

Surface Use Plan of Operations

HOBBS OCD

CONOCOPHILLIPS COMPANY
Ruby Federal #37
550' FNL & 1690' FEL of Section 17-17S-32E
Federal Lease No: NM LC029405B
Lea County, New Mexico

NOV 20 2013

RECEIVED

Location was finalized during an onsite conducted March 19 and 20 of 2013 with BLM staff.

1. Access Road - Existing

- A. From the junction Lovington Hwy and Ripple Road, go southeast 0.8 miles, before turning easterly 1.2 miles. Turn north and travel 0.3 miles. Turn west and travel 0.3 miles before turning north again. Travel 0.4 miles to the proposed lease road.
- B. Proposed route to location - **See enclosed plat package, page 7 of 10.**
- C. The existing access road will be maintained by crowning, fixing potholes, etc. and dust suppression, according to BLM specifications, until final location reclamation is complete.

2. Access Roads - Planned

- A. Approximately 6' of new access road is needed for this location. **See Well Pad Vicinity plat.**
- B. The maximum width of the driving surface will be 14'. The road will be crowned and ditched to BLM specifications. Caliche from an approved source will be used for the driving surface. Ditches along roads will be constructed according to BLM specifications.
- C. No turnout will be needed.
- D. The road will be maintained, including dust suppression, and said maintenance will continue until final abandonment and reclamation of this location.

3. Location of Existing Wells within a One-Mile Radius (see plat package page 9 of 10).

- A. There are no water wells within a one-mile radius
- B. There is no dry hole located within a one-mile radius.
- C. There are at least 2 plugged and abandoned wells within a one-mile radius.
- D. There are no saltwater disposal wells within a one-mile radius.
- E. There are at least 4 proposed wells within a one-mile radius.
- F. There are at least 15 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. Proposed Well Pad
 1. A well pad will be constructed to accommodate two new wells and associated production equipment. Planned dimensions are approximately 255 feet by 260 feet of working surface. Our intent is to perform interim reclamation to reduce the pad footprint (see section 10.A.1).

2. Topsoil will be stored to the north in a manner that avoids sand dunes.
 3. About 80' of overhead new power line will be installed to connect and to existing power source. Power line to follow lease road. See enclosed survey plat. Approximately 150' of buried power line will be installed in the well pad.
 4. About 1.75 mile of temporary, fresh water flow line will be used during completion operations. Flow line will be installed between this well and the Mitchell B-7 location at 1980' FSL & 660' FWL; Section 17, T17S, R32E.
 5. This well will be placed on oil production.
- B. Production Facilities
1. Produced fluid will utilize a flow line to Ruby Facility #1. Ruby Facility #1 is located in the SW Qtr of the SW Qtr (Unit M) of Section 17, T17S, R32E. The enclosed survey plat shows approximately 6283' of above ground new flow line following lease road(s). The line will be <4", Fiberspar operated within BLM specifications. A utility corridor 10' wide is needed for flow line.
- C. Facilities Paint Color
1. All above ground existing facilities are painted an earth tone color that blends with the surrounding area. Any proposed new facilities, not including flow and power lines, 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 an appropriate permitted facility.
 - C. Any spills of oil or any other potentially hazardous material will be cleaned up and removed immediately to an approved disposal site.
 - D. Sewage will be disposed of according to county and state requirements in a portable chemical toilet(s). 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 trash cages will be disposed of according to county and state regulations at an approved facility. Disposal 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 Well Pad Detail.**
- C. Topsoil will be stripped from the location and access roads to be stockpiled, on the location's north side, and deposited apart from other excavated material.
- D. There will be no reserve pit on location.

10. Plans for Reclamation of the Surface

A. Interim Reclamation

- 1. Interim reclamation will be completed as indicated on **the enclosed map titled "Interim Reclamation" (page 4 of 10 of plat package).**
- 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 88220-6292

12. Other Information

- A. ConocoPhillips Company intends to 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 additional Conditions of Approval provided by BLM.

