

30-025-40284

H2S DRILLING OPERATIONS PLAN

HOBBS OCD

ConocoPhillips, Inc. will comply with Onshore Order No. 2 and No. 6 for working in an H2S environment or a potential H2S environment. SEP 07 2011

I. Hydrogen Sulfide Training

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All contractors and subcontractors employed by ConocoPhillips will receive or have received training from a qualified instructor within the last twelve months in the following areas prior to commencing drilling operations on this well.

1. The hazards and characteristics of hydrogen sulfide (H2S)
2. Safety precautions.
3. Operations of safety equipment and life support systems.

In addition, contractor supervisory personnel will be trained or prepared in the following areas:

1. The effect of H2S on metal components in the system, especially where high tensile strength tubulars are to be used.
2. Corrective action and shutdown procedures when drilling or reworking a well, blowout prevention and well control procedures, if the nature of work performed involves these items.
3. The contents and requirements of the contingency plan when such plan is required.

II. H2S EQUIPMENT AND SYSTEMS

1. Safety Equipment

The following minimum safety equipment will be on location:

- A. Wind direction indicators placed near rig floor/mud return lines and at points along the perimeter of the location to allow visibility of at least one indicator from any point on location.
- B. Automatic H2S detection alarm equipment (both audio and visual)
- C. Clearly visible warning signs. Signs will use the words "POISON GAS" and "CAUTION" with a strong color contrast.
- D. Protective breathing equipment will be located in the doghouse and at briefing areas on location.

2. Well Control Systems

A. Blowout Prevention Equipment

Equipment includes but is not limited to:

1. Pipe rams to accommodate all pipe sizes
2. Blind rams
3. Choke manifold
4. Closing Unit
5. Flare line and means of ignition

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8/15/2011

SEP 14 2011

B. Communication

The rig contractor will be required to have two-way communication capability. ConocoPhillips will have either land-line, satellite phone, microwave phone, or mobile (cellular) telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight, safe drilling practices and the use of H₂S scavengers when appropriate will minimize hazards when penetrating H₂S bearing zones.

D. Drill Stem Tests

Any planned drill stem test will be cancelled if H₂S is detected prior to such test. In the event that H₂S is detected during testing, the test will be terminated immediately.

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ConocoPhillips Emergency Contact Phone Numbers

ConocoPhillips

		(281)293-3600
Drilling Superintendent	Cotton Hair	work (432)368-1302 cell (432)556-9116
Safety (WSER)	Tom Samarripa	work (432)368-1263 cell (432)556-9113
Drilling Engineer	Jason Tilley	work (832)486-2919 cell (281)684-4720
Regulatory Contact	Celeste Dale	(432)688-6884

Emergency Numbers

Hospital:	Lea Co. Regional Medical Center(Hobbs)	(575)492-5000
Ambulance:	Hobbs Fire Dept.	(575)397-9308
Air Ambulance:	Care Star	(888)624-3571
	Aero Star	(800)627-2376
Fire Dept	(Hobbs)	(575)397-9308
	(Maljamar non-emerg)	(575)676-4100
State Police:	(Artesia)	(575)748-9718
	(Hobbs)	(575)392-5580
	Emerg	(575)392-5588
Sheriff:	(Lovington)	(575)396-3611
Police:	(Lovington)	(575)396-5166
NM OCD		(575)393-6161
	Emerg	(575)370-7106
BLM		(575)393-3612
	fax	(575)393-4280
New Mexico Emerg Response Comm(Santa Fe)		(505)476-9600
	24HR	(505)827-9126
New Mexico State Emerg Ops Ctr		(505)476-9635
National Emerg Response Center (Washington, DC)		(800)424-8802

Recommended Telephone Procedures for Emergencies

- 1 State emergency situation
- 2 Give your full name, company & phone number
- 3 Give cause of injury and condition of injured
- 4 Provide good directions to location or highway
- 5 Send vehicle to meet EMS at highway or landmark
- 6 Stay by phone until EMS arrives on location

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8/15/2011

Surface Use Plan of Operations

ConocoPhillips Company
Warren Unit # 394
1310 FNL & 2361 FWL of Section 28-20S-38E
Federal Lease No. NMLC031695B
Lea County, New Mexico

HOBBS OCD

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1. Access Road - Existing

- A. From the Intersection of State Hwy 176 and State Hwy 18 (2 miles east of Eunice, NM), Go north on said Hwy 18 for 7.5 miles to cattle guard on the west side of the highway. Go West on lease road for 1.6 miles. Turn north and go .3 miles. Location is approximately 350' to the northeast.
- B. Proposed route to location - **See Enclosed County Map & Vicinity Map.**
- C. The existing road will be maintained, including Dust Suppression, in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of this drilling location.

2. Planned Access Roads

- A. There will be +/-203' of new access road with a 30' construction right of way and a minimum travel way width of 14'. All is on fed. surface.
- B. Maximum grade will not exceed 8 percent.
- C. There will be no County approach.
- D. There will be no low water crossing or culverts
- E. There will be no cattleguard installed on the access road.
- F. The proposed access road will be constructed in accordance with roading guidelines established for oil & gas exploration and development activities as referenced in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition and/or BLM Manual Section 9113 concerning road construction activities on projects under federal jurisdiction. Prior to moving in any heavy equipment, the access road will be thoroughly compacted. The access road will be surfaced to the required minimum depth (after compaction).

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

- A. There are no water wells within a one-mile radius
- B. There are 0 dry holes located within a one-mile radius.
- C. There are no plugged and abandoned wells within a one-mile radius.
- D. There are no saltwater disposal wells within a one-mile radius.
- E. There are 2 proposed drill wells within a one-mile radius.
- F. There are ~20 producing wells within a one-mile radius.
- G. There are no shut-in wells within a one-mile radius.
- H. There is ~10 injection wells within a one-mile radius.
- I. There are no monitoring or observation wells within a one-mile radius.
- J. There is no water source well within a one-mile radius.

