

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCB Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

5. Lease Serial No.
NMLC 058395

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
ConocoPhillips Company (P10-4054)

3a. Address
600 N. Dairy Ashford Rd., Houston TX 77079

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2345 FSL & 225 FEL; UL1, Sec. 22, T17S, R32E

7. If Unit of CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
SC Federal #1

9. API Well No.
30-025-40592

10. Field and Pool or Exploratory Area
Maljamar; Yeso West

11. County or Parish, State
Lea County NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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, as most recent operator of record, respectfully requests approval to change the approved plan for this well. The following changes are necessary to drill this well as part of our ongoing Yeso development program.

Please find the attached documents:

- Updated Operator Certification
- Updated Drilling Plan
- Variance from Onshore Order 2, III.A.2.b
- Updated H2S Contingency Plan
- Changes to the Surface Use Plan of Operations

This well is scheduled to be drilled first quarter 2014.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Susan B. Maunder

Title Senior Regulatory Specialist

Signature *Susan B. Maunder* Date 10/23/13

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Steve Caffey** FIELD MANAGER Date **MAR 26 2014**

Title OFFICARLSBAD FIELD OFFICE

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.

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)

APR 03 2014

Operator Certification

HOBBS OCD

SC Federal #1
API #30-025-40592

APR 02 2014

CONOCOPHILLIPS COMPANY

RECEIVED

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
Senior Regulatory Specialist

Date: 10/23/13

Request Approval to Change Drill Plan
ConocoPhillips Company
Maljamar; Yeso

HOBBS OCD

APR 02 2014

SC Federal 1
Lea County, New Mexico

RECEIVED

Request:

ConocoPhillips Company respectfully requests approval to revise the casing and cementing program, pressure control equipment, the proposed mud systems, diagram and schematic for BOP and choke manifold equipment, location schematic and rig layout, and updated H2S contingency plan. This request is made under the provision of Onshore Order No. 2 and No. 6.

1. Proposed casing program:

Type	Hole Size (in)	Interval MD RKB (ft)		OD (inches)	Wt (lb/ft)	Gr	Conn	MIY (psi)	Col (psi)	Jt Str (klbs)	Safety Factors Calculated per ConocoPhillips Corporate Criteria		
		From	To								Burst DF	Collapse DF	Jt Str DF (Tension) Dry/Buoyant
Cond	20	0	40' – 85' (30' – 75' BGL)	16	0.5" wall	B	Line Pipe	N/A	N/A	N/A	NA	NA	NA
Alt. Cond	20	0	40' – 85' (30' – 75' BGL)	13-3/8	48#	H-40	PE	1730	740	N/A	NA	NA	NA
Surf	12-1/4	0	880' – 925'	8-5/8	24#	J-55	STC	2950	1370	244	1.55	3.33	3.52
Option: Prod w/ Bond Coat	7-7/8	3000'	4000'	5-1/2	17#	L-80	LTC	7740	6290	338	NA	NA	NA
Prod	7-7/8	0	7045' – 7090'	5-1/2	17#	L-80	LTC	7740	6290	338	2.10	2.50	1.97

The casing will be suitable for H₂S Service. All casing will be new.

The surface and production casing will be set approximately 10' off bottom and we will drill the hole with a 45' range uncertainty for casing set depth to fit the casing string so that the cementing head is positioned at the floor for the cement job.

The production casing will be set 155' to 200' below the deepest estimated perforation to provide rathole for the pumping completion and for the logs to get deep enough to log the interval of interest.

ConocoPhillips Company respectfully requests the option to run bond coated production casing with the two-stage cementing option for the intension to protect the casing from corrosion if needed.

Casing Safety Factors - BLM Criteria:

Type	Depth	Wt	MIY	Col	Jt Str	Drill Fluid	Burst	Collapse	Tensile-Dry	Tens-Bouy
Surface Casing	925	24	2950	1370	244000	8.5	7.22	3.35	11.0	12.6
Production Casing	7090	17	7740	6290	338000	10	2.10	1.71	2.80	3.31

Casing Safety Factors – Additional ConocoPhillips Criteria:

ConocoPhillips casing design policy establishes Corporate Minimum Design Factors (see table below) and requires that service life load cases be considered and provided for in the casing design.

ConocoPhillips Corporate Criteria for Minimum Design Factors

	Burst	Collapse	Axial
Casing Design Factors	1.15	1.05	1.4

Type	Depth	Wt	MIY	Col	Jt Str	Pipe Yield MW	Burst Col	Ten
Conductor	85	65	35000	-	-	432966	-	-
Surface Casing (8-5/8" 24# J-55 STC)	925	24	2950	1370	244000	381000	8.5	1.55
Production Casing (5-1/2" 17# L-80 LTC)	7090	17	7740	6290	338000	397000	10	2.10

Burst - ConocoPhillips Required Load Cases

The maximum internal (burst) load on the Surface Casing occurs when the surface casing is tested to 1500 psi (as per BLM Onshore Order 2 - II. Requirements).

The maximum internal (burst) load on the Production Casing occurs during the fracture stimulation where the maximum allowable working pressure

(MAWP) is the pressure that would fit ConocoPhillips Corporate Criteria for Minimum Factors.

Surface Casing Test Pressure = 1500 psi
 Surface Rated Working Pressure (BOPE) = 3000 psi
 Field SW = 10 ppg

Predicted Pore Pressure at TD (PPTD) = 8.55 ppg
 Predicted Frac Gradient at Shoe (CSFG) = 19.23 ppg

Surface Casing Burst Safety Factor = API Burst Rating / Maximum Predicted Surface Pressure (MPSP) OR Maximum Allowable Surface Pressure (MASP)
 Production Casing MAWP for the Fracture Stimulation = API Burst Rating / Corporate Minimum Burst Design Factor

Surface Casing Burst Safety Factor:

Case #1. MPSP (M_Whyd next section) = 925 x 0.052 x 10 = 481
 Case #2. MPSP (Field SW @ Bullhead_{CSFG} + 200 psi) = 925 x 0.052 x 19.23 = 481 + 200 = 644
 Case #3. MPSP (Kick Vol @ next section TD) = 7090 x 0.052 x 8.55 = 616.5 - 409 = 2127
 Case #4. MPSP (PPTD - GG) = 7090 x 0.052 x 8.55 = 709 = 2443
 Case #3 & #4 Limited to MPSP (CSFG + 0.2 ppg) = 925 x 0.052 x (19.23 + 0.2) = 935
 MASP (M_Whyd + Test Pressure) = 925 x 0.052 x 8.5 + 1500 = 1909
 Burst Safety Factor (Max. MPSP or MASP) = 2950 / 1909 = 1.55

Production Casing Burst Safety Factor:

Case #1. MPSP (M_Whyd TD) = 7090 x 0.052 x 10 = 3686.8
 Case #4. MPSP (PPTD - GG) = 7090 x 0.052 x 8.55 = 709 = 2443
 Burst Safety Factor (Max. MPSP) = 7740 / 3687 = 2.10
 MAWP for the Fracture Stimulation (Corporate Criteria) = 7740 / 1.15 = 6730

Collapse - ConocoPhillips Required Load Cases

The maximum collapse load on the Surface Casing occurs when cementing to surface, 1/3 evacuation to the next casing setting depth, or deepest depth of exposure (full evacuation).

The maximum collapse load on the Production Casing occurs when cementing to surface, or 1/3 evacuation to the deepest depth of exposure; and

therefore, the external pressure profile for the evacuation cases should be equal to the pore pressure of the horizons on the outside of the casing which we assumed to be PPTD.

Surface Casing Collapse Safety Factor = API Collapse Rating / Full Evacuation OR Cement Displacement during Cementing to Surface

Production Casing Collapse Safety Factor = API Collapse Rating / Maximum Predicted Surface Pressure OR Cement Displacement during Cementing to Surface

Cement Displacement Fluid (FW) = 8.34 ppg
 Surface Cement Lead = 13.6 ppg
 Surface Cement Tail = 14.8 ppg
 Top of Surface Tail Cement = 300 ft

Top of Cement = Cement to Surface
 Prod Cement Lead = 11.8 ppg
 Prod Cement Tail = 16.4 ppg
 Top of Prod Tail Cement = 5200 ft

Surface Casing Collapse Safety Factor:

Full Evacuation Diff Pressure = 925 x 0.052 x 8.55 = 411
 Cementing Diff Lift Pressure = ((625 x 0.052 x 13.6) + (300 x 0.052 x 14.8) - 401) = 272
 Collapse Safety Factor = 1370 / 411 = 3.33

Production Casing Collapse Safety Factor:

1/3 Evacuation Diff Pressure = ((7090 x 0.052 x 8.55) - (7090 / 3 x 0.052 x 8.34)) = 2127
 Cementing Diff Lift Pressure = ((1890 x 0.052 x 11.8) + (5200 x 0.052 x 16.4) - 3075) = 2519
 Collapse Safety Factor = 6290 / 2519 = 2.50

Tensile Strength - ConocoPhillips Required Load Cases

The maximum axial (tension) load occurs if casing were to get stuck and pulled on to try to get it unstuck.

