Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMLC068282A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM134284

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

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

2. Name of Operator
CONOCOPHILLIPS COMPANY
Contact: SUSAN B MAUNDER
E-Mail: Susan.B.Maunder@conocophillips.com

9. API Well No.
30-015-42123-00-S1

3a. Address
MIDLAND, TX 79710 1810

3b. Phone No. (include area code)
Ph: 281-206-5281

10. Field and Pool or Exploratory Area
HACKBERRY-BONE SPRING WILDCAT

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 34 T26S R31E Lot 4 0250FSL 0380FWL
32.000270 N Lat, 103.462228 W Lon

11. County or Parish, State
EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Onshore Order Variance
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

ConocoPhillips Company respectfully requests a variance from Onshore Order 4 related to oil measurement. We plan to move forward with implementing 43 CFR 3174 which references the use of API MPMS Ch. 18.2. This API standard incorporates the requirements under API MPMS Ch 3.1B. Our procedures were discussed during conference calls and meeting with BLM staff.

In July 2016 use of guided wave radar, automatic tank gauging (ATG) was accepted for ConocoPhillips use. We believe using ATG technology and implementing 43 CFR 3174 will improve accuracy in oil measurement, while eliminating the need for manual tank gauging. Attached is a diagram which indicates equipment that will be added to further implement 43 CFR 3174.

We appreciate the recent guidance distributed from the Washington DC office which provides for approving early implementation requests such as this.

GC 10-25-18
Accepted for record - NMOCD

RECEIVED
OCT 25 2018
DISTRICT II-ARTESIA O.C.D.

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

Electronic Submission #429098 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by DUNCAN WHITLOCK on 08/03/2018 (18DW0211SE)

Name *(Printed/Typed)* SUSAN B MAUNDER — Title SENIOR REGULATORY COORDINATOR

Signature (Electronic Submission) — Date 07/30/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By J.D. Whitlock — Title TLPET — Date 10/18/18

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

Office CFO

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.

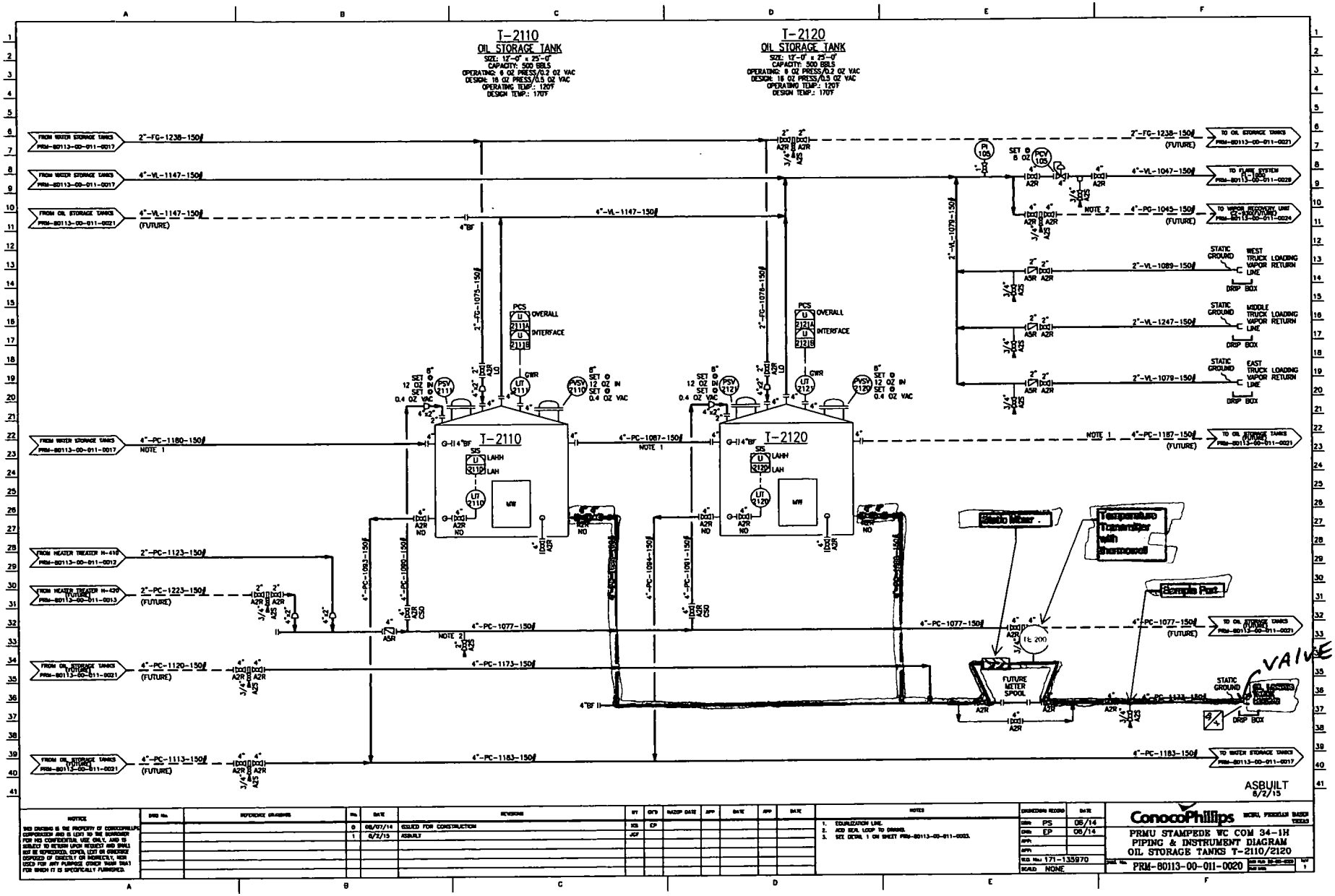
(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #429098 that would not fit on the form

