

Surface Use Plan of Operations

HOBBS OCD
FEB 21 2013

CONOCOPHILLIPS COMPANY
Ruby Federal # 14
2160 FSL & 2237 FWL of Section 17-17S-32E
Federal Lease No. NMLC029405B
Lea County, New Mexico

RECEIVED

1. Access Road - Existing
 - A. From the junction of Mescalero and Maljamar go west on lease road for 1.5 miles to turning south for 0.5 miles proposed well pad.
 - 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 approximately 250' of new access road with a 50' construction right of way and a minimum travel way width of 14'. All is on federal surface .

3. Location of Existing Wells within a One-Mile Radius.
 - A. There are no water wells within a one-mile radius
 - B. There are no dry holes located within a one-mile radius.
 - C. There are 3 plugged and abandoned wells within a one-mile radius.
 - D. There are no saltwater disposal wells within a one-mile radius.
 - E. There are no proposed drill wells within a one-mile radius.
 - F. There are 9 producing/recently drilled wells within a one-mile radius.
 - G. There are no shut-in wells within a one-mile radius.
 - H. There are no injection wells within a one-mile radius.
 - I. There are no monitoring or observation wells within a one-mile radius.
 - J. There is no water source well within a one-mile radius.

4. Location of existing and/or Proposed Facilities
 - A. On Well Pad
 1. This well will be placed on oil production. The production equipment will include but not limited to oil and water tanks. A proposed facility diagram will be submitted and approved prior to construction of any facilities.
 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. Ruby Facility #1 located in the SW Qtr of the SW Qtr (Unit M) of Section 17, T17S, R32E
 4. About 4000' of flowline and 1700' of power line will be used.

FEB 27 2013

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.
- 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 Well Location Plat.**
- B. Well Site Layout – **See Enclosed Layout Plat.**
- C. Topsoil will be stored on the south side of the pad.

- D. There will be no reserve pit on location. This 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, 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.
- 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 shall 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. Greene Street
Carlsbad, NM 88220-6292

13. 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 Archeological Company.
- 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.

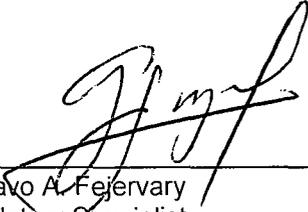
- C. ConocoPhillips Company will protect, in place, all public land survey monuments, private property corner, and Forest service boundary markers. In the event that any such land markers or monuments are destroyed in the exercise of their rights, depending on the type of monument destroyed, the operator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