Maximum Allowable Axial Load for Pipe Yield = API Pipe Yield Strength Rating / Corporate Minimum Axial Design Factor

Maximum Allowable Axial Load for Joint = API Joint Strength Rating / Corporate Minimum Axial Design Factor

Maximum Allowable Hook Load (Limited to 75% of Rig Max Load) = Maximum Allowable Axial Load

Maximum Allowable Overpull Margin = Maximum Allowable Hook Load - Bouyant Wt of the String

Tensile Safety Factor = API Pipe Yield OR API Joint Strength OR Rig Max Load Rating / (Bouyant Wt of String + Minimum Overpull Required)

Rig Max Load (300,000 lbs) x 75% = 225000 lbs
 Minimum Overpull Required = 50000 lbs

Surface Casing Tensile Strength Safety Factor:

Air Wt = 22200
 Bouyant Wt = 22200 x 0.870 = 19319
 Max. Allowable Axial Load (Pipe Yield) = 381000 / 1.40 = 272143
 Max. Allowable Axial Load (Joint) = 244000 / 1.40 = 174286
 Max. Allowable Hook Load (Limited to 75% of Rig Max Load) = 174286
 Max. Allowable Overpull Margin = 174286 - (22200 x 0.870) = 154967
 Tensile Safety Factor = 244000 / (19319 + 50000) = 3.52

Production Casing Tensile Strength Safety Factor:

Air Wt = 120530
 Bouyant Wt = 120530 x 0.847 = 102128
 Max. Allowable Axial Load (Pipe Yield) = 397000 / 1.40 = 283571
 Max. Allowable Axial Load (Joint) = 338000 / 1.40 = 241429
 Max. Allowable Hook Load (Limited to 75% of Rig Max Load) = 225000
 Max. Allowable Overpull Margin = 225000 - (120530 x 0.847) = 122872
 Tensile Safety Factor = 300000 / (102128 + 50000) = 1.97

Compression Strength - ConocoPhillips Required Load Cases

The maximum axial (compression) load for the well is where the surface casing is landed on the conductor

with a support of a pipe or landing ring. The surface casing is also calculated to bear 60% of the load

but not limited. Any other axial loads such as a snubbing unit or other would need to be added to the load.

Compression Safety Factor = API Axial Joint Strength Rating OR API Axial Pipe Yield Rating / Maximum Predicted Load

Wellhead Load = 3000 lbs

Conductor & Surface Compression Safety Factor

Surf Casing Wt (Bouyant) = (22200 x 0.870) = 19319
 Prod Casing Wt (Bouyant) = (120530 x 0.847) = 102128
 Tubing Wt (Air Wt) = 7090 x 6.5 = 46085
 Tubing Fluid Wt = 7090 x 0.052 x 6.55 x 0.7854 x 2.441 *2 = 11301
 Load on Conductor = 3000 + 19319 + 102128 + 46085 + 11301 = 181834
 Conductor Compression Safety Factor = 432966 / 181834 = 2.38
 Load on Surface Casing = 181834 x 60% = 109100
 Surface Casing Compression Safety Factor = 244000 / 109100 = 2.24

2. Proposed cementing program:

16" or 13-3/8" Conductor:

Cement to surface with rathole mix, ready mix or Class C Neat cement.
 (Note: The gravel used in the cement is not to exceed 3/8" diameter)
 TOC at surface.

8-5/8" Surface Casing Cementing Program:

The intention for the cementing program for the Surface Casing is to:

- Place the Tail Slurry from the casing shoe to 300' above the casing shoe,
- Bring the Lead Slurry to surface.

Spacer: 20 bbls Fresh Water

Slurry		Intervals Ft MD		Weight ppg	Sx	Vol Cuft	Additives	Yield ft ³ /sx
Lead	Class C	Surface	580' – 625'	13.6	300	510	2% Extender 2% CaCl ₂ 0.125 lb/sx LCM if needed 0.2% Defoamer Excess = 75% based on gauge hole volume	1.70
Tail	Class C	580' – 625'	880' – 925'	14.8	200	268	1% CaCl ₂ Excess = 100% based on gauge hole volume	1.34

Displacement: Fresh Water.

Note: In accordance with the Pecos District Conditions of Approval, we will Wait on Cement (WOC) for a period of not less than 18 hrs after placement or until at least 500 psi compressive strength has been reached in both the Lead Slurry and Tail Slurry cements on the Surface Casing, whichever is greater.

5-1/2" Production Casing Cementing Program – Single Stage Cementing Option:

The intention for the cementing program for the Production Casing – Single Stage Cementing Option is to:

- Place the Tail Slurry from the casing shoe to above the top of the Paddock,
- Bring the Lead Slurry to surface.

Spacer: 20 bbls Fresh Water

Slurry		Intervals Ft MD		Weight ppg	Sx	Vol Cuft	Additives	Yield ft ³ /sx
Lead	50:50 Poz/C	Surface	5200'	11.8	700	1820	10% Bentonite 5% Salt 0.2%-0.4% Fluid loss additive 0.125 lb/sx LCM if needed Excess = 220% or more if needed based on gauge hole volume	2.6
Tail	Class H	5200'	7045' – 7090'	16.4	400	428	0.2% Fluid loss additive 0.3% Dispersant 0.15% Retarder 0.2% Antifoam Excess = 100% or more if needed based on gauge hole volume	1.07

Displacement: Fresh Water with approximately 250 ppm gluteraldehyde biocide.

5-1/2" Production Casing Cementing Program – Two-Stage Cementing w/ Comingle Option:

ConocoPhillips Company respectfully requests the options to our cementing program. The intention for the cementing program for the Production Casing – Two-Stage Cementing Option is to:

- Provide a contingency plan for using a Stage Tool and Annulus Casing Packer(s) to isolate losses or water flow if either of these events occurs while drilling the well.
- Place the Stage 1 Cement from the casing shoe to the stage tool,
- Bring Stage 2 Cement from the stage tool to surface.

Spacer: 20 bbls Fresh Water

Stage 1 - Slurry		Intervals Ft MD		Weight ppg	Sx	Vol Cuft	Additives	Yield ft ³ /sx
Lead	50:50 Poz/H	3000'	7045' – 7090'	13.2	800	1120	0.5% Fluid loss additive 0.10% Retarder 0.2% Antifoam 0.125 lb/sx LCM if needed Excess = 150% or more if needed based on gauge hole volume	1.40

Stage 2 - Slurry		Intervals Ft MD		Weight ppg	Sx	Vol Cuft	Additives	Yield ft ³ /sx
Lead	50:50 Poz/C	Surface	Stage Tool ~ 3000'	11.8	500	1300	+ 10 % Extender + 5 % NaCl + 0.2 % Defoamer + 5 lb/sx LCM/Extender + 0.125 lb/sx Lost Circulation Control Agent + 0.5 % Fluid Loss Excess = 50 % or more if needed based on gauge hole volume	2.6

Displacement: Fresh Water

Proposal for Option to Adjust Production Casing Cement Volumes:

The production casing cement volumes for the proposed single stage and two-stage option presented above are estimates based on gauge hole. We will adjust these volumes based on the caliper log data for each well and our trends for amount of cement returns to surface. Also, if no caliper log is available for any particular well, we would propose an option to possibly increase the production casing cement volume to account for any uncertainty in regard to the hole volume.

3. Pressure Control Equipment:

A 11" 3M system will be installed, used, maintained, and tested accordingly as described in Onshore Oil and Gas Order No. 2.