Operator Certification

CONOCOPHILLIPS COMPANY

CERTIFICATION:

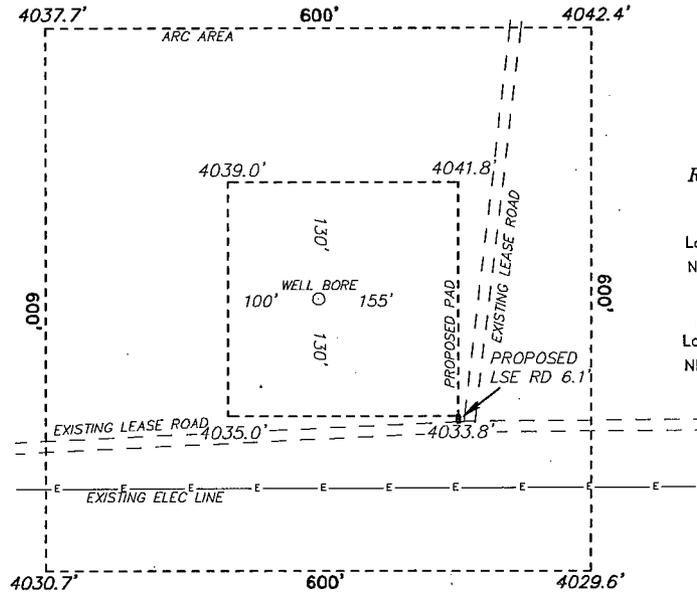
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements 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.

Susan B. Maunder

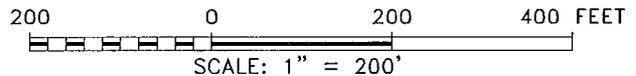
Date: 8/8/13

Susan B. Maunder
Senior Regulatory Specialist

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



CONOCO PHILLIPS
RUBY FEDERAL #37
ELEV. - 4037'
Lat - N 32°50'25.45"
Long - W 103°47'07.98"
NMSPC E 709577.8
(NAD-83)
Lat - N 32°50'25.02"
Long - W 103°47'06.16"
NMSPC E 669843.3
E 668399.5
(NAD-27)



Directions to Location:

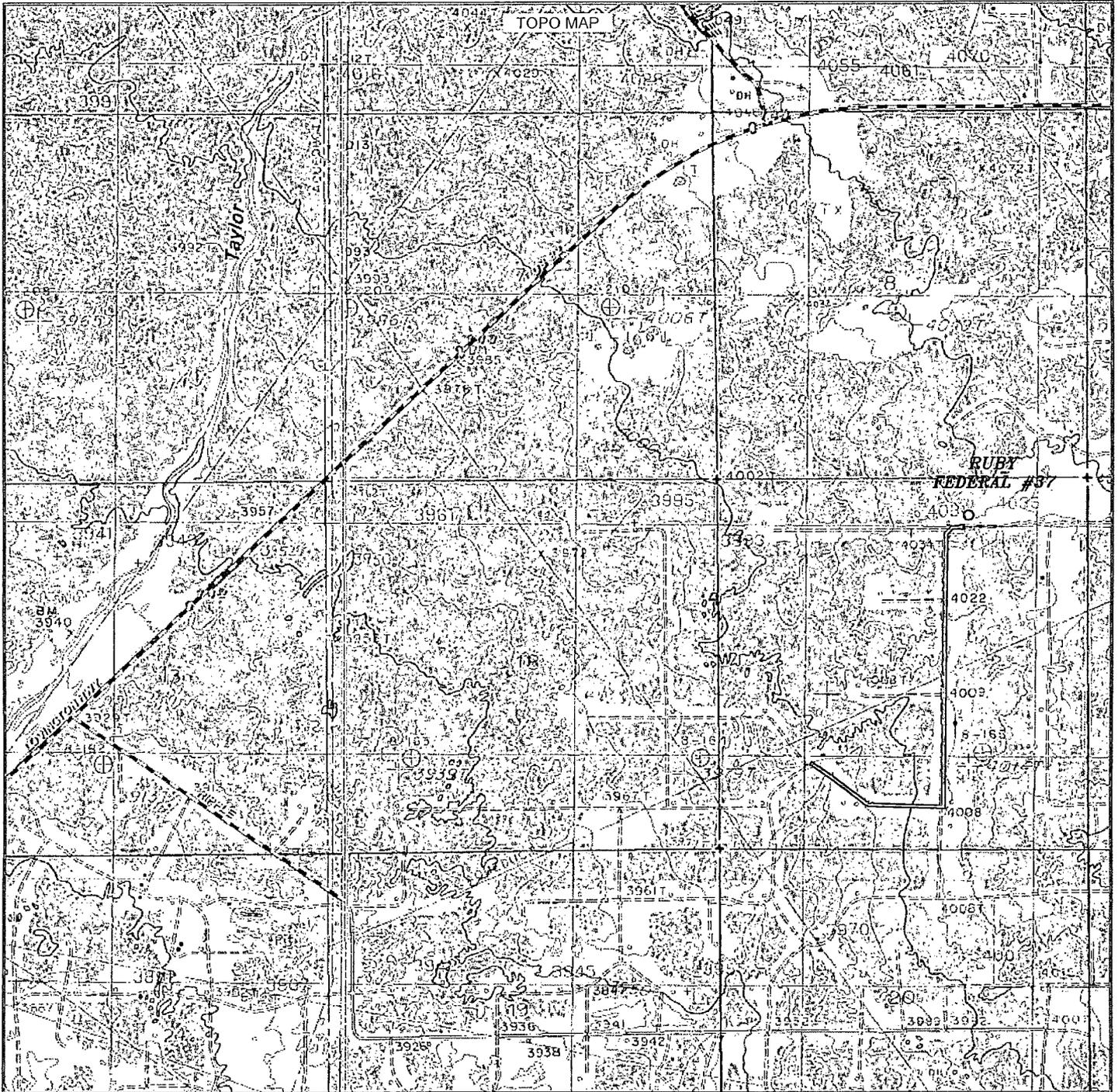
FROM THE JUNCTION OF LOVINGTON HWY AND RIPPLE, GO SOUTHEAST 0.8 MILES TO LEASE ROAD, ON LEASE ROAD GO EASTERLY 1.2 MILES TURNING NORTH 0.3 MILES TURNING NORTHEAST 0.1 MILES THENCE SOUTHEASTERLY FOR 0.4 MILES TURNING NORTH AGAIN FOR 0.8 MILES TO PROPOSED LOCATION.