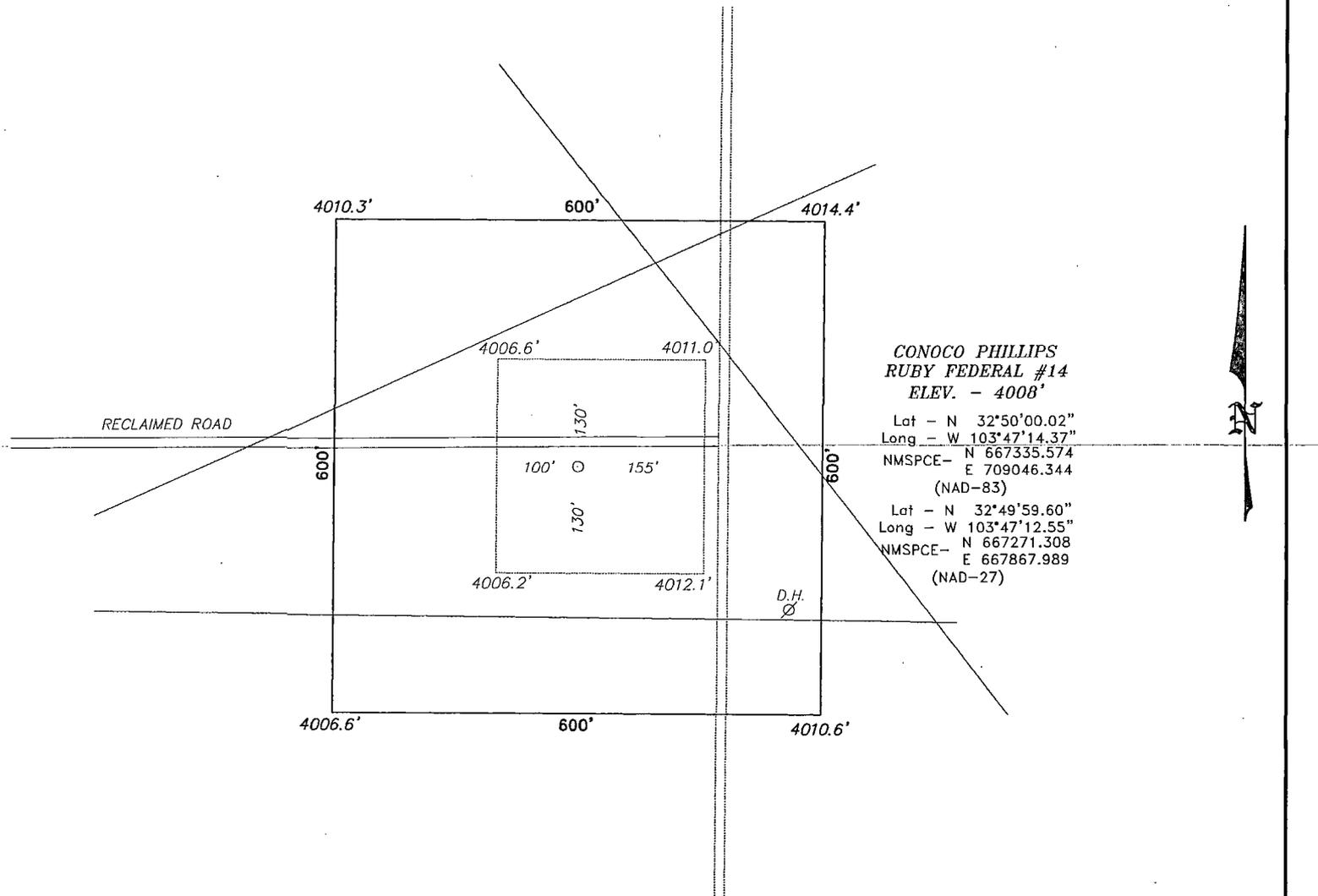
Gustavo A. Fejervary
Regulatory Specialist
PO Box 51810
Midland, TX 79710

Date: 09/27/2012

Field Representative: (If not above signatory) Rudy Quiroz, Production Supervisor
Address: 1410 NW CR, Hobbs, NM 88240
575-391-3147

SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

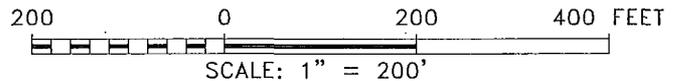
WELL PAD
VACINITY



CONOCO PHILLIPS
RUBY FEDERAL #14
ELEV. - 4008'

Lat - N 32°50'00.02"
Long - W 103°47'14.37"
NMSPCE- N 667335.574
E 709046.344
(NAD-83)

Lat - N 32°49'59.60"
Long - W 103°47'12.55"
NMSPCE- N 667271.308
E 667867.989
(NAD-27)



Directions to Location:

FROM THE JUNCTION OF MESCALERO AND MALJAMAR,
GO WEST ON LEASE ROAD FOR 1.5 MILES TO
TURNING SOUTH FOR 0.5 MILES PROPOSED WELL
PAD.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