Our BOP equipment will be:

- o Rotating Head
- o Annular BOP, 11" 3M
- o Blind Ram, 11" 3M
- o Pipe Ram, 11" 3M

After nipping up, and every 30 days thereafter or whenever any seal subject to test pressure is broken followed by related repairs, blowout preventors will be pressure tested. BOP will be inspected and operated at least daily to insure good working order. All pressure and operating tests will be done by an independent service company and recorded on the daily drilling reports. BOP will be tested using a test plug to isolate BOP stack from casing. BOP test will include a low pressure test from 250 to 300 psi for a minimum of 10 minutes or until requirements of test are met, whichever is longer. Ram type preventers and associated equipment will be tested to the approved stack working pressure of 3000 psi isolated by test plug. Annular type preventers will be tested to 50 percent of rated working pressure, and therefore will be tested to 1500 psi. Pressure will be held for at least 10 minutes or until provisions of test are met, whichever is longer. Valve on casing head below test plug will be open during testing of BOP stack. BOP will comply with all provisions of Onshore Oil and Gas Order No. 2 as specified. **See Attached BOPE Schematic.** The BOPE may be configured to use flexible hose. Pressure test data and hose specification information will be provided to BLM prior to site construction.

4. Proposed Mud System:

The mud systems that are proposed for use are as follows:

DEPTH	TYPE	Density ppg	FV sec/qt	API Fluid Loss cc/30 min.	pH	Vol bbl
0 – Surface Casing Point	Fresh Water or Fresh Water Native Mud in Steel Pits	8.5 – 9.0	28 – 40	N.C.	N.C.	120 – 160
Surface Casing Point to TD	Brine (Saturated NaCl ₂) in Steel Pits	10	29	N.C.	10 – 11	1250 - 2500
Conversion to Mud at TD	Brine Based Mud (NaCl ₂) in Steel Pits	10	34 – 45	5 – 10	10 – 11	0 - 1250

Proposal for Option to Not Mud Up at TD:

FW, Brine, and Mud volume presented above are estimates based on gauge 12-1/4" or 7-7/8" holes. We will adjust these volume based on hole conditions. We do not plan to keep any weighting material at the wellsite. Also, we propose an option to not mud up leaving only brine in the hole.

Drilling mud containing H2S shall be degassed in accordance with API RP-49, item 5.14. The gases shall be piped into the flare system. Gas detection equipment and pit level flow monitoring equipment will be on location. Gas detecting equipment will be installed in the mud return system and will be monitored. A mud gas separator will be installed and operable before drilling out from the Surface Casing.

In the event that the well is flowing from a waterflow, then we would discharge excess drilling fluids from the steel mud pits through a fas-line into steel frac tanks at an offset location for containment. Depending on the rate of waterflow, excess fluids will be hauled to an approved disposal facility, or if in suitable condition, may be reused on the next well.

No reserve pit will be built.

Anticipated starting date and duration of operations:

Well pad and road constructions will begin as soon as all agency approvals are obtained. Anticipated date to drill these wells in 2013 after receiving approval of the APD.

Attachments:

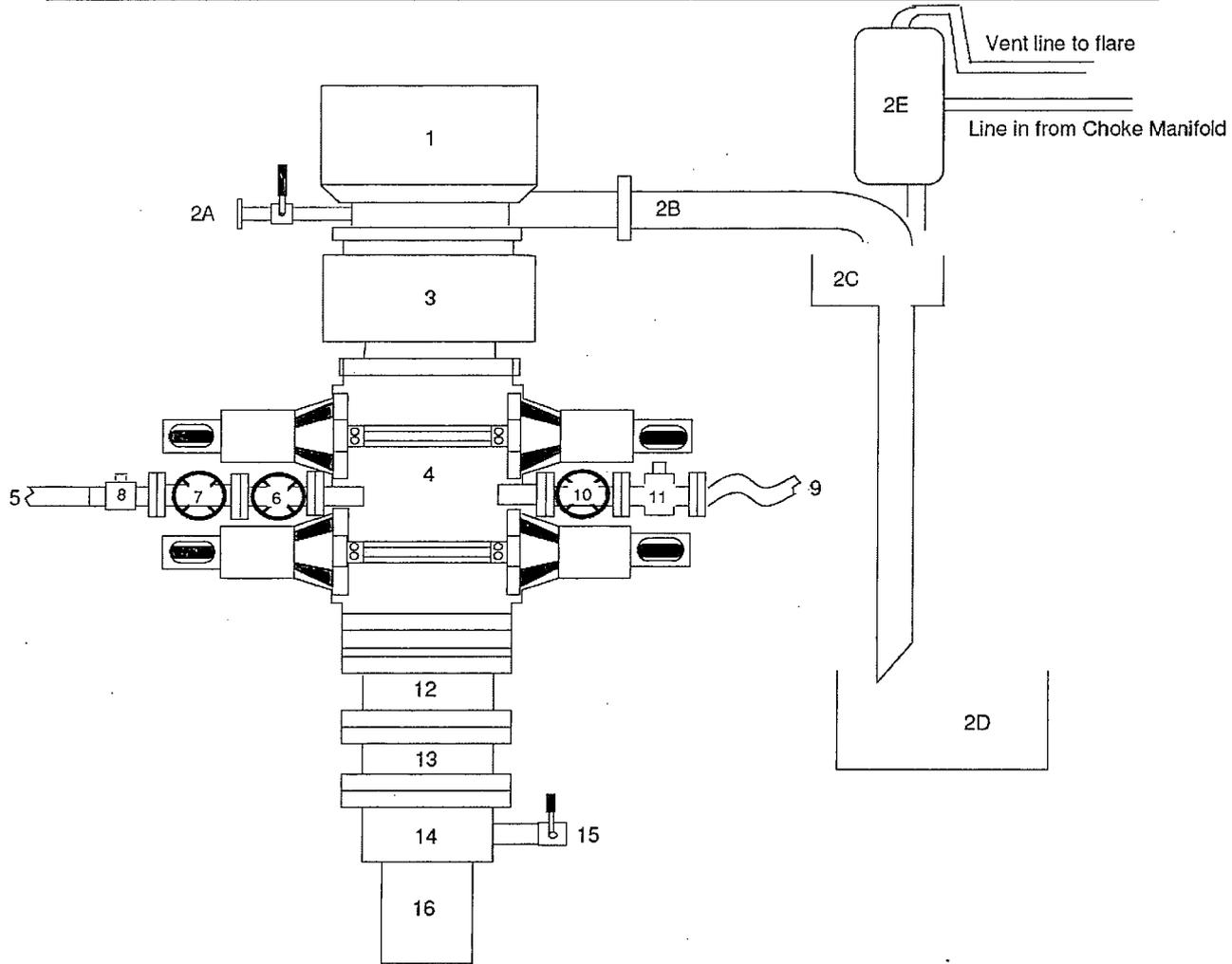
- Attachment # 1 BOP and Choke Manifold Schematic – 3M System
- Attachment # 2 Diagram of Choke Manifold Equipment

Contact Information:

Sundry Request proposed 23 October 2013 by:
James Chen
Drilling Engineer, ConocoPhillips Company
Phone (832) 486-2184
Cell (832) 768-1647

Attachment # 1

BLOWOUT PREVENTER ARRANGEMENT
3M System per Onshore Oil and Gas Order No. 2 utilizing 3M and 5M Rated Equipment