32. Additional remarks, continued

Thank you for your time spent review this request.



NO.	DATE	REVISIONS	BY	CHK'D	RAZOR DATE	APP	DATE	APP	DATE
0	08/07/14	ISSUED FOR CONSTRUCTION	KS	EP					
1	6/2/15	ASBUILT	JCF						

NOTICE: THIS DRAWING IS THE PROPERTY OF CONOCOPHILLIPS COMPANY AND IS LENT TO THE BORROWER FOR HIS CONFIDENTIAL USE ONLY, AND IS SUBJECT TO RETURN UPON REQUEST AND SHALL NOT BE REPRODUCED, COPIED, LENT OR OTHERWISE DISPOSED OF DIRECTLY OR INDIRECTLY, NOR USED FOR ANY PURPOSE OTHER THAN THAT FOR WHICH IT IS SPECIFICALLY FURNISHED.

NOTES:
1. EQUALIZATION LINE.
2. ACID SEAL LOOP TO DRAIN.
3. SEE DETAIL 1 ON SHEET PRM-80113-00-011-0003.

DESIGNED	PS	06/14
DRAWN	EP	06/14
CHECKED		
ENGR		
E.O.R. No.	171-135970	
SCALE	NONE	

ConocoPhillips
PRMU STAMPEDE WC COM 34-1H
PIPING & INSTRUMENT DIAGRAM
OIL STORAGE TANKS T-2110/2120
PRM-80113-00-011-0020

ConocoPhillips Company Truck Loading Procedures

Utilizing Electronic Level Measurement for Oil Load Out

Load Out Operations utilizing electronic level measurement for All Wells in Delaware Basin Area
To be executed in the following order:

- *Set the truck brakes*
- *Survey the lease / loading site prior to loading for any hazards i.e.; oil spills, loose ladders or handrails, etc. If any hazards are identified, notify the dispatcher or supervisor immediately. Start Job Safety Analysis.*
- *Check the seals on loading valves and insure the valves are properly closed per Site ~~Security~~ Facility Diagram (perform proper valve alignment check). Make sure tanks that you are to load from are isolated; but if tank is not isolated, ensure you verify tank number, if you are on the correct tank and if seals are not secured, contact IOF center for instructions.*

SEE COAs

- *Record the tank OPEN Electronic Gauge reading from the RTU to the nearest ¼", verify reading. This reading will be the opening gauge indicated on the run ticket.*