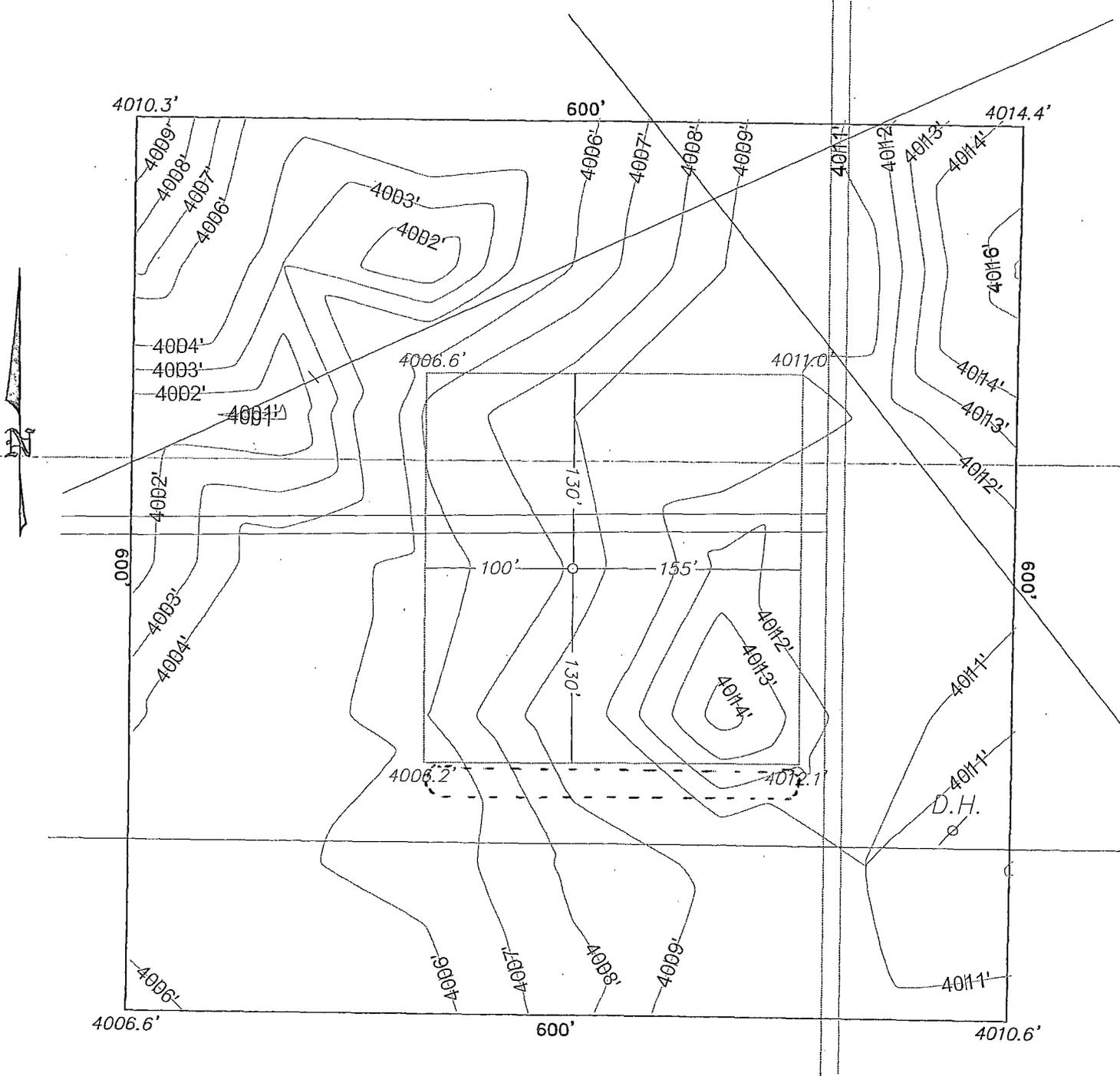
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Date: 11-03-2011 Disk: JMS 25417

ConocoPhillips	
REF: RUBY FEDERAL #14 / WELL PAD VACINITY	
THE RUBY FEDERAL #14 LOCATED 2160'	
FROM THE SOUTH LINE AND 2237' FROM THE EAST LINE OF	
SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST,	
N.M.P.M., LEA COUNTY, NEW MEXICO.	
Survey Date: 11-01-2011	Sheet 2 of 10 Sheets

SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

WELL PAD
DETAIL



TOP SOIL STORAGE AREA

ConocoPhillips

REF: RUBY FEDERAL #14 / WELL PAD DETAIL

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BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