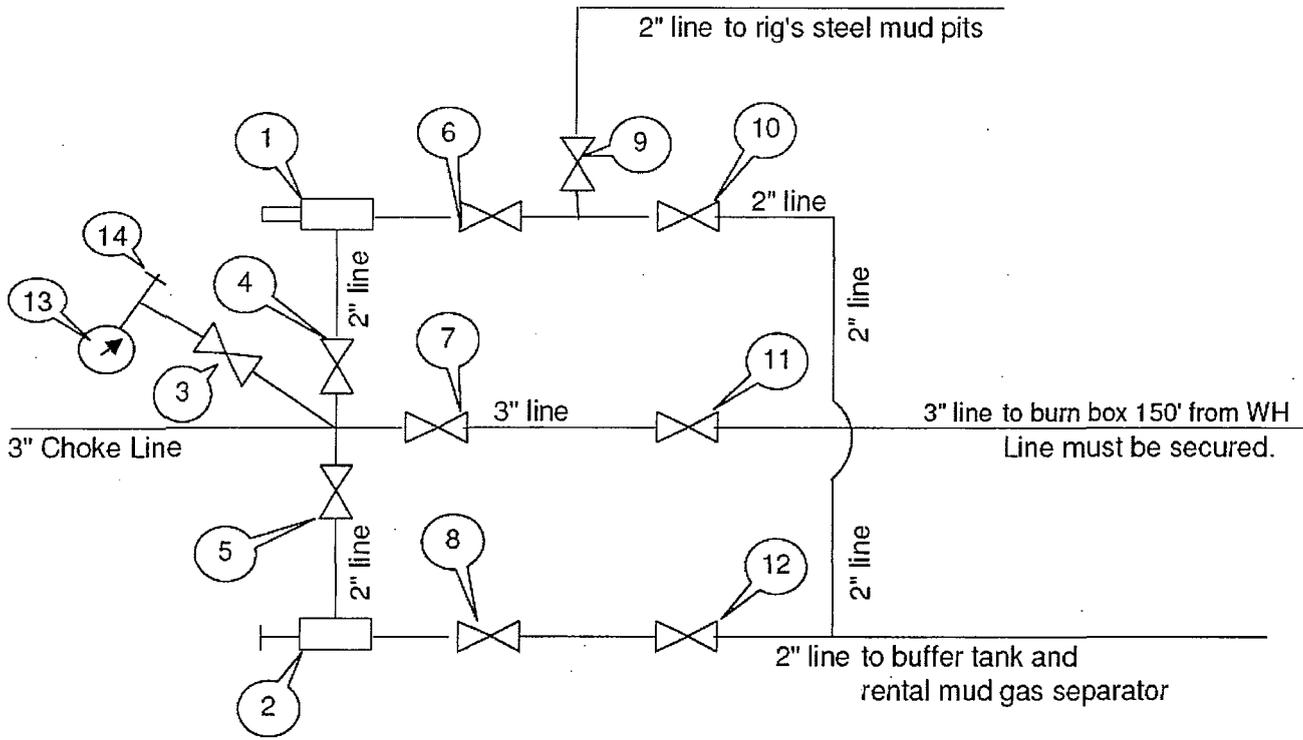


Item	Description
1	Rotating Head, 11"
2A	Fill up Line and Valve
2B	Flow Line (10")
2C	Shale Shakers and Solids Settling Tank
2D	Cuttings Bins for Zero Discharge
2E	Rental Mud Gas Separator with vent line to flare and return line to mud system
3	Annular BOP (11", 3M)
4	Double Ram (11", 3M, equipped with Blind Rams and Pipe Rams)
5	Kill Line (2" flexible hose, 3000 psi WP)
6	Kill Line Valve, Inner (3-1/8", 3000 psi WP)
7	Kill Line Valve, Outer (3-1/8", 3000 psi WP)
8	Kill Line Check Valve (2-1/16", 3000 psi WP)
9	Choke Line (5M Stainless Steel Coflex Line, 3-1/8" 3M API Type 6B, 3000 psi WP)
10	Choke Line Valve, Inner (3-1/8", 3000 psi WP)
11	Choke Line Valve, Outer, (Hydraulically operated, 3-1/8", 3000 psi WP)
12	Adapter Flange (11" 5M to 11" 3M)
13	Spacer Spool (11", 5M)
14	Casing Head (11" 5M)
15	Ball Valve and Threaded Nipple on Casing Head Outlet, 2" 5M
16	Surface Casing

Submitted by: James Chen, Drilling Engineer, Mid-Continent Business Unit, ConocoPhillips Company, 25-Sep-2012

CHOKE MANIFOLD ARRANGEMENT

3M System per Onshore Oil and Gas Order No. 2 utilizing 3M and 5M Equipment



All Tees must be targeted

Item	Description
1	Remote Controlled Hydraulically Operated Adjustable Choke, 2-1/16", 3M
2	Manual Adjustable Choke, 2-1/16", 3M
3	Gate Valve, 2-1/16" 5M
4	Gate Valve, 2-1/16" 5M
5	Gate Valve, 2-1/16" 5M
6	Gate Valve, 2-1/16" 5M
7	Gate Valve, 3-1/8" 3M
8	Gate Valve, 2-1/16" 5M
9	Gate Valve, 2-1/16" 5M
10	Gate Valve, 2-1/16" 5M
11	Gate Valve, 3-1/8" 3M
12	Gate Valve, 2-1/16" 5M
13	Pressure Gauge
14	2" hammer union tie-in point for BOP Tester

We will test each valve to 3000 psi from the upstream side.

Drawn by:

Steven O. Moore

Chief Drilling Engineer, Mid-Continent Business Unit, ConocoPhillips Company

Date: 25-Sept-2012

Request for Variance

ConocoPhillips Company
Lease Number: USA LC 058395
Well: SC Federal #1
Location: Sec. 22, T17S, R32E
Date: 10-16-13

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:

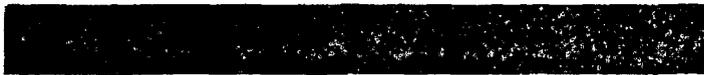
The applicability of the flexible choke line will reduce the number of target tees required to make up from the choke valve to the choke manifold. This configuration will facilitate ease of rig up and BOPE Testing.

Attachments:

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

Contact Information:

Program prepared by:
James Chen
Drilling Engineer, ConocoPhillips Company
Phone (832) 486-2184
Cell (832) 768-1647
Date: 26 September 2012



Reliance Eliminator Choke & Kill

This hose can be used as a choke hose which connects the BOP stack to the bleed-off manifold or a kill hose which connects the mud stand pipe to the BOP kill valve.

The Reliance Eliminator Choke & Kill hose contains a specially bonded compounded cover that replaces rubber covered Asbestos, Fibreglass and other fire retardant materials which are prone to damage. This high cut and gouge resistant cover overcomes costly repairs and downtime associated with older designs.

The Reliance Eliminator Choke & Kill hose has been verified by an independent engineer to meet and exceed EUB Directive 36 (700°C for 5 minutes).

Nom. ID		Nom OD		Weight		Min Bend Radius		Max WP	
in.	mm.	in.	mm	lb/ft	kg/m	in.	mm.	psi	Mpa
3	76.2	5.11	129.79	14.5	21.46	48	1219.2	5000	34.47
3-1/2	88.9	5.79	147.06	20.14	29.80	54	1371.6	5000	34.47



Fittings

RC4X5055
RC3X5055
RC4X5575

Flanges

R35 - 3-1/8 5000# API Type 6B
R31 - 3-1/8 3000# API Type 6B

Hammer Unions

All Union Configurations

Other

LP Threaded Connectio
Graylock
Custom Ends



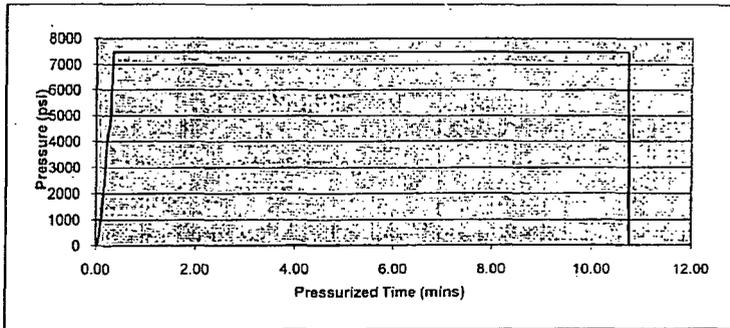
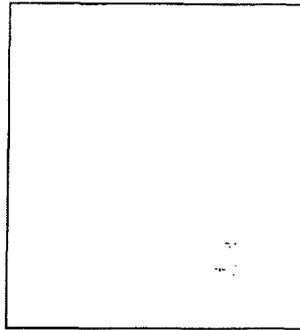
RELIANCE
Industrial Products USA, Ltd.

2030 E. 8th Street, Suite B • Greeley, CO 80631
Ph: (970) 346-3751 • Fax: (970) 353-3168 • Toll Free: (866) 771-9739

T E S T C E R T I F I C A T E

Customer: **PRECISION DRILLING**
P.O. #: **RIG 822**
Invoice #: **27792**
Material: **3 1/2" FIREGUARD**
Description: **3 1/2" X 10'**
Coupling 1: **3 1/2" FLANGE R31**
" Serial:
" Quality:
Coupling 2: **3 1/2" FLOATING R31**
" Serial:
" Quality:
Working Pressure : **3000**
Test Pressure: **7500**
Duration (mins): **10**

Cert No.: 27792
Date: 9/21/2012



Conducted By: FLORES M,
Test Technician

- Acceptable
- Not Acceptable



HOBBS OCD

APR 02 2014

RECEIVED

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 Samarra at ConocoPhillips Company, 432.368.1263.