4. Location of existing and/or Proposed Facilities

A. On Well Pad

1. This well will be placed on oil production. There will be 865' linear feet of flowline that will take the production from this well to the Warren Battery # 7 in ULP of 28-205-382 (100 gals.)
2. 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.
3. Approximately 306' linear feet of new power line will be installed to connect to the existing line located west of the proposed project.

5. Location and Type of Water Supply

- A. Fresh water will be obtained from an approved source.
- B. No water well will be drilled on this location.

6. Source of Construction Materials

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

7. Methods for Handling Waste Disposal

- A. Hazardous substances as listed as hazardous under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) of 1980, as amended, 42 U.S.C. 9601 et seq. and the regulations issued under CERCLA, will be disposed of in the appropriate pit.
- B. Any spills of oil or any other potentially hazardous material will be cleaned up and immediately removed to an approved disposal site.
- C. Sewage will be disposed of according to county and state requirements in a portable chemical toilet(s) or in a hole at least 20 feet deep excavated in the cut portion of the well pad. Other waste and chemicals may not be disposed of on location. Waste will not be burned on location.
- D. Garbage and trash will be contained in portable trash cages. The contents of the trash cages will be disposed of according to county and state regulations at an approved facility. Disposal of it or burning it will not be allowed on the well location.
- F. After drilling rig has moved out of area, any scattered trash and litter will be removed from site.
- G. All potentially hazardous areas will be fenced, and will remain in this condition until entire area can be rehabilitated.

8. Ancillary Facilities

The production facilities are discussed under Item 4.

9. Well Site Layout

- A. **See Enclosed Well Location Plat**
- B. Well Site Layout – **See Enclosed Drilling Rig Layout Plat.**
- C. Topsoil will be stripped from the locations and access roads and be stockpiled and be deposited apart from other excavated material.
- D. There will be a no reserve pit on location. The well will be drilled via a closed loop system and the contents will be taken to an approved disposal site.

10. Plans for Reclamation of the Surface

- A. If this well is a producer, all site rehabilitation shall be completed within six months. Under normal weather conditions, the timetable for rehab will allow two months for backfill settling and two months to complete final re-contouring, and top-soiling. In the event of winter freeze-up, reclamation will be put on hold as determined by the BLM.
- B. At such time as the well is abandoned, ConocoPhillips Company will contact the BLM for development of the final rehabilitation plan. Upon abandonment, a dry hole marker welded to surface casing four feet below ground level will be installed. It will contain the same information as the well sign as directed by 43 CFR 3162.6 (30 CFR 221.22). The dry hole marker sealing the casing will have an 1/8" to 1/4" weep hole which will allow pressure to dissipate and make detection of any fluid seepage easier.
- C. If this well site is constructed and not drilled, the site and access road will be reclaimed or BLM approved special erosion control measures implemented within 90 days of site construction unless otherwise approved in writing by sundry notice.
- D. The unused portion of the site will be ripped prior to replacing the topsoil. The soil-banked material will be spread over the area. Reseeding will be an approved mixture by the BLM. If the broadcast method is utilized, the seed mixture shall be doubled.
There shall be no primary or secondary noxious weed seed in the native seed mixture
- E. The entire disturbed location may be fenced after seeding. When the location has been rehabilitated and vegetation re-established, the fence shall be removed or the fenced area reduced as required by the landowner or BLM.
- F. Weeds will be controlled on disturbed areas within the exterior limits of the well pad. The control methods will be in accordance with guidelines established by EPA, BLM, state, and local authorities.
- G. A pre-work onsite with the BLM and ConocoPhillips Company may be held for all phases of reclamation

11. Surface Ownership
Bureau of Land Management
620 E. Green Street
Carlsbad, NM 88220

12. Other Information

- A. The area that would be impacted by the well site and access road has been surveyed for cultural resources. The Archaeological Survey Report has been mailed to the BLM by Lone Mountain Archaeological Services, Inc.
- 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.

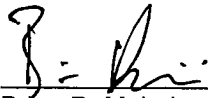
- C. ConocoPhillips Company will protect, in place, all public land survey monuments, private property corner, and Forest service boundary markers. In the event that any such land markers or monuments are destroyed in the exercise of their rights, depending on the type of monument destroyed, the operator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

Operator Certification

ConocoPhillips

Certification:

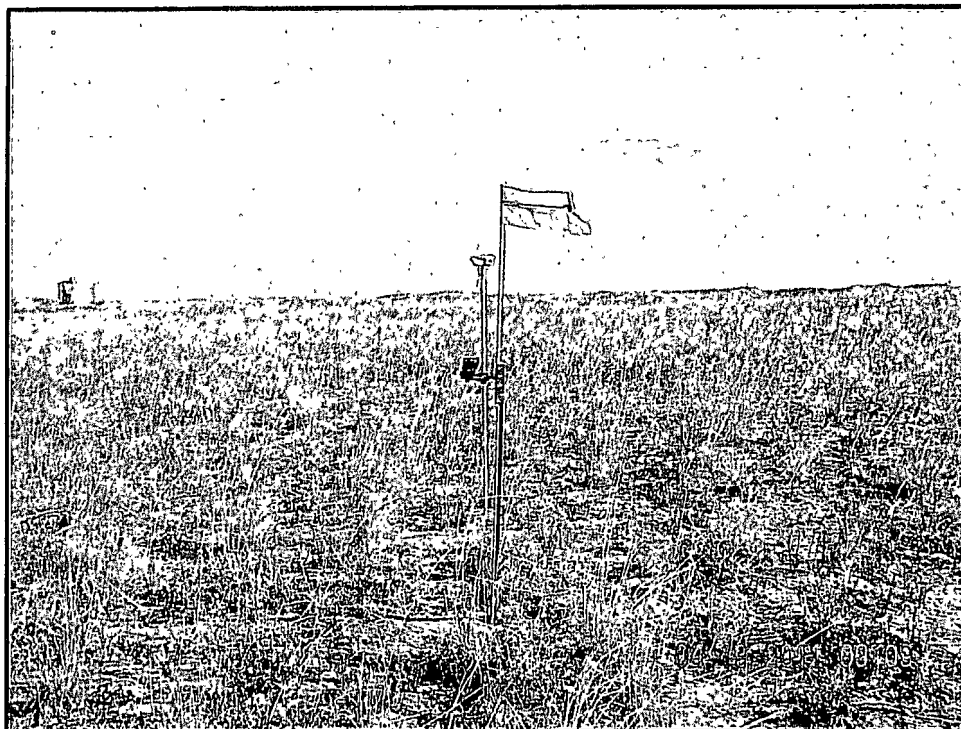
- I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access rout; that I am familiar with the conditions which presently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by ConocoPhillips Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application with bond coverage provided by Nationwide Bond ES-0085. This statement is subject to the provisions of 18 U.S.C. 1001 for filling a false statement