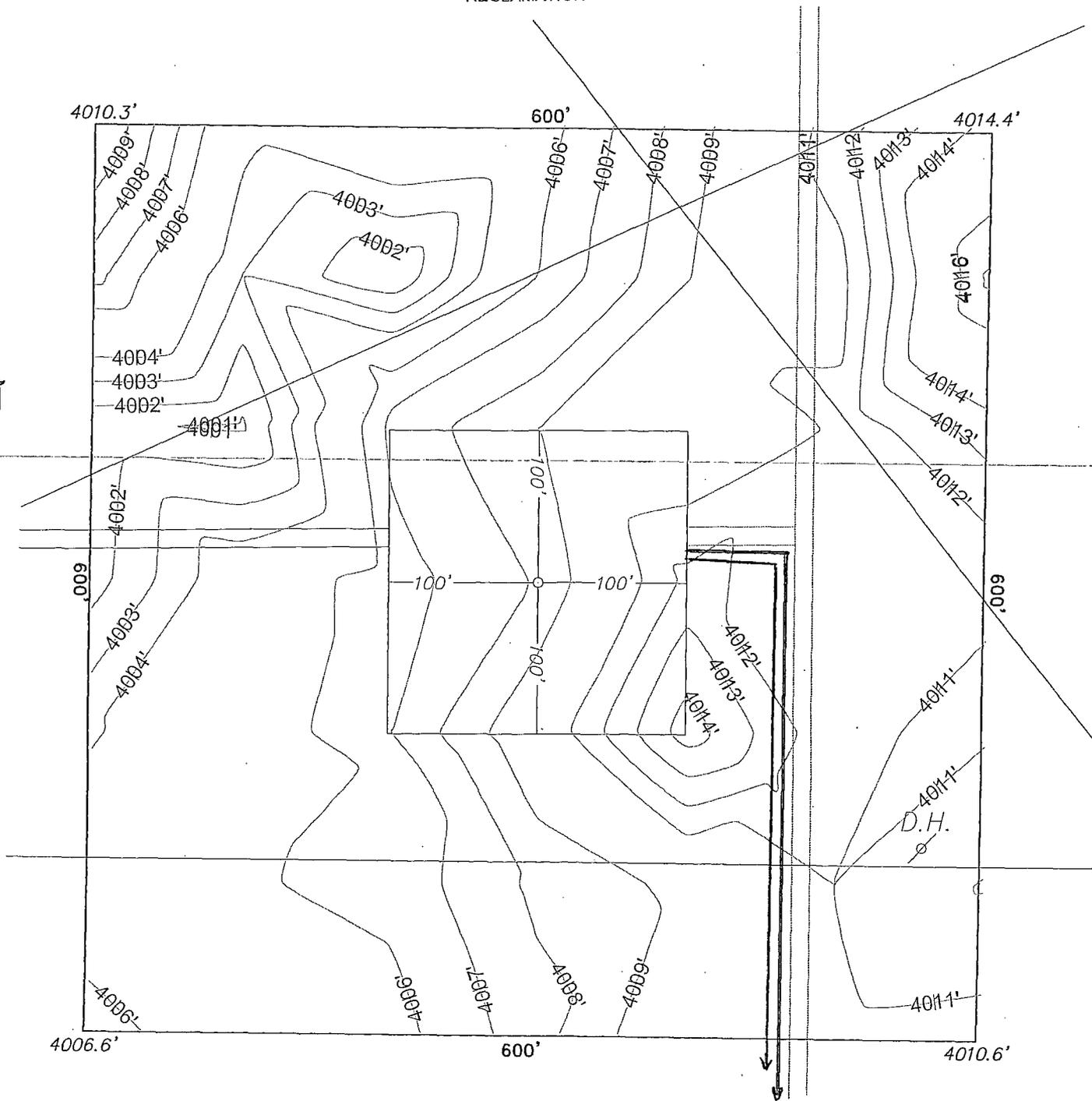
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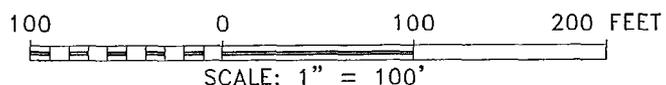
Survey Date: 11-01-2011

Sheet 3 of 10 Sheets

SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, INTERIM RECLAMATION, NEW MEXICO.