- *Connect the grounding cable, make ALL proper connections, open the trailer valve, start the product pump and walk out the line to insure no audible air leak is present BEFORE opening the tank valve. Attach vent hose.*

- *When satisfied no air leaks are present, record sales valve seal number and open sales valve (The valve at the end of the load line), open the tank valve (the first valve off the production tank) and begin the loading process. Check the trailer vent for proper operation.*

- ***DO NOT SIT IN THE TRUCK DURING THE LOADING PROCESS.** Remain outside the truck close to the operating controls to be able to stop the loading process quickly should a spill or other problem occur.*

SEE COAs

- Reread and record the opening liquid level in the tank on the RTU to the nearest ¼" to ensure the liquid level is stable.

- Start pump and continue to load until approximately 5 bbls have been loaded.
- Flush your line into sump (to be recirculated for later measurement for sale) and pull sample to perform first grind out.
  - Flush the contents of the sample line into an acceptable clean external container and
  - pull 2 samples into clean, dry centrifuge tubes to perform the merchantability grind out, according to: Appendix A, Field Sampling and Grind out Procedure.
- Stop pump, close header valve, perform field test, record results.
- If the oil quality is **not** acceptable, stop the loading process and prepare to pump the oil back into the tank. (**Call supervisor before pumping oil back**). Pump oil back. Verify oil has been pumped back into tank by reading tank level on the RTU to the nearest ¼". Close and seal the sales valve on the tank, complete an Oil Refusal Slip (run ticket) including the opening seal number and the closing seal number from the sales valve, and leave at the lease.
- If the oil quality is acceptable, continue the loading process.

- Start pump and continue to load until approximately 50 bbls have been loaded.
- Flush your line into an acceptable, clean external container and pull a sample into a clean, dry centrifuge tube to determine the oil quality for the bottom sample (Appendix A).

SEE COAs

- While the oil is continuing to load, read and record the 1st flowing temperature; see Appendix B Flowing Temperature Procedure.

* SEE COAs

- Stop pump, close header valve, perform test.
- Note results of field sampling and grind out; and 1st line temperature reading.

- Start pump and continue to load until approximately 95 bbls have been loaded.
- The gravity sample and 2nd flowing temperature (Appendix B) is to be taken at approximately 95 BBLS into the loading process.
- While the oil is continuing to load, flush the sample line into an acceptable, clean external container and pull a sample into appropriate clean container to perform testing for API Gravity and temperature, and correct according to API 11.1 procedures.
- Stop pump, close header valve, perform test, record results.

- Start pump and continue to load until approximately 145 bbls have been loaded.
- Flush your line into an acceptable, external container and pull 1 sample into a clean, dry centrifuge tubes to perform the grind out according to procedure in Appendix A.
- While the oil is continuing to load, read and record the 3rd flowing line temperature (Appendix B).
- Stop pump, close header valve, perform test, and record results.
- Continue the loading process until the recommended load volume is reached.

- ***DO NOT OVERFILL YOUR CARGO TANK*** *- know the storage tank size, the liquid volume to be loaded and the cargo tank capacity. NOTE: Do not exceed the maximum allowable load limits as specified in the most current DOT and Federal Motor Carriers Safety Administration guidelines.*

- ***DO NOT SIT IN THE TRUCK DURING THE LOADING PROCESS.*** *Remain outside the truck close to the operating controls to be able to stop the loading process quickly should a spill or other problem occur.*

- *Once load out is complete, close the load line valve at the end of the load line.*
- *Close and place a seal on the first valve off the storage tank. Record seal number on the run ticket and the Site Security Seal Sheet, for later review by Operator.*
- *Re-open load line valve at the environmental pan and evacuate condensate from the load line and environmental pan.*
- *Close load line valve at the end of the load line.*

  NOTE: install dust cap and close bleeder valve

- *Disengage the pump and close the valve on the transport trailer.*
- *Put dust caps and plugs on the hose and secure in the hose tray.*
- *Disconnect the ground cable.*
- *Read and record the tank CLOSE reading from the electronic gauge.*