Table of Contents

Section

I. Purpose

II. Scope

III. Procedures

IV. Emergency Equipment and Maintenance

Emergency Equipment Suppliers

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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. (Environmentalist 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.

H₂S monitors 432.580.3770
Breathing air includes cascade systems
First aid and medical supplies
Safety equipment
H₂S Specialist

Total Safety US Odessa, Tx/ Hobs, NM

H₂S monitors 432.561.5049 Odessa, Tx.
575.392.2973 Hobbs, NM
Breathing air includes cascade systems
Fire fighting equipment
First aid and medical supplies
Safety equipment

Indian Fire & Safety – Hobbs, NM

575.393.3093
H₂S monitors
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. "Cotton" 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

BLM 24 Hr on call # Lea County: 575-393-3612

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)

ConocoPhillips Emergency Call List and Location Information Sheet

ConocoPhillips- 281-293-3600

Drilling Superintendent	Cotton Hair	Office: 432-368-1302 Cell: 432-556-9116
Safety (WSER)	Tom Samarripa	Office: 432-368-1263 Cell: 432-556-9113
Drilling Engineer	Steve Moore	Office: 832-486-2459 Cell: 281-467-7596
Regulatory Contact	Susan Maunder	Office: 432-688-6913 Cell: 432-556-6501

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
Sheriff (Lovington).....	575-396-3611
Police (Lovington)	575-396-5166
NMOCD	575-393-6161
(Emerg)	575-370-3186
BLM Switchboard.....	575-393-3612
BLM 24 Hr on Call, Lea County.....	575-393-3612
New Mexico Emergency Response Comm (Santa Fe)	505-476-9600
New Mexico State Emerg Ops Ctr	505-476-9635
National Emerg Response Center	800-424-8802

Number of Residences within 1 mile of Well: There are no residences within one mile of the well to be drilled.

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

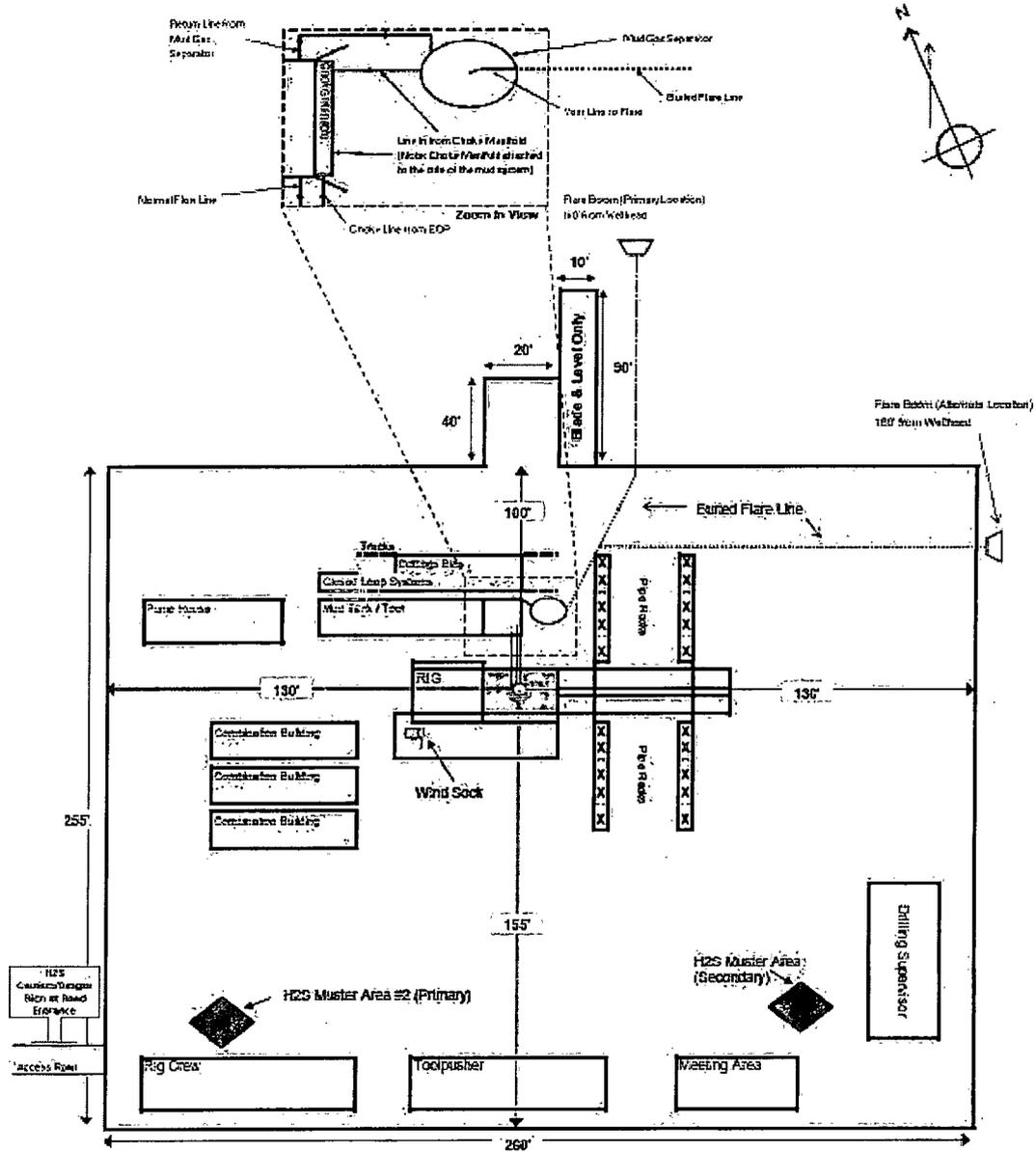
- V. Immediate Report of Occupational Injury or Illness
Report of Accident-Public Contractor
Report of Loss or Damage to Company Property
Report of Automotive Incident

ConocoPhillips
 Location Schematic and Rig Layout
 for Closed Loop System

Drawn by:
 James Clien
 Drilling Engineer, ConocoPhillips Company
 Date: 12-November-2012 (updated March 2013)

(PICTURE NOT TO SCALE)

NOTE: There are two muster areas depending on the prevailing wind direction, generally south in this area. The muster area that is furthest upwind/crosswind will be the designated area for briefing and assessing the situation. In the event a full evacuation is deemed necessary, all personnel will exit the location via the access road. If the main access road is blocked off, they will exit via a secondary road (if available) or walk off route in the upwind/crosswind direction.



APR 02 2014

Changes to the Approved Surface Use Plan of Operations

RECEIVED

The following changes are respectfully requested. Cumulatively there is no additional surface disturbance needed. However, COP will need approximately 47' of proposed road to access the location.

- 1.A The well site survey and location plat package were updated and are enclosed for BLM record purposes.
- 4.B.1 Please see the enclosed preliminary plot plan provide for BLM record purposes.
- 4.B.4 Produced fluid will utilize a flow line to the new facility planned for this well. The enclosed survey plat shows approximately 1281' of above ground new flow line following lease road(s). The line will be <4", Fiberspar operated within BLM specifications.
- 4.B.6 Electricity will be tied to existing COPC infrastructure. There is existing power line that will be re-routed around the pad. About 255' of overhead new power line will be installed to connect and to existing power source. Power line will follow lease road. See enclosed survey plat. Approximately 150' of buried power line will be installed in the well pad.
- 10.A. Please include the following phrase in your approval. "...production operations. The approximate dimensions following interim reclamation are planned as 200'x200'. The portions of the pad...".
- 13. Bond Coverage is provided via ConocoPhillips Company ES0085.
- 14. ConocoPhillips Company representatives responsible for the implementation of this surface use plan are:

Dennis Paschall, Permian Drilling Field Superintendent 4001 Penbrook Odessa, TX 79762 Phone: 432-368-1517 (office) 432-238-3150 (cell)	Donald Blair, Superintendent Operations – Permian SENM 4001 Penbrook Odessa, TX 79762 Phone: 432-688-9150 (office)
---	--

Additional 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.