————— PROPOSED POWER LINE
 - - - - - PROPOSED FLOW LINE

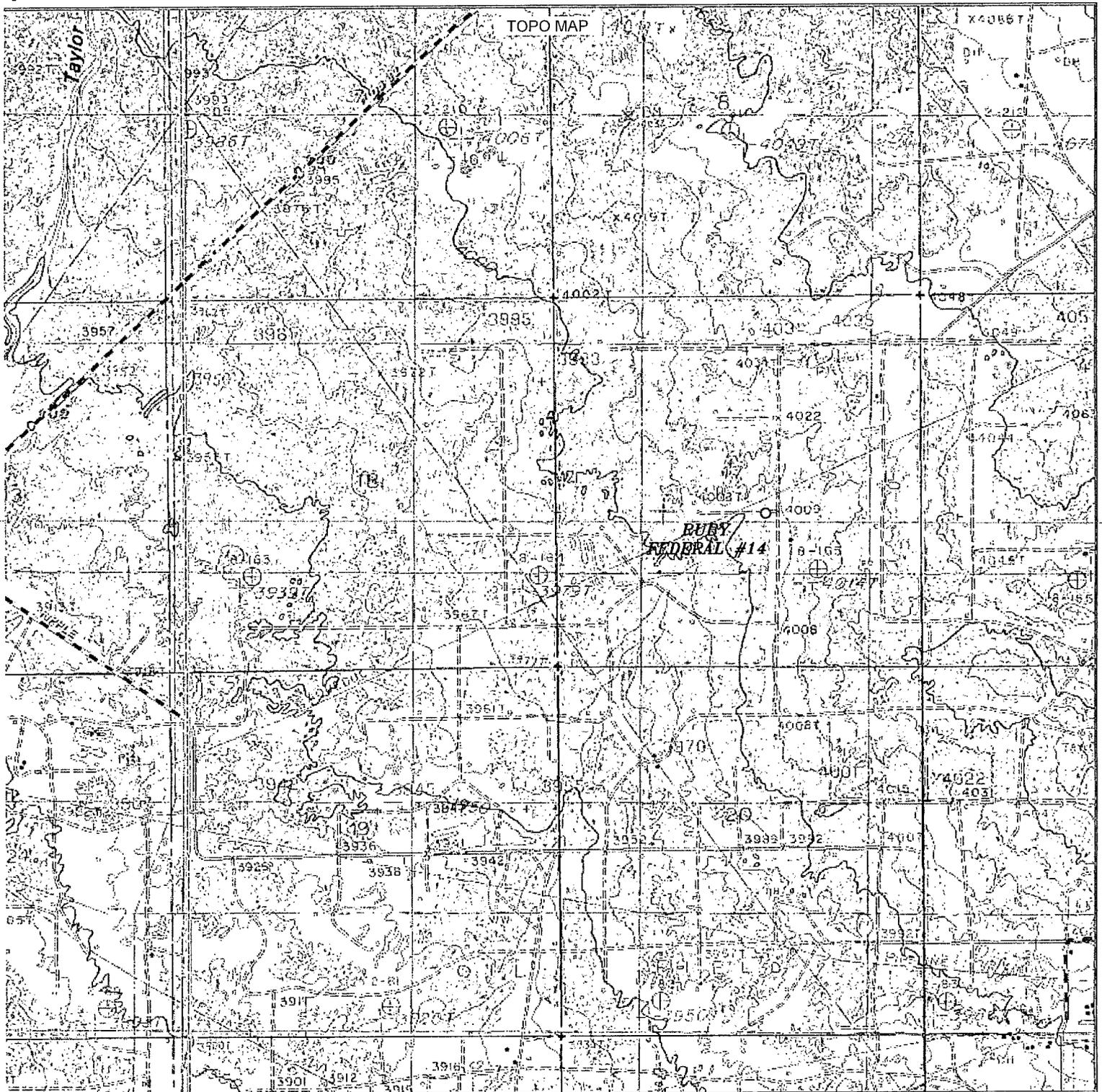


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Date: 11-03-2011 Disk: JMS 25417

ConocoPhillips	
REF: RUBY FEDERAL #14 / INTERIM RECLAMATION	
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SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST,	
N.M.P.M., LEA COUNTY, NEW MEXICO.	
Survey Date: 11-01-2011	Sheet 4 of 10 Sheets



RUBY FEDERAL #14
 Located 2160' FSL and 2237' FEL
 Section 17, Township 17 South, Range 32 East,
 N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 25417