SEE COAs

- *Prepare the run ticket, including seal record and leave a copy at the lease site. Records to be maintained in accordance with regulatory agency requirements.*

- *Finish Job Safety Analysis.*

- ***DO NOT PULL A LOAD FROM A PRODUCING TANK. Call IOF Center for direction.***
- ***Transport Driver is not allowed to ascend tank for gauging purposes without COPC personnel approval.***

* SEE COAs

Field Sampling and Grind Out Procedure (Appendix A)

200% Sample Test Tube-Top, Middle, and Bottom Samples

1. Draw sample from the thief by pulling a sample and filling the 200% sample test tube with oil to the 100% level for testing. Note volume loaded when sample is pulled.
2. Fill the remaining of the tube to the 200% mark with clean Stoddard Solvent or Kerosene and shake well. *NOTE: Solvent must be used.*
3. Heat the sample to at least 140F. Temperature must not drop below 125F. AFTER SPINNING
4. * Place heated sample in centrifuge and spin for 5-10 minutes (5 minutes is minimum required time). Record the BS&W to the nearest 1/10th, depending on BS level.
5. Same process for top, middle and bottom samples.
6. If the oil quality on the initial grind out is **not** acceptable (Over 1%) call dispatch and await further instructions.
7. If the oil quality is good on the initial grind out (1% or less) continue loading.
8. Take the BS&W readings from top, middle and bottom samples, add them together, and then divide by 3. Lowest recordable reading when using this tube type is ~~This is~~ the BS&W reading for the load.

* **100% Sample Test Tube**

1. If using a 100ml sample tube, fill half the tube with solvent and half with oil. *NOTE: Solvent must be used.*
2. Heat the sample to at least 140F. Temperature must not drop below 125F. AFTER SPINNING
3. Place heated sample in centrifuge and spin for 5-10 minutes (5 minutes is minimum required time).
4. * Record the BS&W results.
5. If the oil quality on the initial grind out is not acceptable (Over 1%) call dispatch and await further instructions.
6. If the oil quality is good on the initial grind out (1% or less) continue loading.
7. The BS&W reading for top, middle and bottom sample is added, the sum of the top, middle and bottom, divided by 1.5 is the BS&W reading. Lowest acceptable reading above zero for 100ml tube is within 0.025% ***Note:*** You will not divide by 3 when using a 100ml sample test tube.

*SEE COAs

Flowing Temperature Procedure (Appendix B)

- A thermal well must be located as soon as reasonably possible downstream of the hose connection for the hose from the load line at the loading point.
- This thermal well must protrude into the middle 1/3 of the piping on the trailer and be able to accommodate a temperature measuring device (yellow back thermometer) which will allow the temperature of the product being loaded to be determined at least three times during the loading process (¼, ½, and ¾ of the way into the load).
- Obtain and record flowing temperature using a temperature measuring device or the temperature transmitter installed on load line if available with readout screen.
- Average the three temperature readings. This average will be the fluid temperature for the run ticket.
- The temperature measured by the thermohydrometer during the API Gravity determination is not an acceptable fluid temperature determination for the load.

Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

ConocoPhillips Company Truck Loading by ATG

October 18, 2018

Conditions of Approval for the use of Automatic Tank Gauging (ATG) Systems

Automatic Tank Gauging, (ATG)

All requirement of 43 CFR 3173 and 43 CFR 3174 will still apply to this variance. Any violation discovered will be enforced, with the appropriate enforcement action, including an immediate assessment if applicable.

When taking the opening and closing gauges using an ATG device, the operator must:

1. Notify the appropriate BLM a minimum of 24 Hrs. prior to first ATG device calibration, to allow the appropriate office time to schedule to witness calibration.

    a. Carlsbad Field Office: 575-361-2822
    b. Hobbs Field Station: 575-393-3612

2. An independent company shall do ATG device calibrations.

3. Comply with API Chapter 3.1B (Second Edition, June 2001), API Chapter 3.6 (First Edition, February 2001), and API Chapter 18.2 (First Edition, July 2016);

4. Isolate tank as per 43 CFR 3174.6 (b) (1) prior to calibration and/or sales.

5. Oil sales measurement tickets must include information that an ATG was used to obtain the opening and closing gauge as well as the last calibration date of device.