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

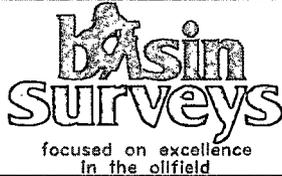
W.O. Number: 28358 Drawn By: J. SMALL

Date: 04-25-2013 Disk: JMS 28358 REVISED 06-18-13 Survey Date: 04-18-2013 Sheet 2 of 10 Sheets

ConocoPhillips	
REF: RUBY FEDERAL #37 / WELL PAD VICINITY	
THE RUBY FEDERAL #37 LOCATED 550'	
FROM THE NORTH LINE AND 1690' FROM THE EAST LINE OF	
SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST,	
N.M.P.M., LEA COUNTY, NEW MEXICO.	



RUBY FEDERAL #37
 Located 550' FNL and 1690' 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 28358

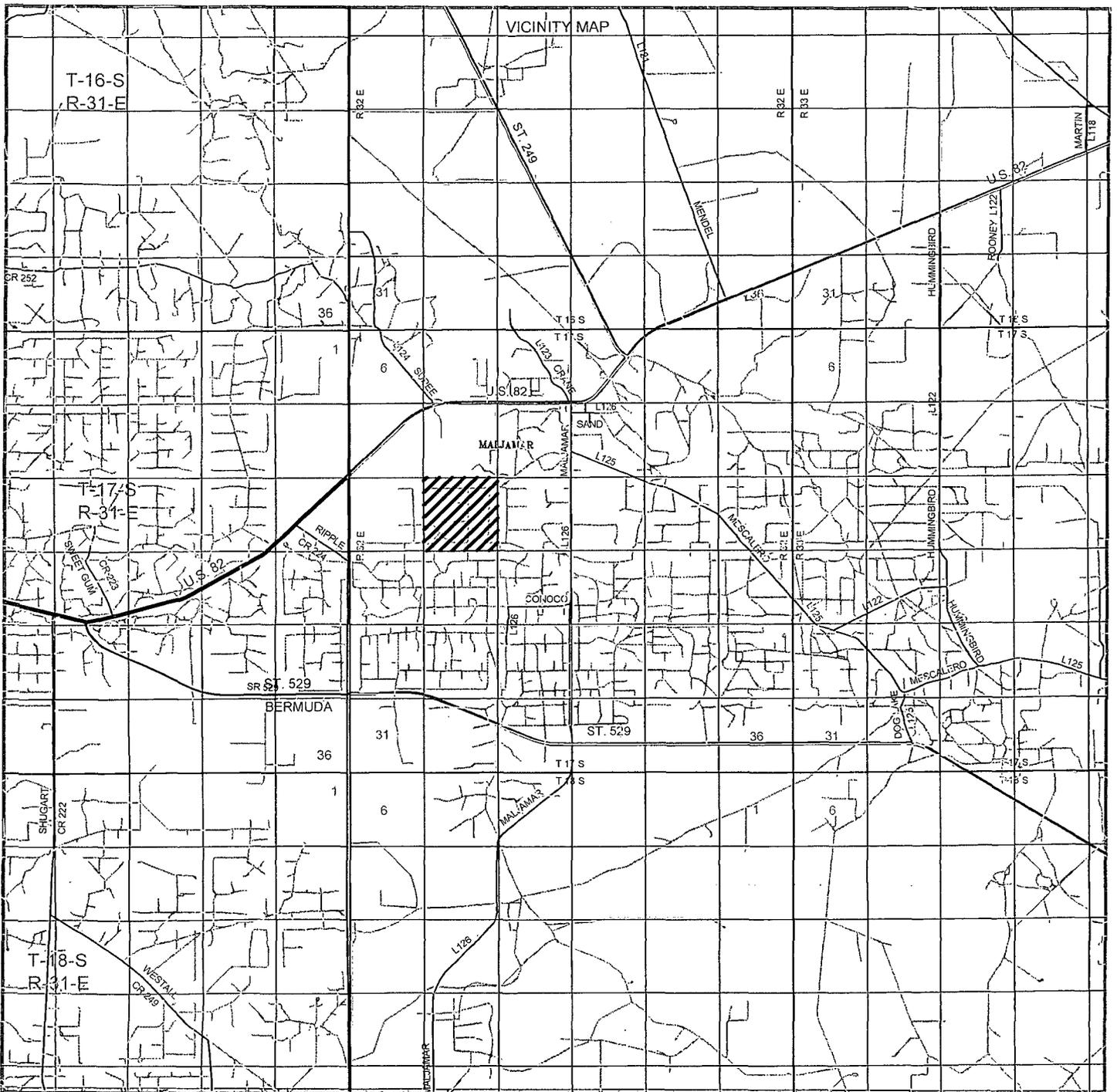
Survey Date: 04-18-2013

Scale: 1" = 2000'

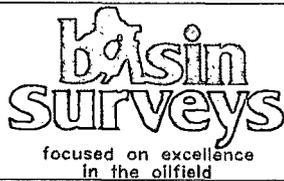
Date: 04-25-2013



Sheet 5 of 10 Sheets



RUBY FEDERAL #37
 Located 550' FNL and 1690' 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 28358