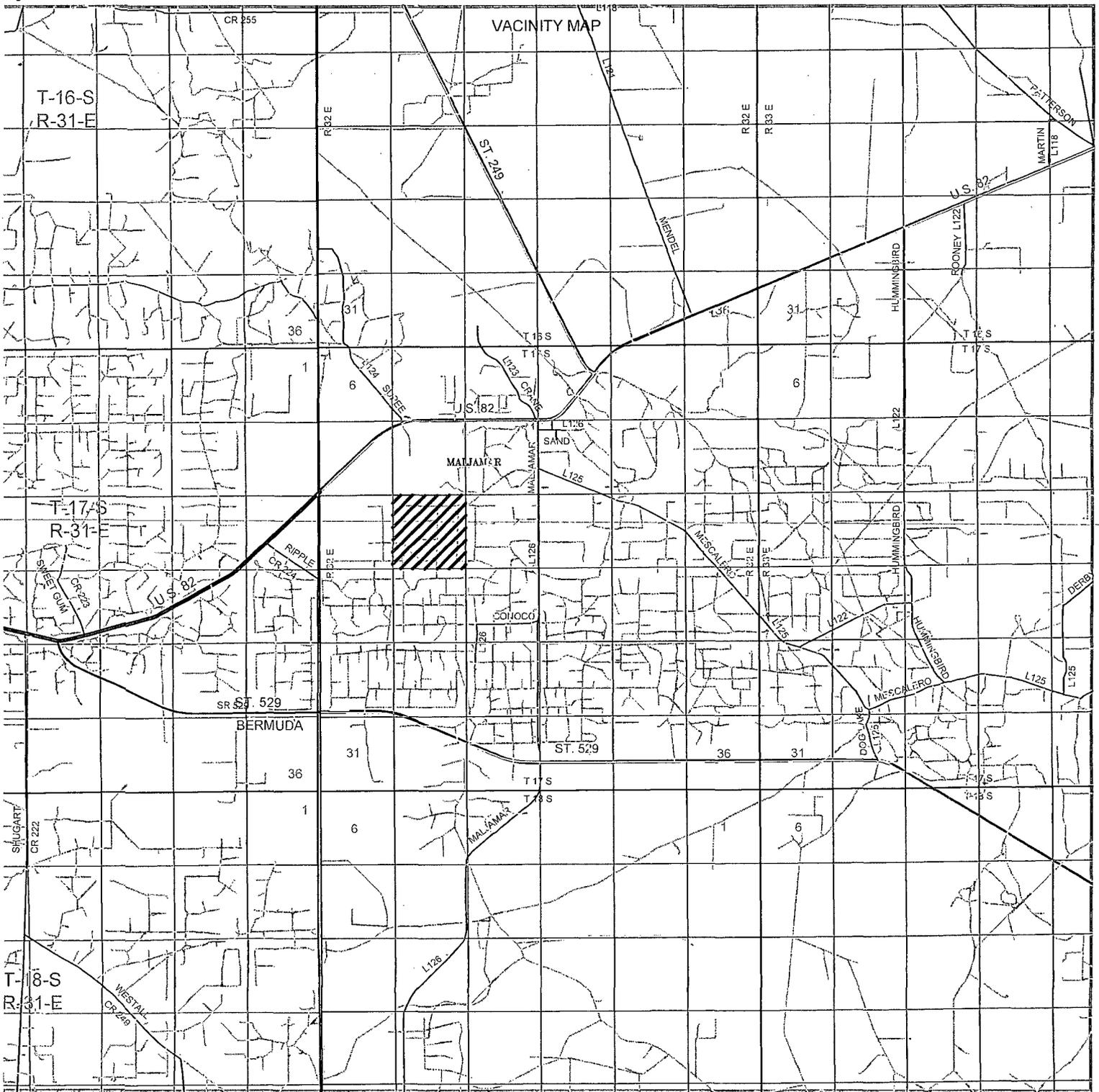
Survey Date: 11-01-2011

Scale: 1" = 2000'