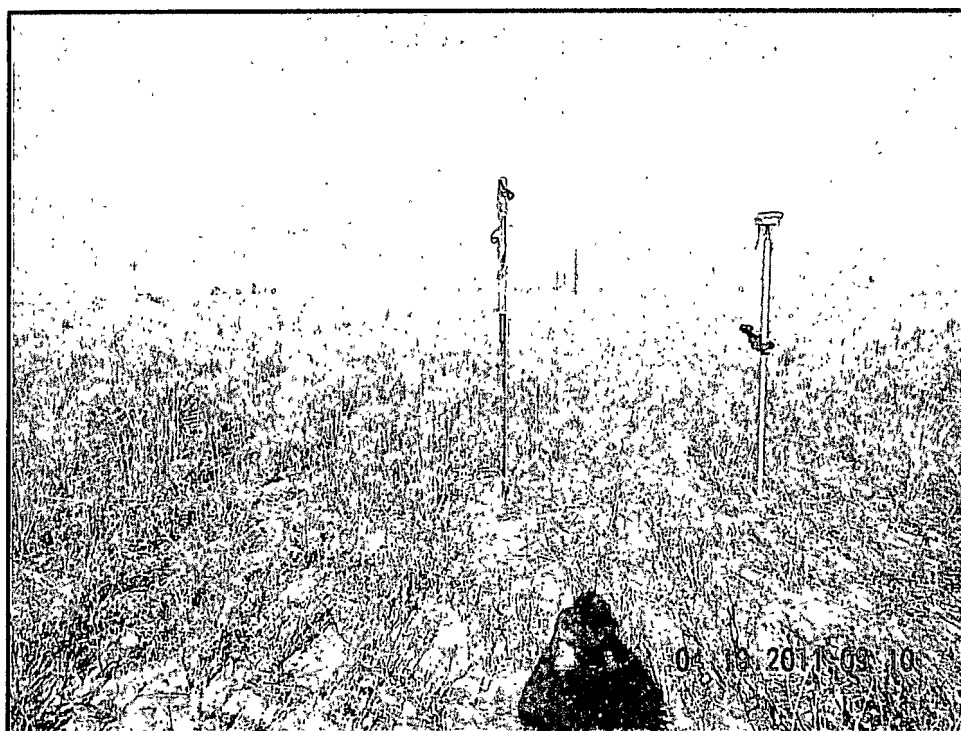
Brian D. Maiorino
Regulatory Specialist
PO Box 51810
Midland, TX 79710

Date: 06/15/2011

Field Representative: (If not above signatory) John Coy, Production Supervisor
Address: 1410 NW CR, Hobbs, NM 88240
575-391-3186



NORTHERLY VIEW TO LOCATION STAKE



WESTERLY VIEW TO LOCATION STAKE

ConocoPhillips

WARREN UNIT #394

Located 1310' FNL & 2361' FWL, Section 28
Township 20 South, Range 38 East, N.M.P.M.
Lea County, New Mexico