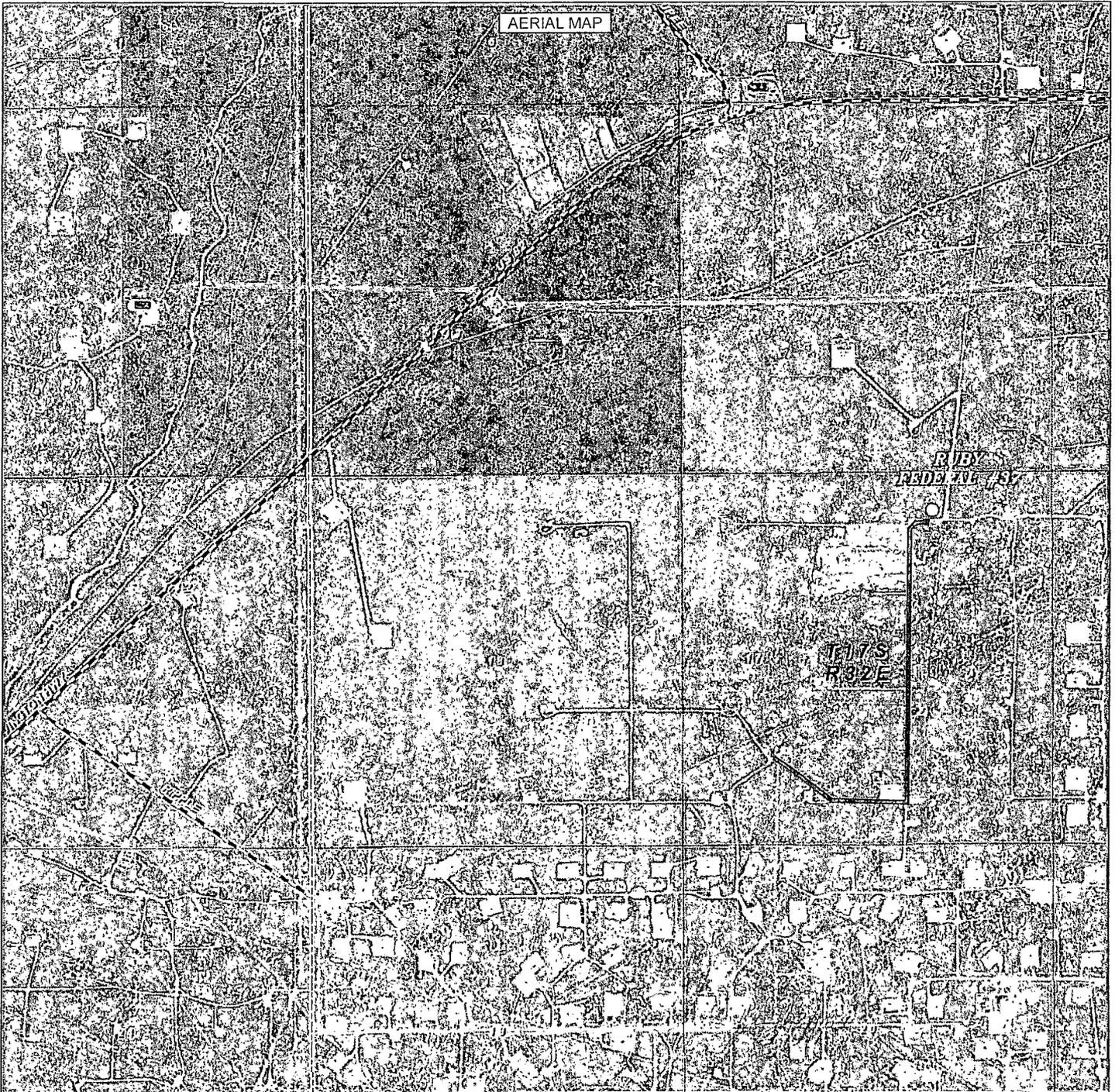
Survey Date: 04-18-2013

Scale: 1" = 2 Miles

Date: 4-25-2013



Sheet 6 of 10 Sheets



RUBY FEDERAL #37

Located 550' FNL and 1690' 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

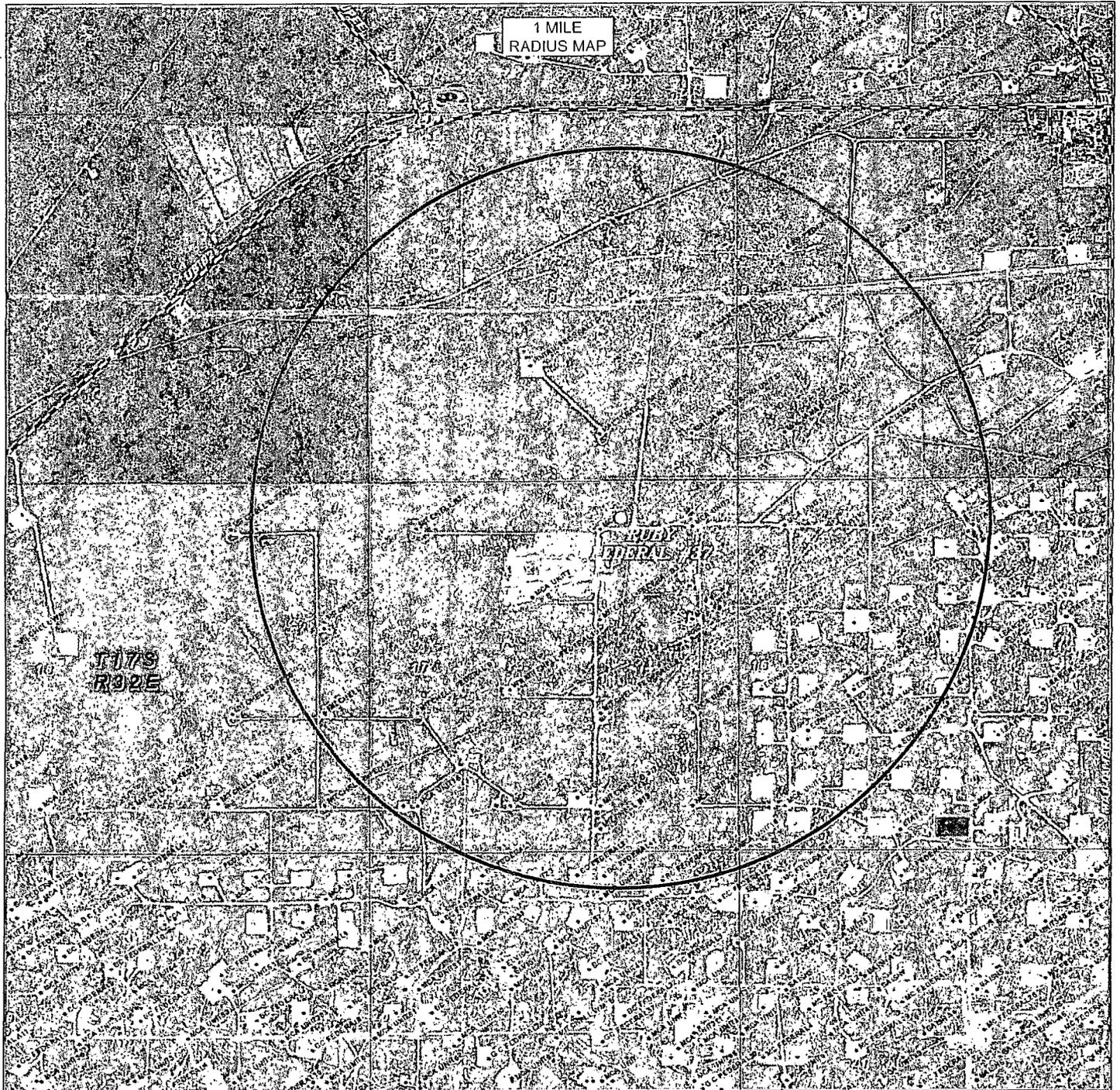
W.O. Number: JMS 28358

Scale: 1" = 2000'

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



Sheet 7 of 10 Sheets



RUBY FEDERAL #37
 Located 550' FNL and 1690' FEL
 Section 17, Township 17 South, Range 32 East,
 N.M.P.M., Lea County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