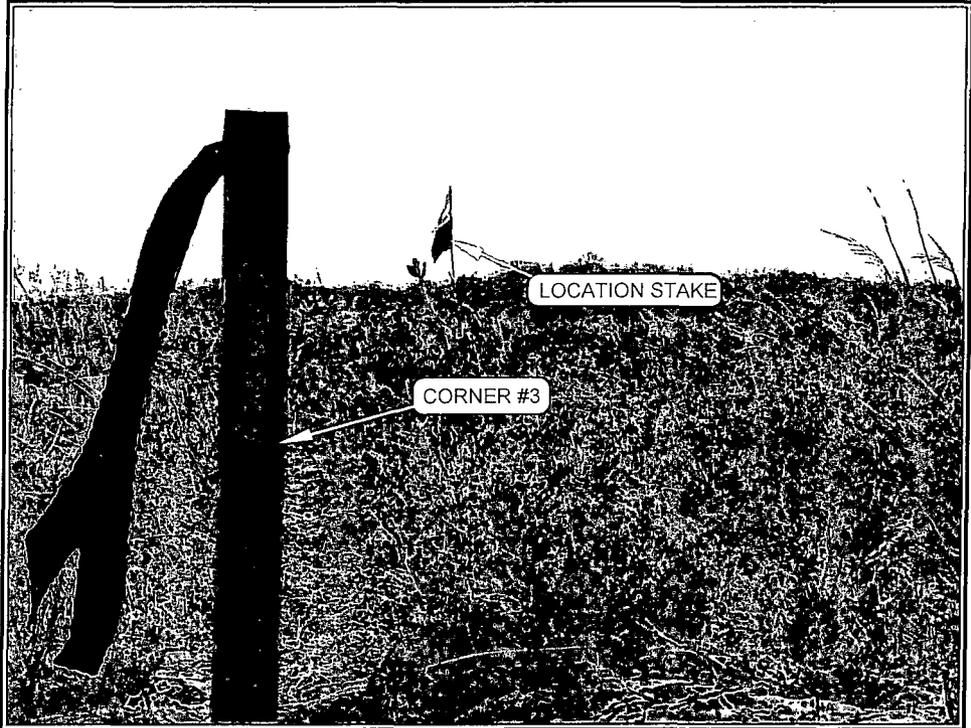


PHOTO: VIEW FROM CORNER #3 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF THE PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY

NOTES:

ConocoPhillips

ConocoPhillips Company

SC FEDERAL 1
SECTION 22, T17S, R32E, N.M.P.M.
2,345' FSL 225' FEL

TAKEN BY: J.V.

DRAWN BY: J.C.

REVISED:

DATE: 10-09-13

DATE: 10-14-13



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

PHOTO SHEET

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

HOBBS OCD
APR 02 2014

RECEIVED

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40592		² Pool Code 44500		³ Pool Name Maljamar; Yeso West	
⁴ Property Code 217817		⁵ Property Name SC FEDERAL		⁶ Well Number 1	
⁷ OGRID No.		⁸ Operator Name ConocoPhillips Company		⁹ Elevation 4002'	

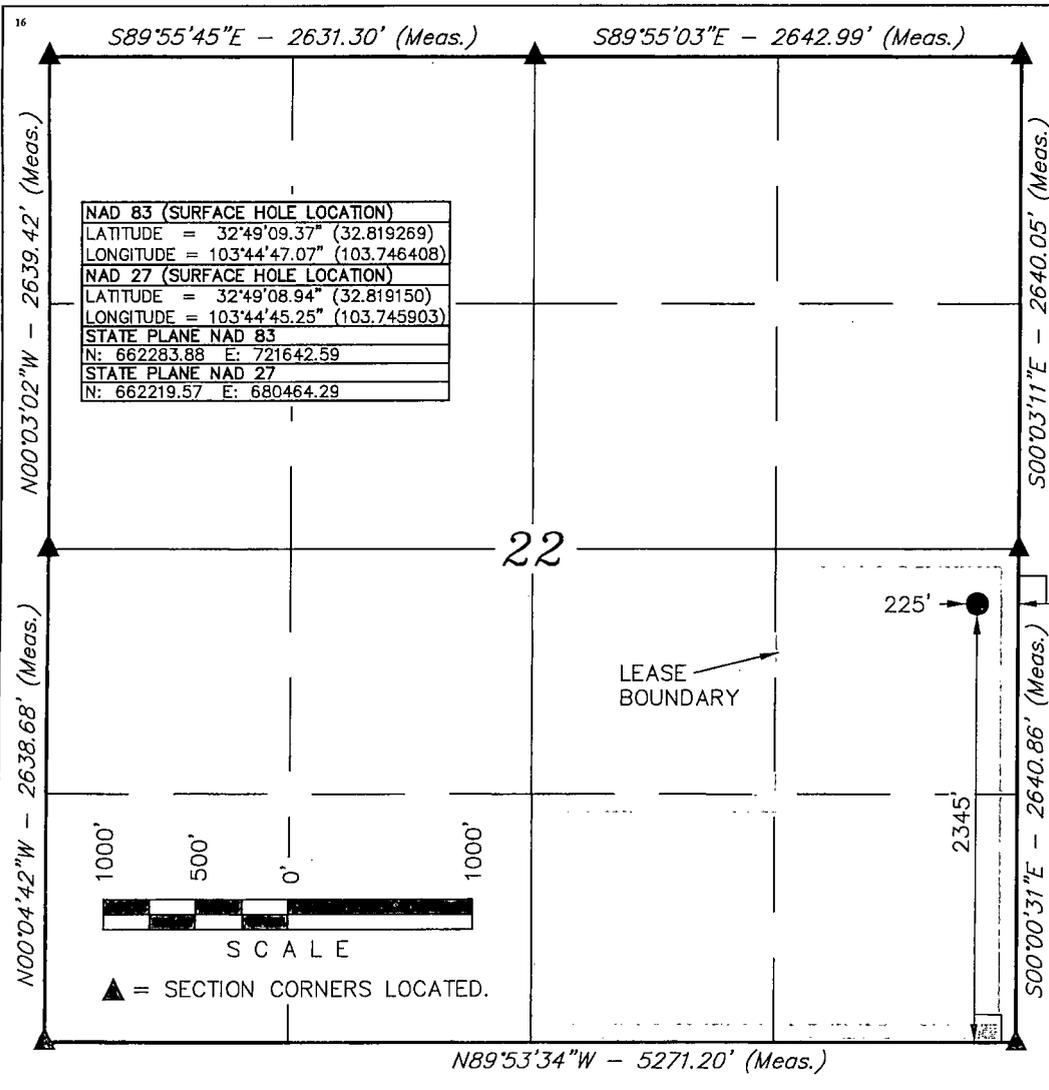
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	22	17 S	32 E		2345	SOUTH	225	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Susan B. Maunder* Date: 10/23/13
 Printed Name: Susan B. Maunder
 E-mail Address: Susan.B.Maunder@conocophillips.com

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

October 04, 2013
 Date of Survey
 Signature and Seal of Professional Surveyor:

Professional Surveyor Seal: J. Nelson J. Marshall, New Mexico, License No. 12446, 10-22-13

Certificate Number:

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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Phone: (505) 476-3460 Fax: (505) 476-3462

HOBBS OGD

APR 02 2014

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1220 South St. Francis Dr.
Santa Fe, NM 87505