110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

Drawn By: KHY

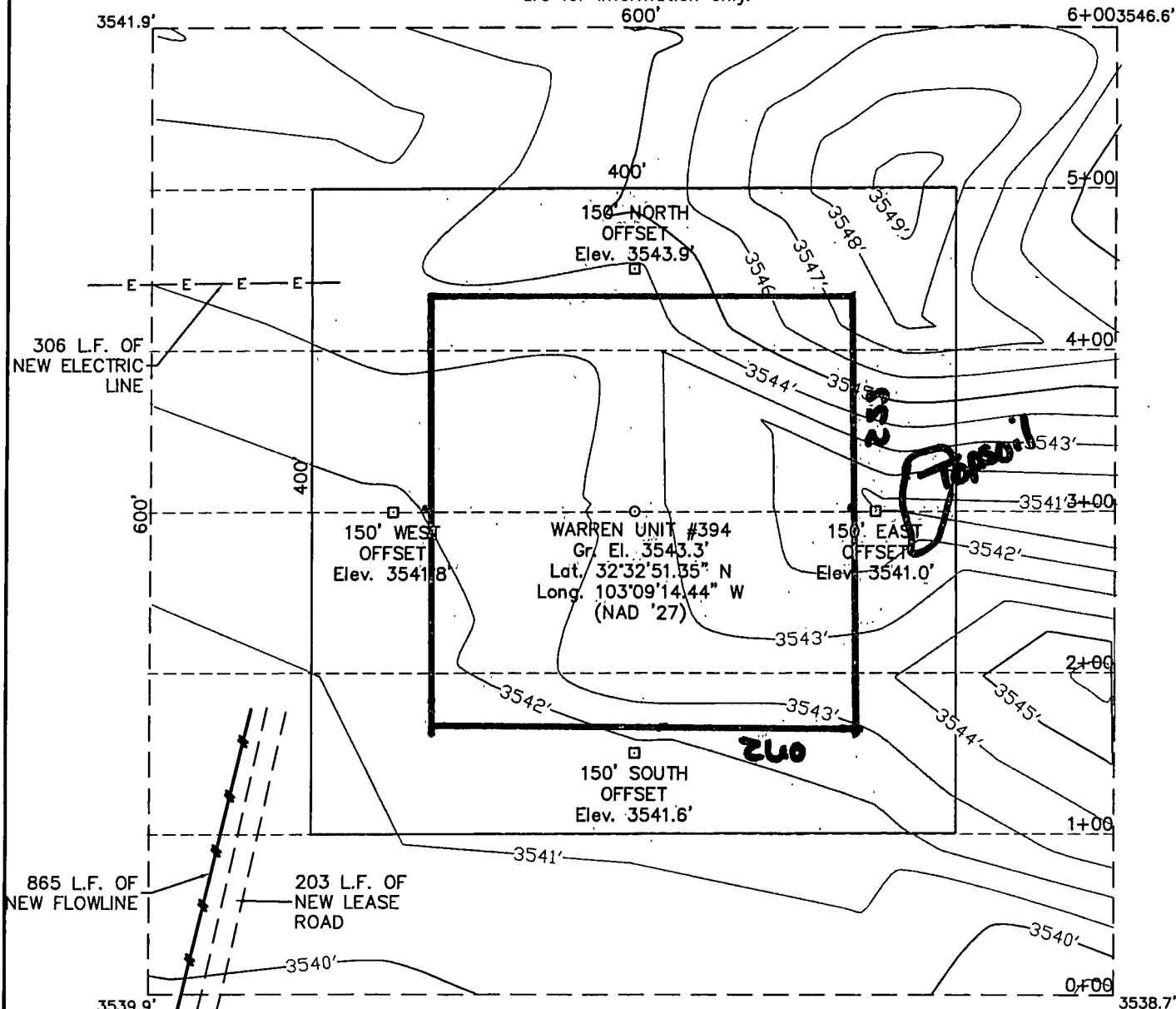
Date: May 9, 2011

SECTION 28, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M.

LEA COUNTY

NEW MEXICO

THIS IS NOT A BOUNDARY SURVEY
Apparent property corners and property lines, if shown,
are for information only.



DRIVING DIRECTIONS

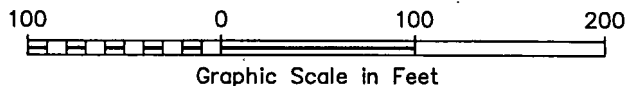
FROM THE INTERSECTION OF HIGHWAY 18 AND HIGHWAY 176. GO NORTH ON SAID HIGHWAY 18 FOR 7.5 MILES TO A CATTLE GUARD ON THE WEST SIDE OF HIGHWAY 18. GO WEST ON LEASE ROAD FOR 1.6 MILES. TURN NORTH AND GO 0.3 MILES. LOCATION IS APPROXIMATELY 350 FEET TO THE NORTHEAST.

I HEREBY CERTIFY THAT THIS MAP WAS MADE FROM AN ACTUAL SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Macon McDonald

MACON McDONALD

REGISTERED PROFESSIONAL SURVEYOR
PLS NO. 12185



ConocoPhillips

Topographic Map

WARREN UNIT #394

Located 1310' FNL & 2361' FWL, Section 28
Township 20 South, Range 38 East, N.M.P.M.
Lea County, New Mexico

Drawn By: KHY	Date: May 9, 2011
Scale: 1" = 100'	Field Book: 508 / 51-54
Sheet 1 of 3	Quadrangle: Hobbs SW
W.O. No: 2011-0563	Dwg. No.: L-2011-0563-A

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of Midland, Inc.

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L-2011-0563-A

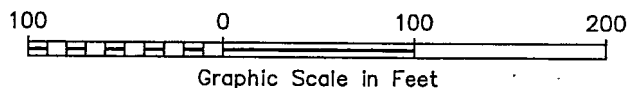
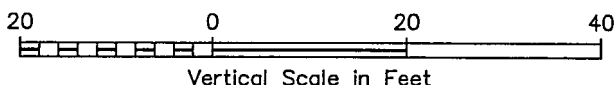
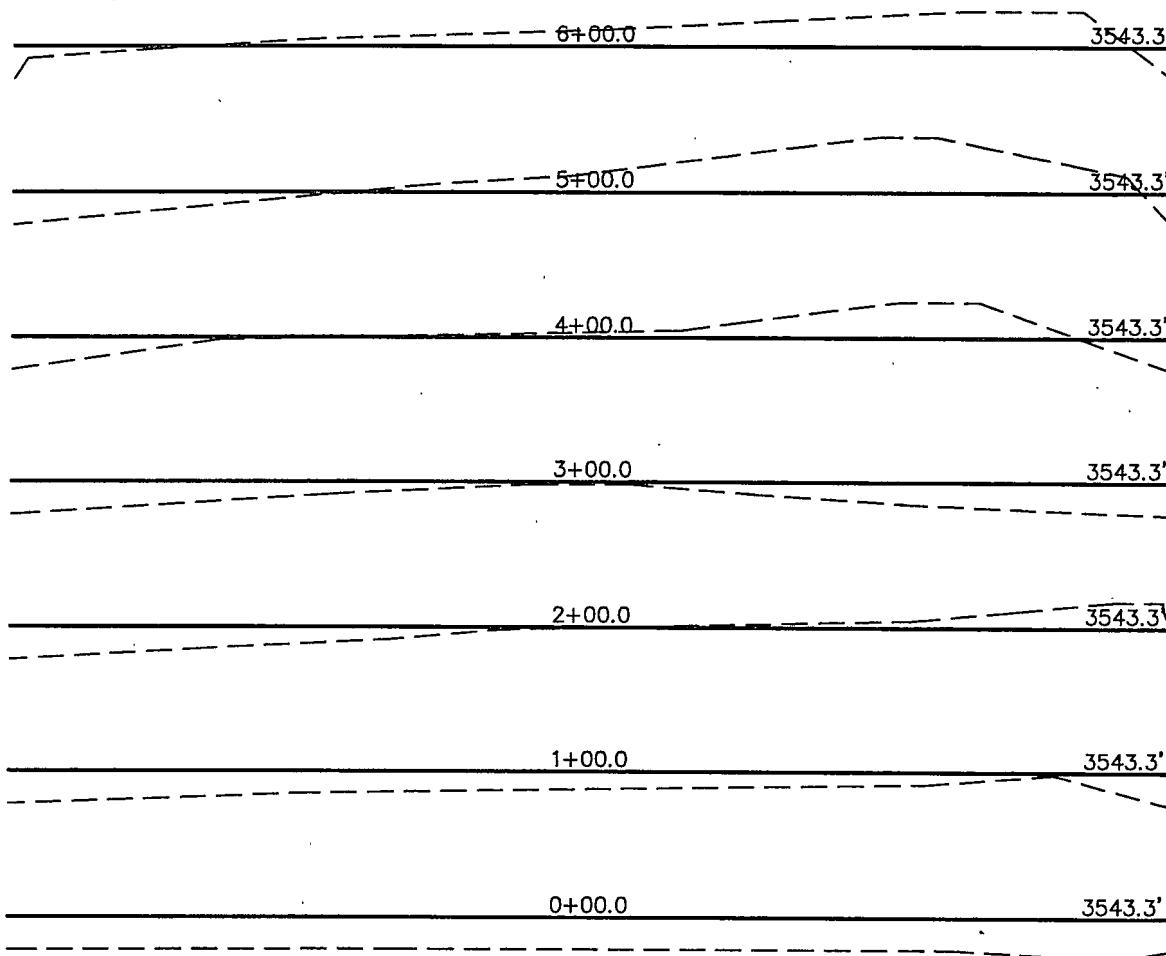
SECTION 28, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M.