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 28358

Survey Date: 04-18-2013

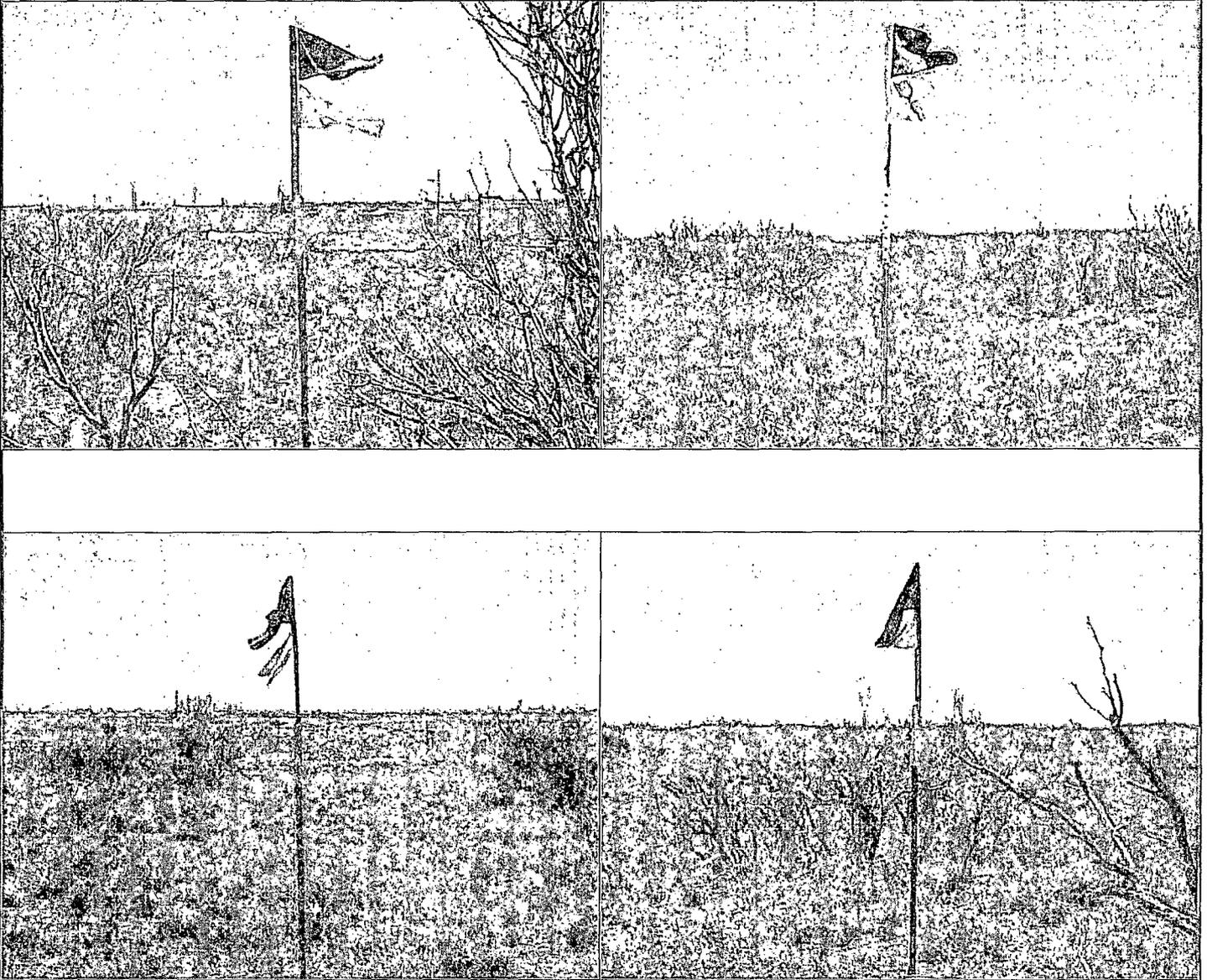
Scale: NONE

Date: 04-25-2013

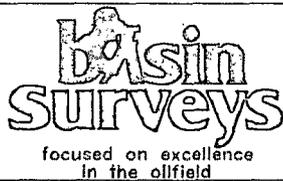
ConocoPhillips

Sheet 9 of 10 Sheets

RECLAMATION
PHOTOS



RUBY FEDERAL #37
Located 550' FNL and 1690' 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 28358

Survey Date: 04-18-2013

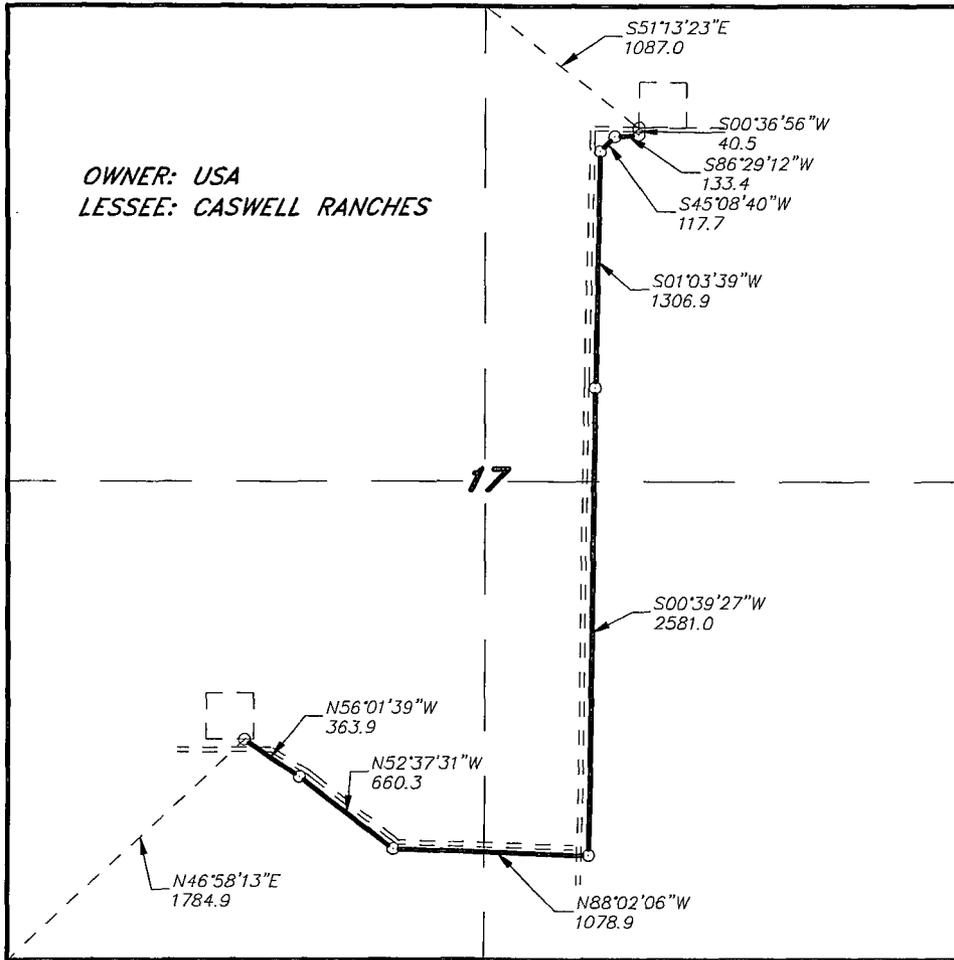
Scale: NONE

Date: 04-25-2013



Sheet 10 of 10 Sheets

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



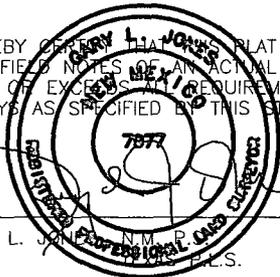
OWNER: USA
LESSEE: CASWELL RANCHES

LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 17 = 6282.6 FEET = 380.76 RODS = 1.19 MILES = 4.33 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS THE EXCESSIVE REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED IN THIS STATE.