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Revised August 1, 2011
Submit one copy to appropriate
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40592		² Pool Code 44500		³ Pool Name Maljamar; Yeso West	
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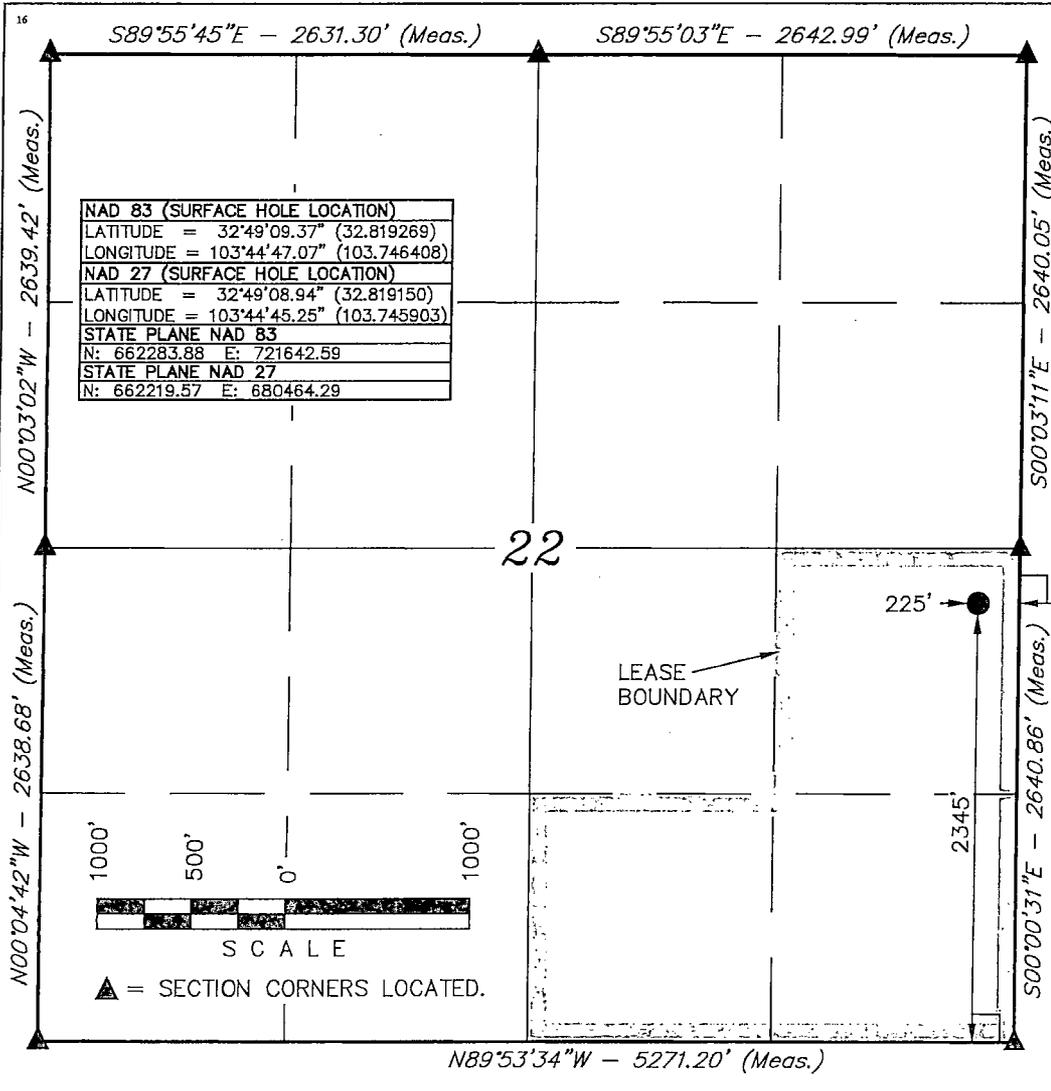
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	22	17 S	32 E		2345	SOUTH	225	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Susan B. Maunder 10/23/13
Signature Date

Susan B. Maunder
Printed Name

Susan.B.Maunder@conocophillips.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

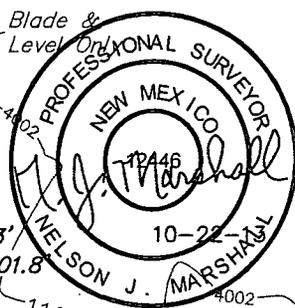
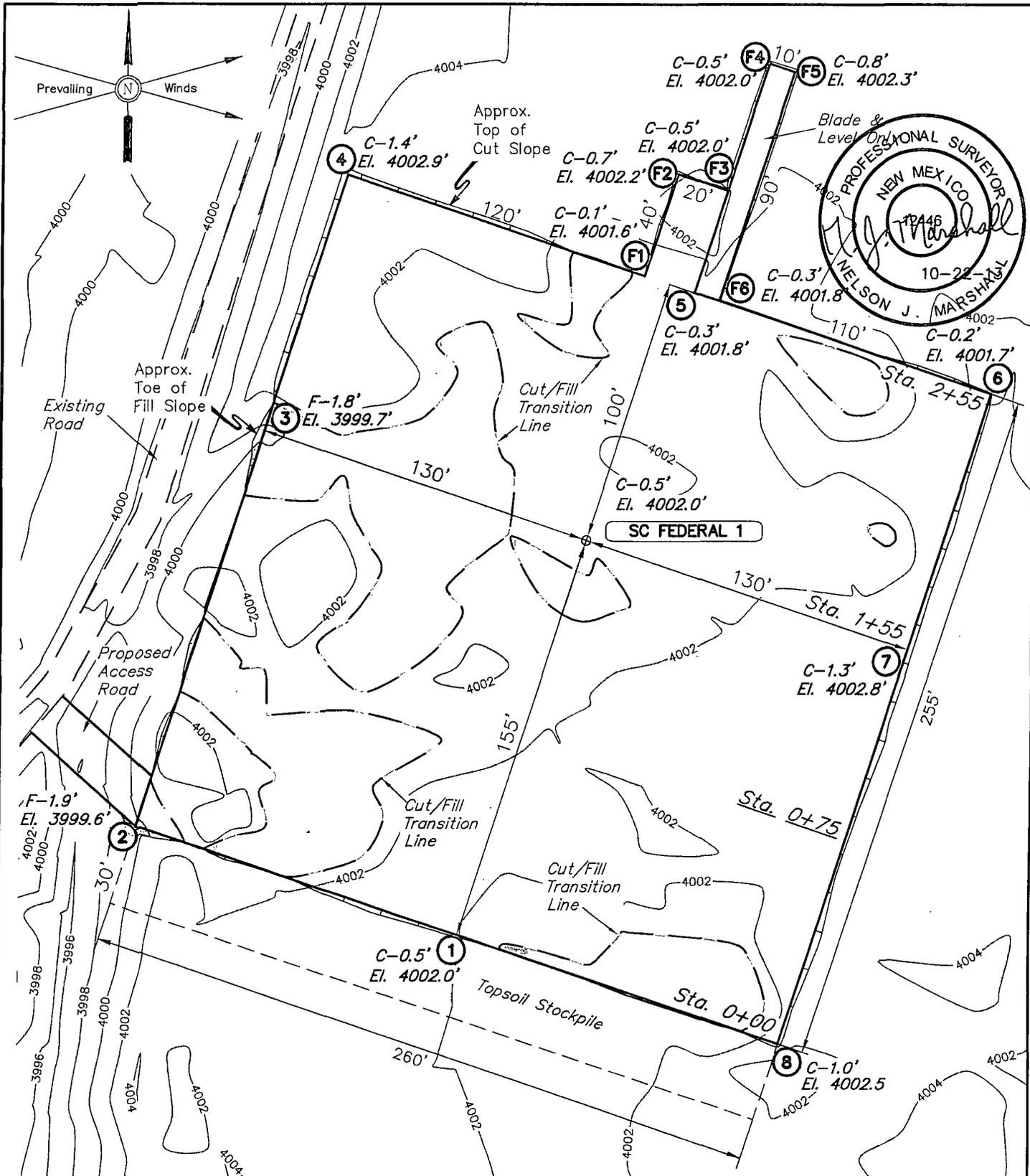
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

October 04, 2013

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:



ELEV. UNGRADED GROUND AT LOC. STAKE = 4002.0' FINISHED GRADE ELEV. AT LOC. STAKE = 4001.5'

- 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	
SC FEDERAL 1 SECTION 22, T17S, R32E, N.M.P.M. 2345' FSL 225' F&L		