LEA COUNTY

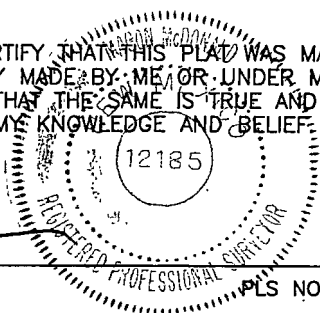
NEW MEXICO

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L-2011-0563-B



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PLS NO. 12185



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ConocoPhillips

Topographic Map

WARREN UNIT #394

Located 1310' FNL & 2361' FWL, Section 28
Township 20 South, Range 38 East, N.M.P.M.
Lea County, New Mexico

Drawn By: KHY	Date: May 9, 2011
Scale: 1" = 100'	Field Book: 508 / 51-54
Sheet 2 of 3	Quadrangle: Hobbs SW
W.O. No: 2011-0563	Dwg. No.: L-2011-0563-B

SECTION 28, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M.

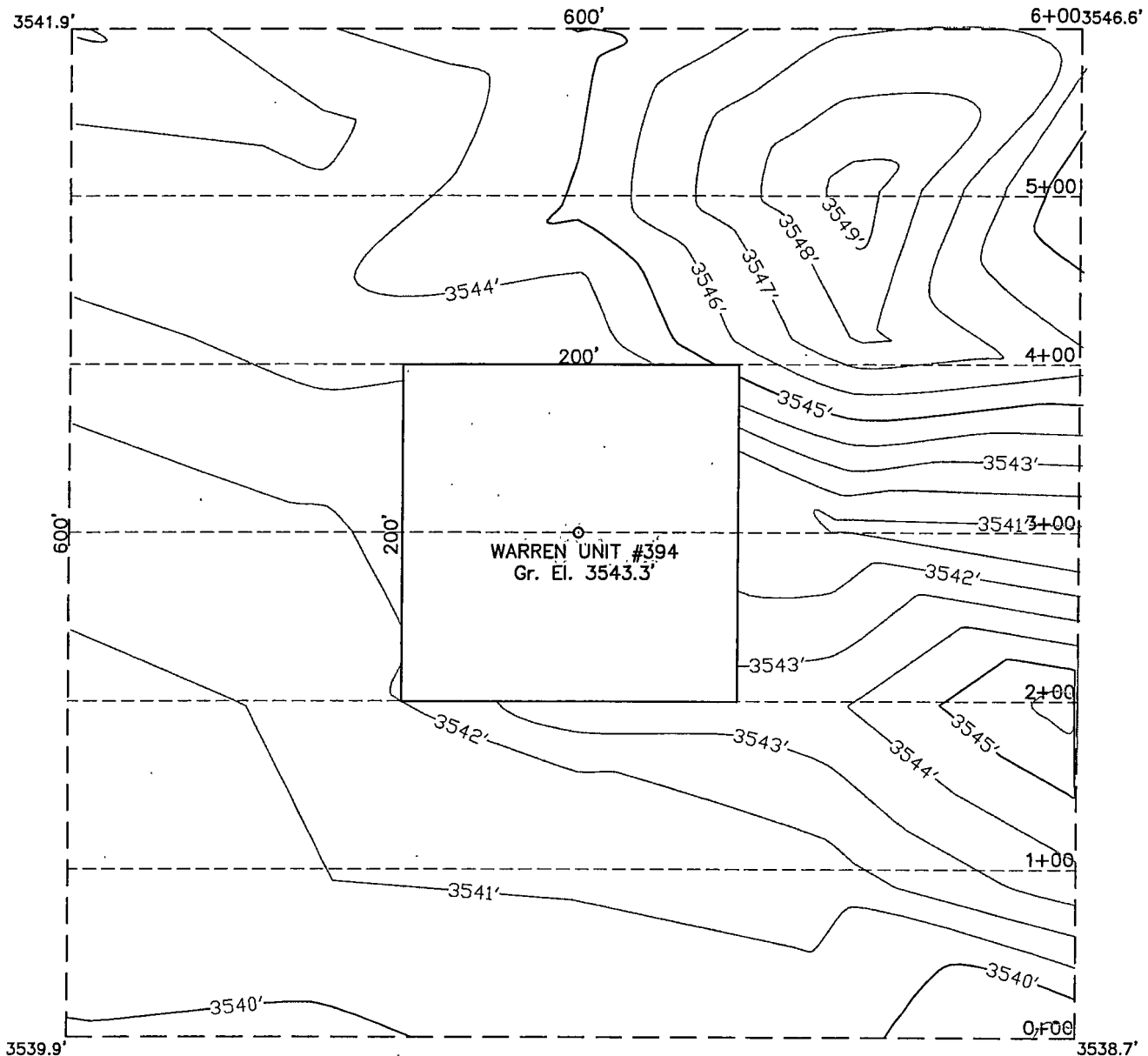
LEA COUNTY

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L-2011-0563-C

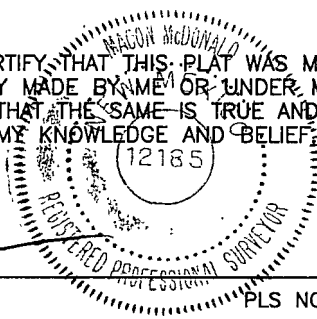


INTERIM RECLAMATION



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SUPERVISION AND THAT THE SAME IS TRUE AND CORRECT