Date: 11-03-2011



Sheet 5 of 10 Sheets



RUBY FEDERAL #14

Located 2160' FSL and 2237' FEL
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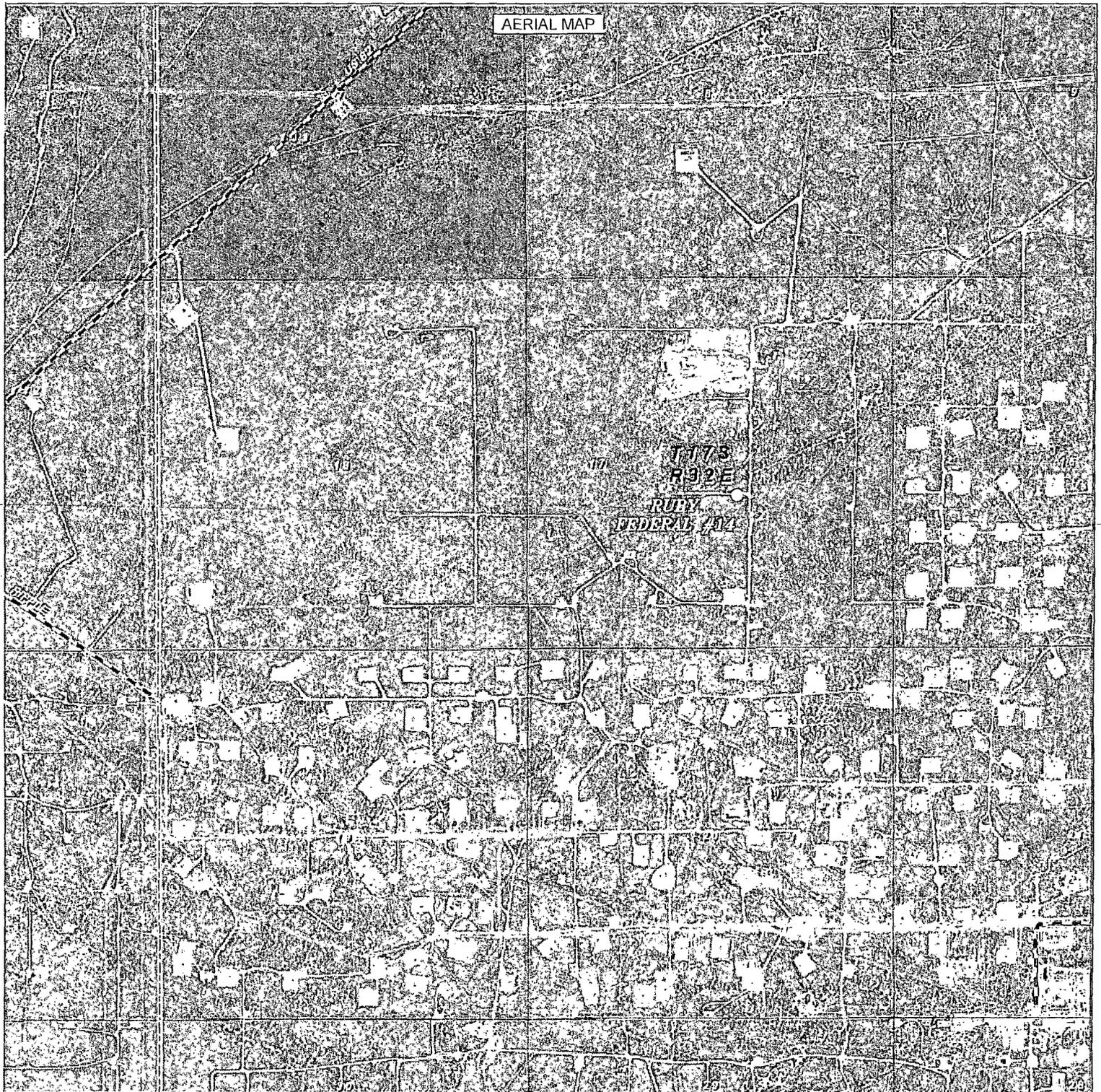
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Survey Date: 11-01-2011

Scale: 1" = 2 Miles

Date: 11-03-2011





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Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND

