Cave/Karst

Possible water flows for the top of the salt, as well as in the Castile.

1. The 13-3/8 inch surface casing shall be set at approximately 1025 feet (in competent bedrock that is in the Rustler, and if salt is encountered set casing at least 25 feet above) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. ~~Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.~~
 - c. ~~Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.~~
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing, **which is to be set in the basal anhydrite of the Castille or top of the Lamar Limestone at approximately 3925 feet, is:**

☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.

Formation below the 9-5/8 inch shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

Option 1 - BOP testing if wells are drilled conventionally- BOP is not removed between casing strings.

3. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 5000 psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.
 - e. Operator shall perform the 9-5/8" casing integrity tests to 70% of the casing burst. This will test the multi-bowl seals.
 - f. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.

Option 2 - BOP testing for Batch Drilling-BOP is removed between casing strings

4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M) psi.**
5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure. BOP/BOPE shall be tested after nipple up according to Onshore Order #2.

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

- a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.
- c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

KGR 05282015

VIII. 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. PIPELINES

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) 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 activity of 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. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

- a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
- b. Activities of other parties including, but not limited to:
 - (1) Land clearing.
 - (2) Earth-disturbing and earth-moving work.
 - (3) Blasting.
 - (4) Vandalism and sabotage.
- c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of 20 feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline will be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. 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 of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. 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 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.

16. 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, powerline 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.

17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

18. Special Stipulations:

- a. **Lesser Prairie-Chicken:** Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted.
- b. This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, 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. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:
 - Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
 - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
 - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. 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 of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.
11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input checked="" type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (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.

17. 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 associated roads, 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.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or

other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

19. Special Stipulations:

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

C. 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 deterrent 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.

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

IX. 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).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture for LPC Sand/Shinnery 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 of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/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 Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

*Pounds of pure live seed:

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