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MACON McDONALD



MACON McDONALD

PLS NO. 12185

ConocoPhillips

Topographic Map

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Township 20 South, Range 38 East, N.M.P.M.
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Sheet 3 of 3	Quadrangle: Hobbs SW
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Topographic map showing the ConocoPhillips Warren Unit #133 and #394 area. The map includes contour lines, a grid, and labels for 'Gravel Pit', 'PIPELINE', and 'CONOCOPHILLIPS WARREN UNIT #133'. A specific location is marked with a dot and labeled '494'.

CONTOUR INTERVAL:
HOBBS SW - 5'

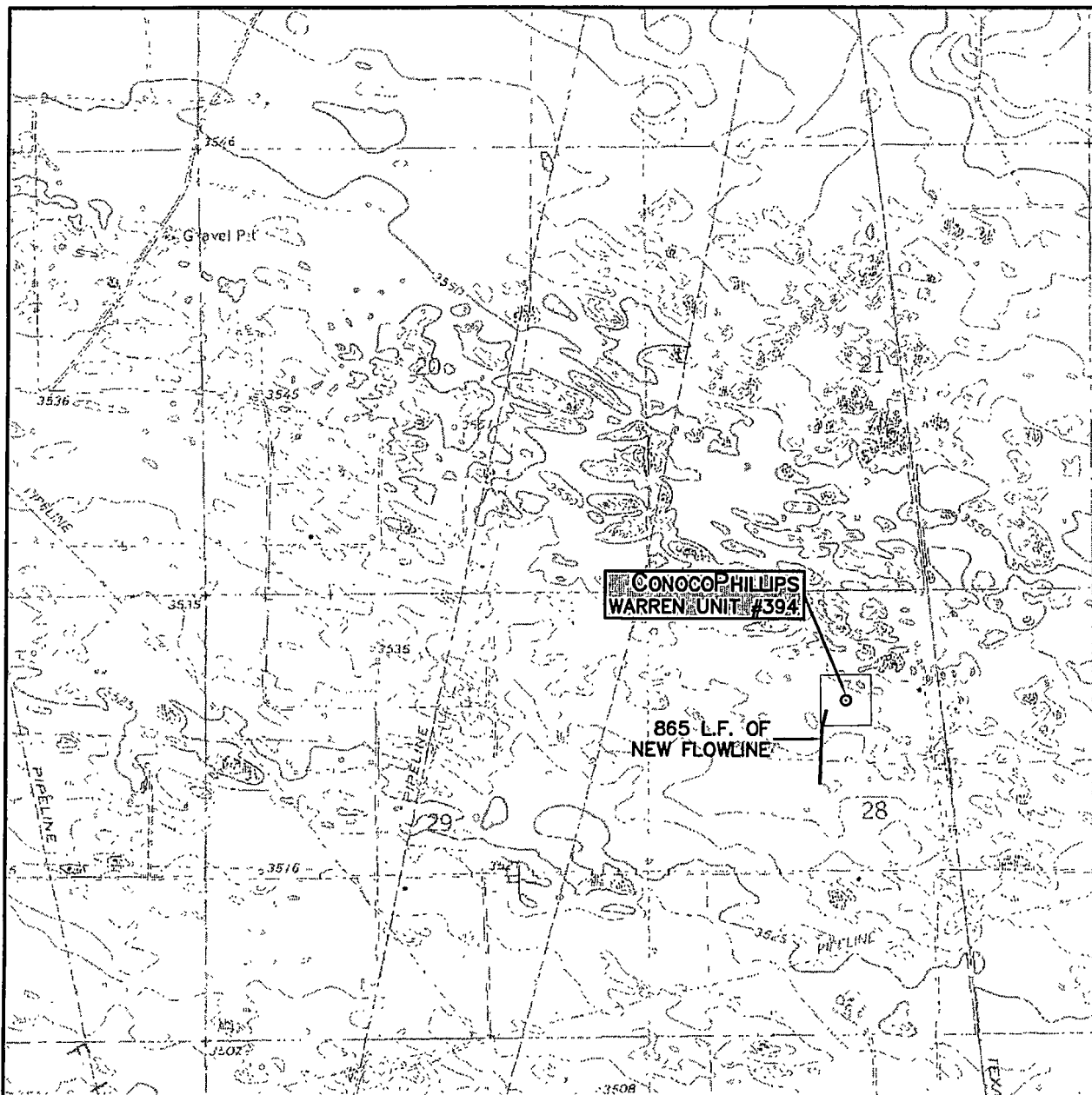
U.S.G.S. TOPOGRAPHIC MAP
HOBBS SW



**WEST
COMPANY**
of Midland, Inc.

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LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
HOBBS SW - 5'