GARY L. JONES, N.M.P.M. No. 7977
PROFESSIONAL SURVEYOR No. 5074



ConocoPhillips

REF: PROPOSED FLOWLINE FOR THE RUBY FEDERAL 37

A PIPELINE CROSSING USA LAND IN
SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

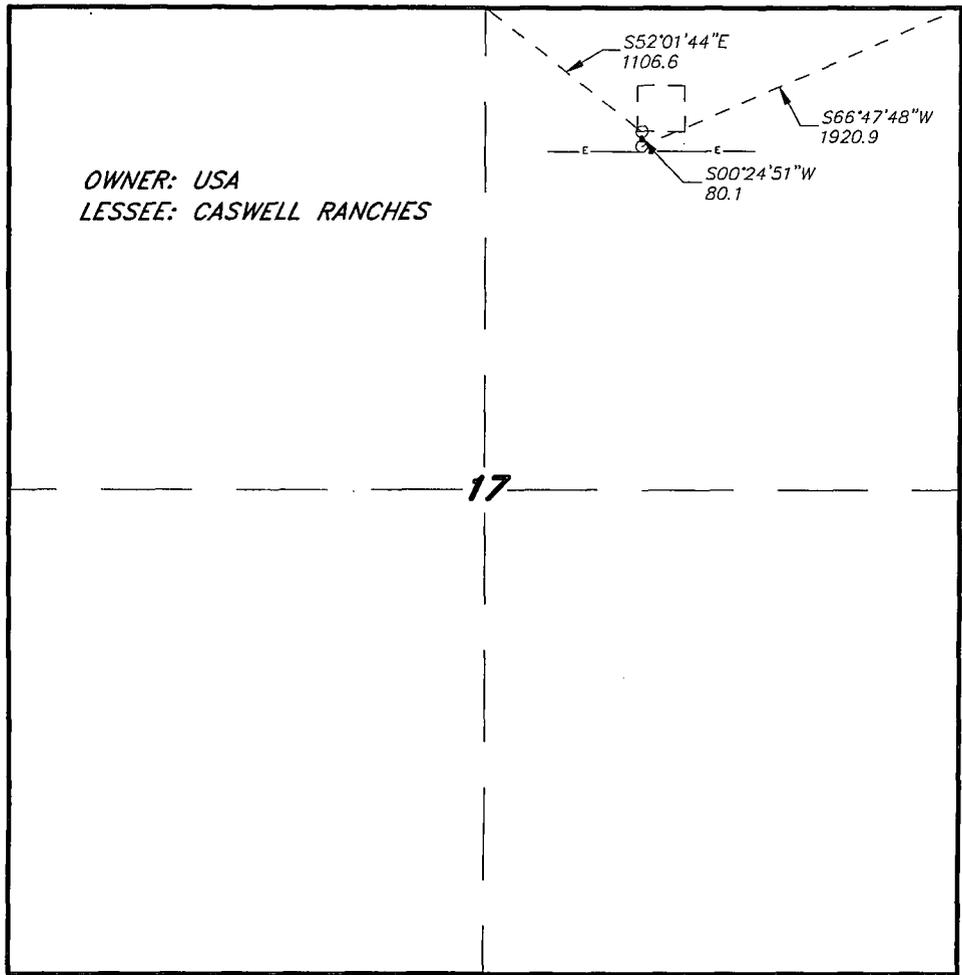
BASIN SURVEYS P.O. BOX 1786—HOBBS, NEW MEXICO

W.O. Number: 28358 Drawn By: J. M. SMALL

Date: 04-25-2013 Disk: JMS 28358

Survey Date: 04-18-2013 Sheet 1 of 1 Sheets

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

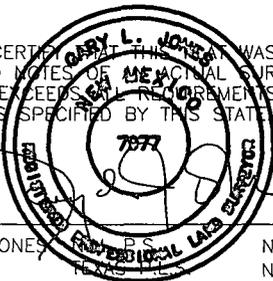


LEGAL DESCRIPTION

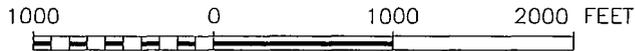
A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 17 = 80.1 FEET = 4.85 RODS = 0.01 MILES = 0.06 ACRES

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES, P.S. No. 7977
No. 5074



ConocoPhillips

REF: PROPOSED ELECTRIC LINE FOR THE RUBY FEDERAL 37

AN ELECTRIC LINE CROSSING USA LAND IN
SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 28358 Drawn By: J. M. SMALL

Date: 04-25-2013 Disk: JMS 28358

Survey Date: 04-18-2013 Sheet 1 of 1 Sheets