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Sheet 7 of 10 Sheets

LEA

ONE MILE RADIUS MAP

9

T17S R32E

109063/000

MITCHELL B 4

MITCHELL B 3

MCA UNIT 5

JG STATE 7

JG STATE 24

Ruby

17

Emerald

16

MITCHELL B 19

RUBY FEDERAL #14

109069/000

EDWARD STATE 5
EDWARD STATE 9

MITCHELL B 6

MCA UNIT 8

EDWARD STATE 11
EDWARD STATE 3
EDWARD STATE 7

MCA UNIT 267

MITCHELL B 11

ELVIS 2
MITCHELL B 9

JG STATE 4JG
JG STATE 15

MCA UNIT BATTERY 1 16

MITCHELL B 10

109063/000

JG STATE 3
GC FEDERAL 30
MCA UNIT BATTERY 2 14

FEDERAL 44BC	FEDERAL 135C	FEDERAL 54	BC FEDERAL 1	BC FEDERAL 2	BC FEDERAL 27	MC FEDERAL 4
BC FEDERAL 13	BC FEDERAL 40	BC FEDERAL 55	BC FEDERAL 41	BC FEDERAL 65	MCA UNIT 25	MC FEDERAL 15
MCA UNIT 21	MCA UNIT 331	MCA UNIT 23	BC FEDERAL 46	MCA UNIT 258	BC FEDERAL 28	MC FEDERAL 40
BC FEDERAL 22	BC FEDERAL 46	BC FEDERAL 8	BC FEDERAL 57	OBC FEDERAL 58	BC FEDERAL 15	BC FEDERAL 53
BC FEDERAL 49	BC FEDERAL 60	BC FEDERAL 25				

088911/000

20

088909/000

21

ConocoPhillips

RUBY FEDERAL #14

NEAREST WELL APPROX 1030'
MITCHELL B 19

Located 2160' FSL and 2237' FEL
Section 17, Township 17 South, Range 32 East,
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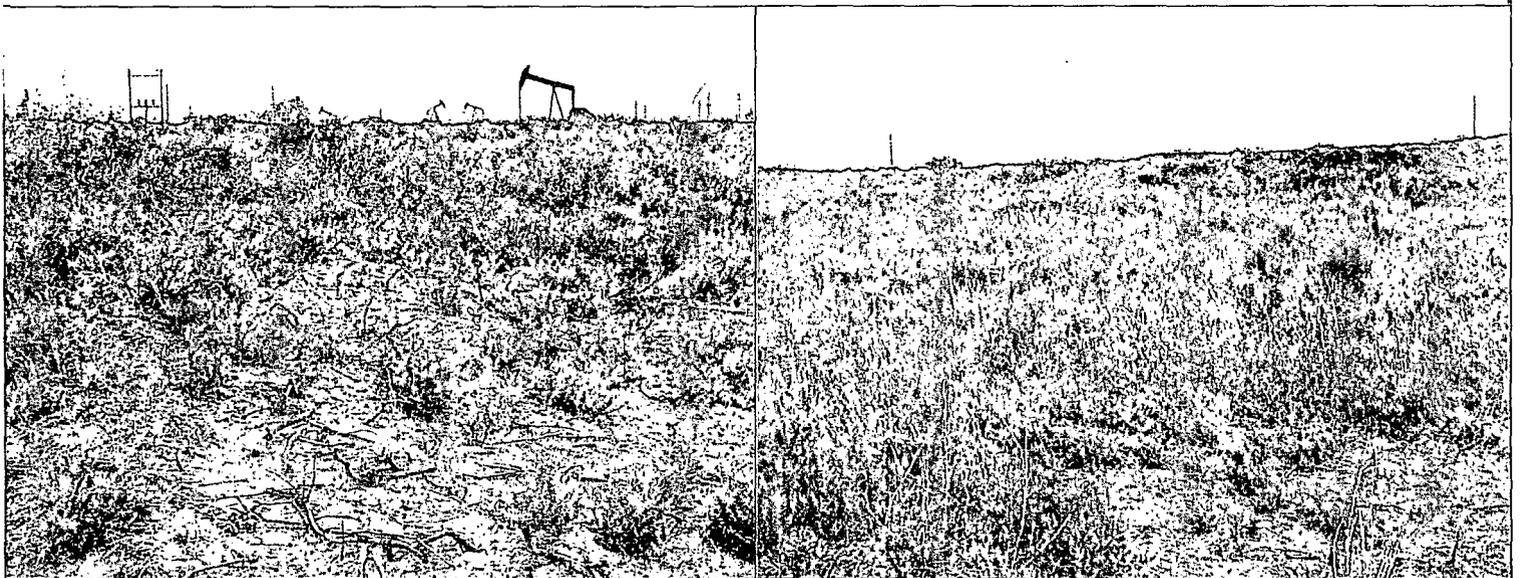
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Date: 11-03-2011



Sheet 9 of 10 Sheets

RECLAMATION
PHOTOS



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FACILITY MAP - RUBY FEDERAL #14 TO RUBY FEDERAL FACILITY