SEC. 28 TWP. 20-S RGE. 38-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1310' FNL & 2361' FWL

ELEVATION 3543'

OPERATOR CONOCOPHILLIPS

LEASE WARREN UNIT

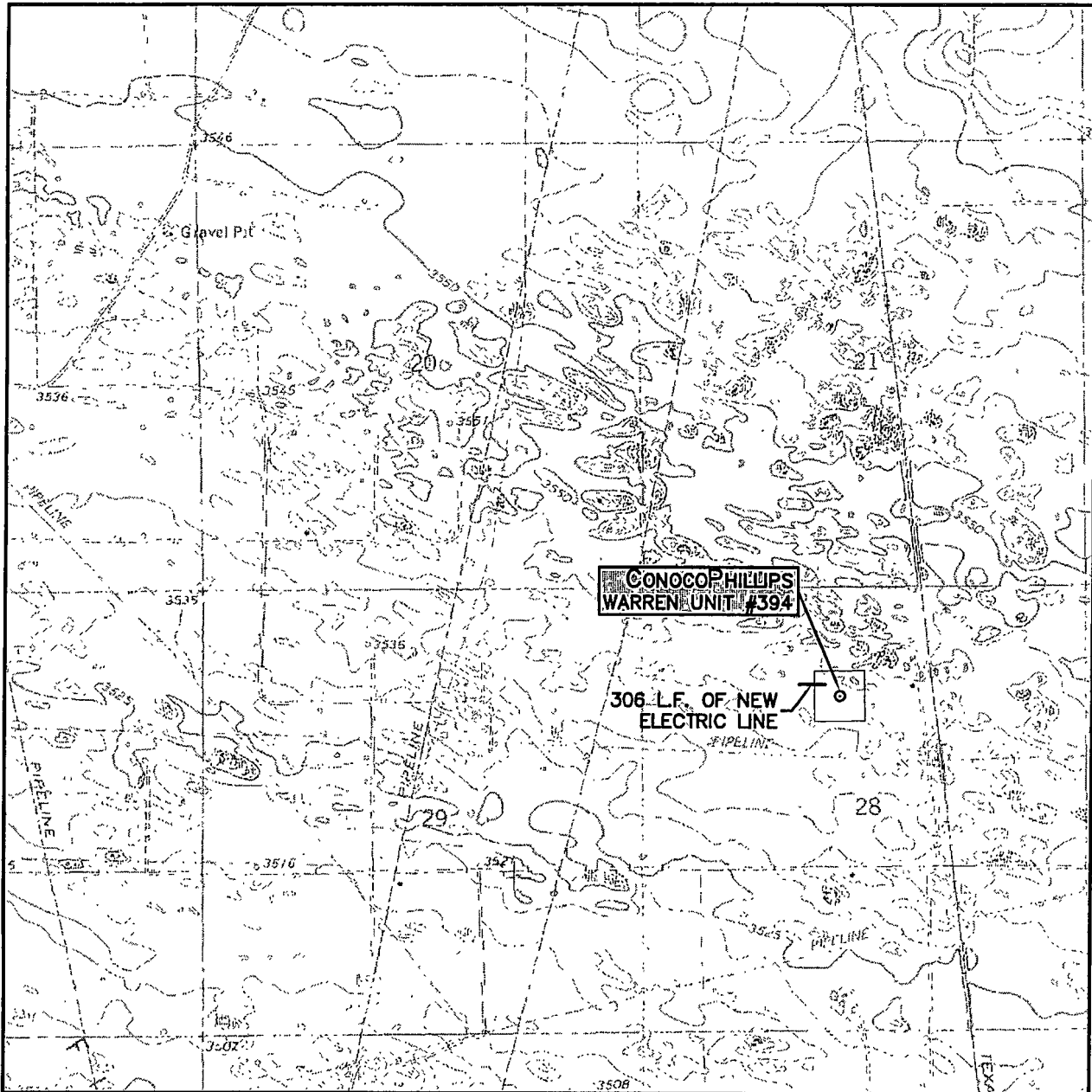
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HOBBS SW



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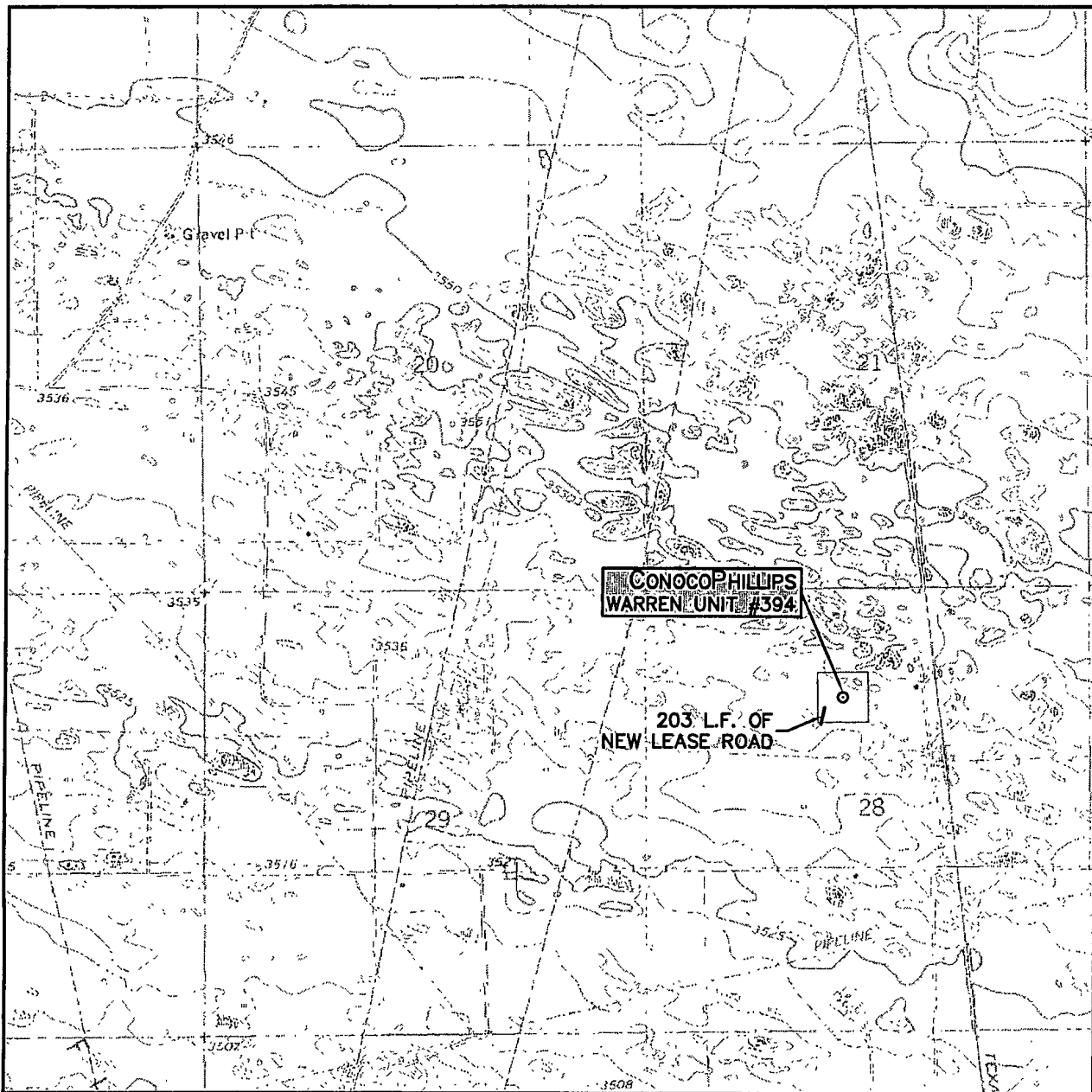
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HOBBS SW