6. Inspect the ATG device and ensure its accuracy to within ±1/4 inch, (for tanks of 1,000 bbls. or less), in accordance with API Chapter 3.1B, Subsection 9 at least once a month or prior to sales, whichever is latest, or any time at the request of the AO.

    a. Calibrate the ATG prior to sales if it is found to be out of tolerance or of ATG failure;

        i. Immediate notification, (within 24 Hrs.) to the Appropriate BLM office will be made, Calibration of meter will be required prior to any sales, and determination of volume corrections will be evaluated for previous oil sale.

        ii. The appropriate BLM office will be notified and give a reasonable amount of time to travel to location and witness meter calibration.

        iii. Submit copy of calibration report to appropriate office no later than 7 days after any calibration.

7. Maintain a log of field verifications and provide it to the BLM upon request. The log must include the following information:

    a. Date of verification;

    b. As-found manual gauge readings; and As-found ATG readings, two identical gauges required

    c. Whether the ATG was field calibrated. If the ATG was field calibrated, the as-left manual gauge readings and as-left ATG readings must be recorded.

    d. Name of person performing verification and calibration.

    e. If calibration is performed. Record unique seal number removed and installed and maintain a seal record for device to be made available to the AO upon request. Seal device and maintain records of seals as per 43 CFR 3173 sealing and recordkeeping requirements.

B. Dynamic volume measurement devices and procedures must comply with API Chapter 18.2, Subsection 10.1.1 (First Edition, July 2016).

C. Automatic tank temperature devices and procedures must comply with API Chapter 7.3 (Second Edition, October 2011).

D. Automatic sampling devices and procedures must comply with API Chapter 8.2 (Third Edition, October 2015).

Stampede Federal WC com 34 #1H, 3001542123

1. **Oil load line will be required to have an effectively sealable valve at the end of load line, in addition to the valve closest to the oil tank.**
2. **Submit updated Site Facility Diagram showing load line valves, as per 43 CFR 3173.11.**
3. **Seal records will also be required to be maintained on load line valve.**
4. **Valve at the end of load line will remain sealed while bottom sample is being taken and first grind out is performed. If BS&W content is acceptable, seal on valve at the end of load line can be removed and oil purchase may commence.**
5. **Once oil load line valve seal is remove and oil has started loading on transport oil can not be placed back into oil tank, it will be considered sold for royalty purposes.**
6. **All sample temperature reading will be recorded on run ticket and average will be used to determine average temperature of load to be corrected as per API 11.1 procedures.**
7. **Percent,(%) sample tubes will be read:**
    a. **To the nearest 0.05% if the volume is less than 0.20%.**
    b. **To the nearest 0.10% in the range from 0.20% to 1.00%.**
    c. **To the nearest 0.20% if above the 1.00% mark.**
8. **100 ml sample tubes will be read:**
    a. **To the nearest 0.025 ml if the volume is less than 0.1 ml.**
    b. **To the nearest 0.05 ml in the range from 0.1 ml to 1 ml.**

c. **To the nearest 0.1 ml if above the 1 ml graduation.**

9. **All three sample reading will be required to be documented on run ticket and arrhythmic average will be used to determine average BS&W for the load.**
10. **All three temperature reading taken during loading of oil will be required to be documented on run ticket and the arrhythmic average will be used to determine average tank temperature during loading. Oil must be flowing during reading.**
11. **Gravity and temperature will be taken on 2nd sample. Thermo-hydrometer will be allowed to stand 5 minutes prior to taking reading. Gravity determine shall be done as per 43 CFR 3174.6 requirements.**
12. **Operator is required to witness a minimum of one load per month to verify that Oil sale is being conducted as per Federal Regulations and COAs. Operator must sign run ticket at the time of witness that procedure was followed as per approval.**

Warning: Approval for ATG variance at this time is a privilege, which is granted to lessees and/or operators for the purpose of aiding conservation, safety issues and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation. Carlsbad Field Office reserves the right to rescind this approval at any time to include failure of operator to comply with Federal Regulation and COAs.