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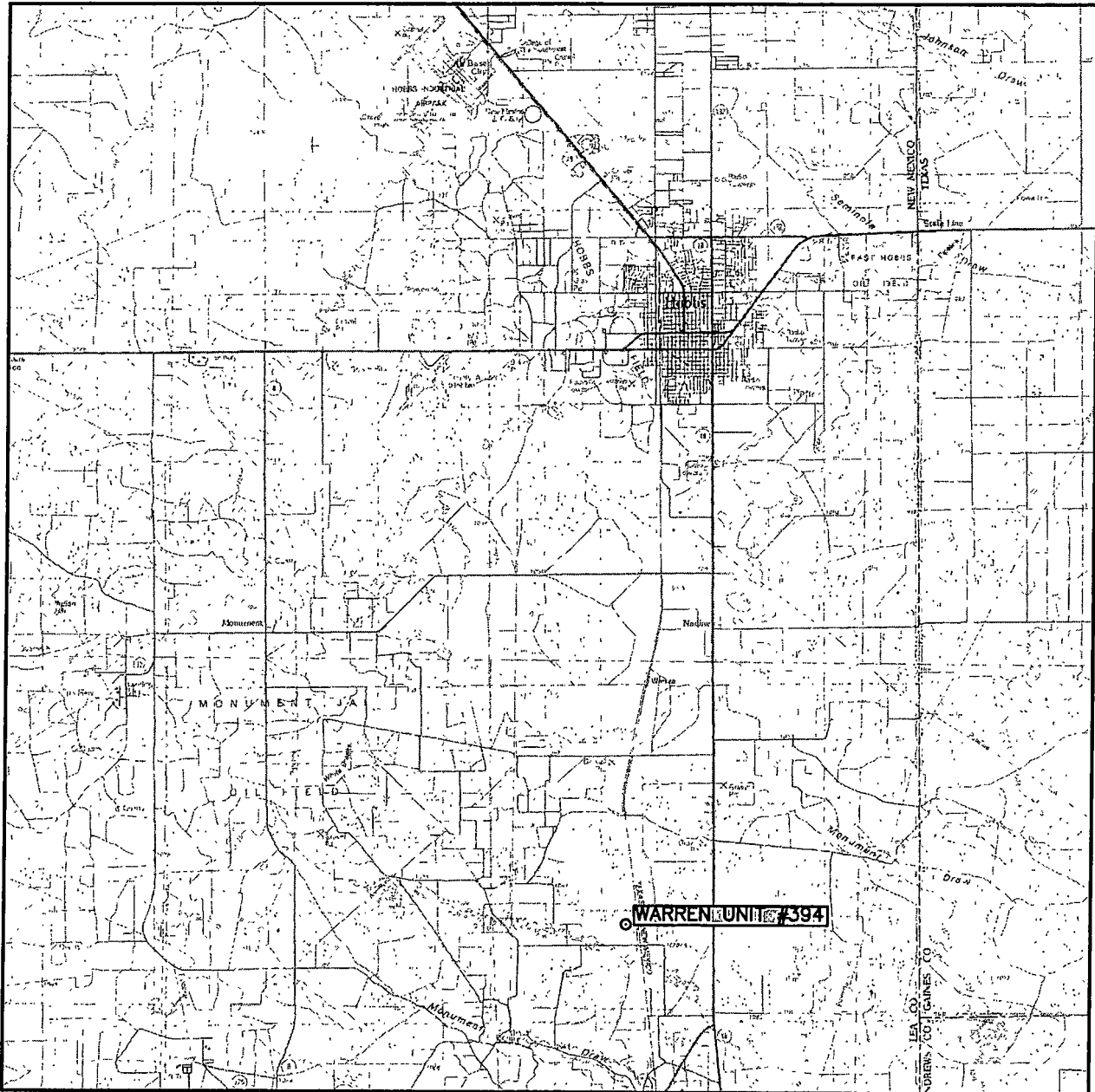
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HOBBS SW



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VICINITY MAP



SCALE: 1" = 3 MILES

SEC. 28 TWP. 20-S RGE. 38-E

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