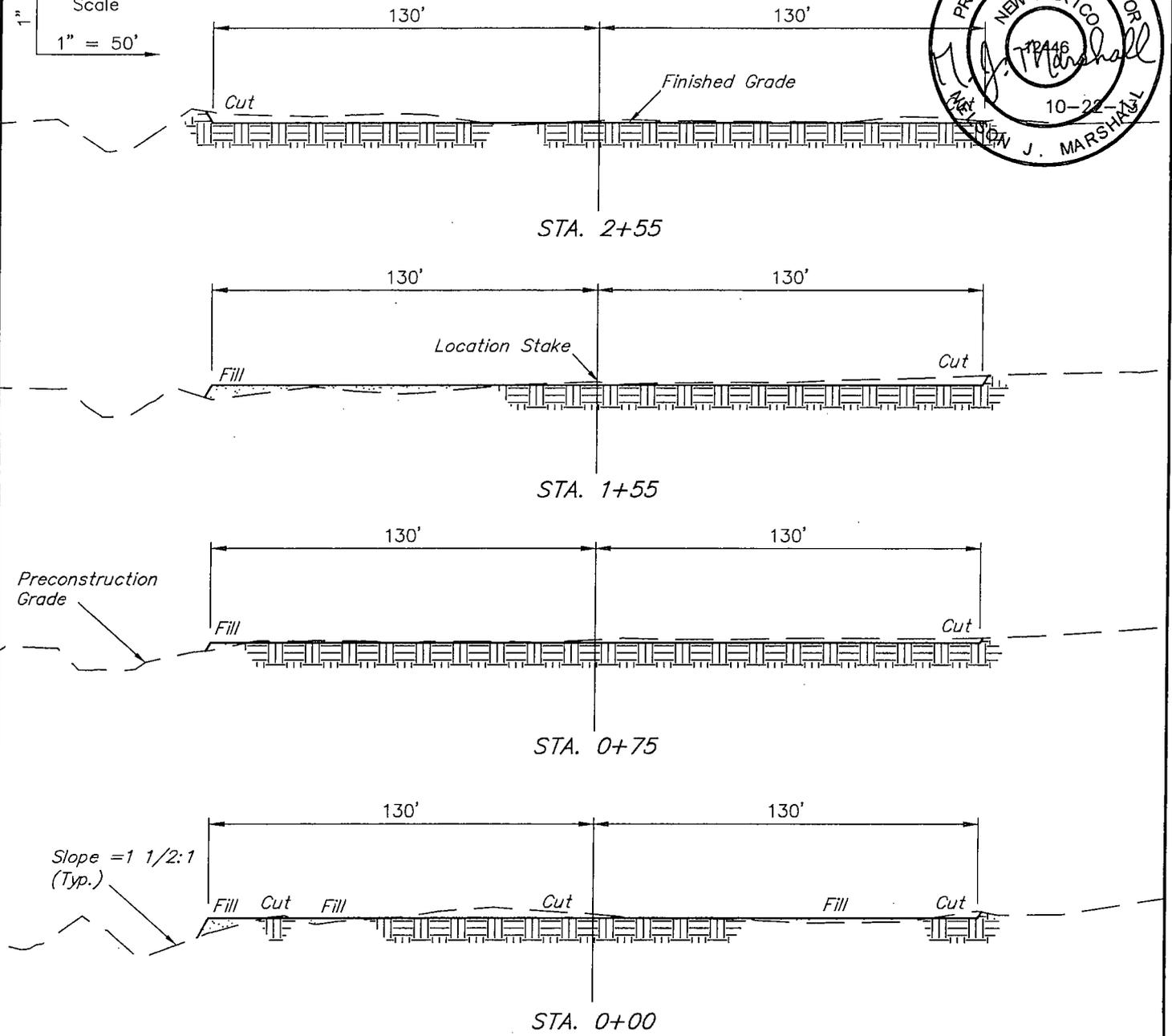
DRAWN BY: H.K.W.	SCALE: 1" = 50'
DATE: 10-15-13	REVISED:



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LOCATION LAYOUT **FIGURE #1**

1" = 20'
 X-Section Scale
 1" = 50'



APPROXIMATE EARTHWORK QUANTITIES		APPROXIMATE SURFACE DISTURBANCE AREAS		
(4") TOPSOIL STRIPPING	860 Cu. Yds.	SC FEDERAL 7 WELL SITE DISTURBANCE	DISTANCE	ACRES
REMAINING LOCATION	510 Cu. Yds.	20' ROAD R-O-W DISTURBANCE	46.74'	±0.021
TOTAL CUT	1,370 Cu. Yds.	10' WIDE POWER LINE R-O-W DISTURBANCE	254.83'	±0.059
FILL	510 Cu. Yds.	6' WIDE PIPELINE R-O-W DISTURBANCE	1,280.86'	±0.176
EXCESS MATERIAL	860 Cu. Yds.	TOTAL SURFACE USE AREA	±1,582.43'	±2.024
TOPSOIL	860 Cu. Yds.			
EXCESS UNBALANCE (After Interim Rehabilitation)	0 Cu. Yds.			

NOTES:

- Fill quantity includes 5% for compaction.
- Topsoil should not be stripped below finished grade on substructure area.

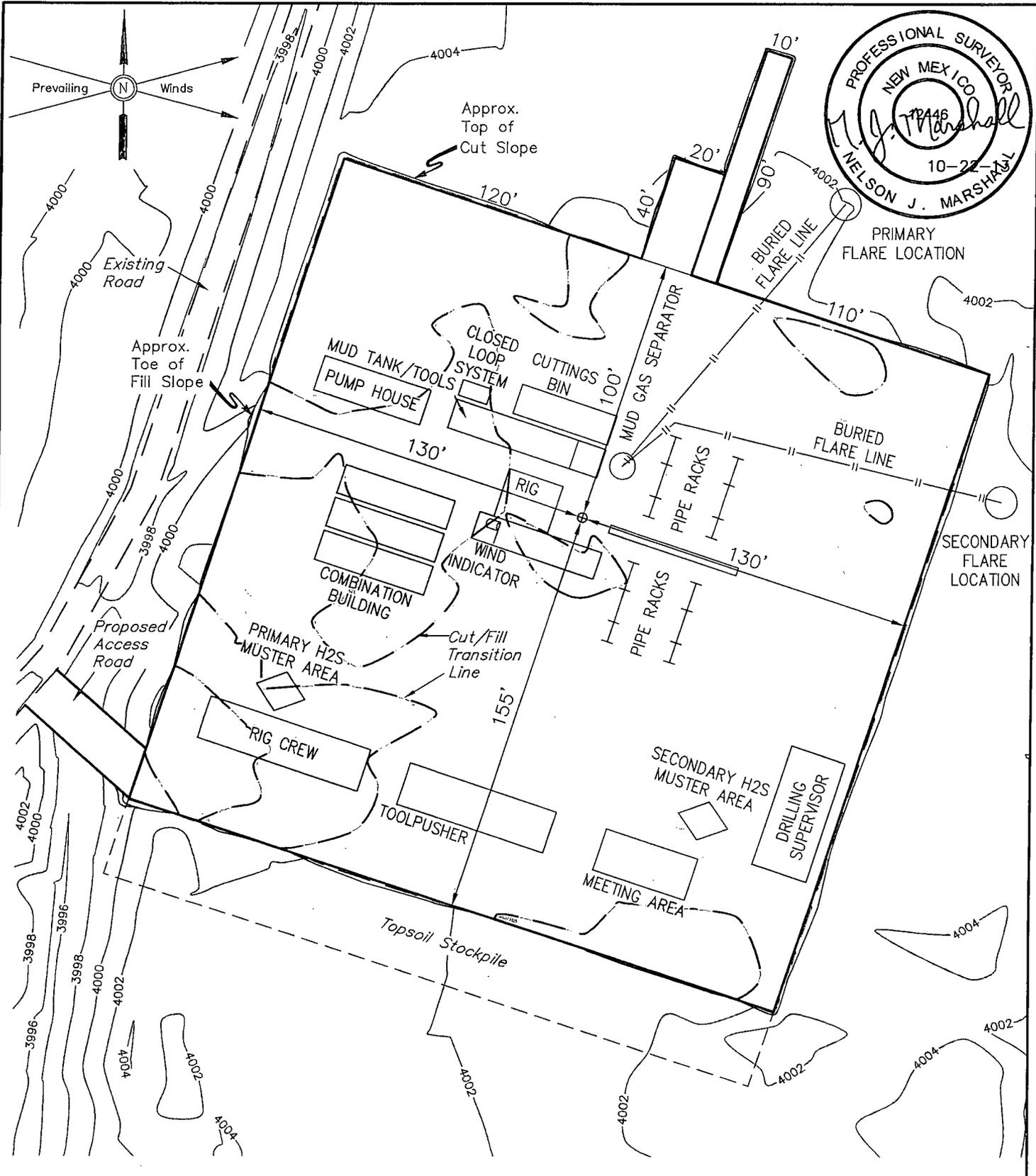
ConocoPhillips **ConocoPhillips Company**

SC FEDERAL 1
 SECTION 22, T17S, R32E, N.M.P.M.
 2345' FSL 225' FEL

Corporate Office * 85 South 200 East
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DRAWN BY: H.K.W. SCALE: AS SHOWN
 DATE: 10-15-13 REVISED:

TYPICAL CROSS SECTIONS **FIGURE #2**

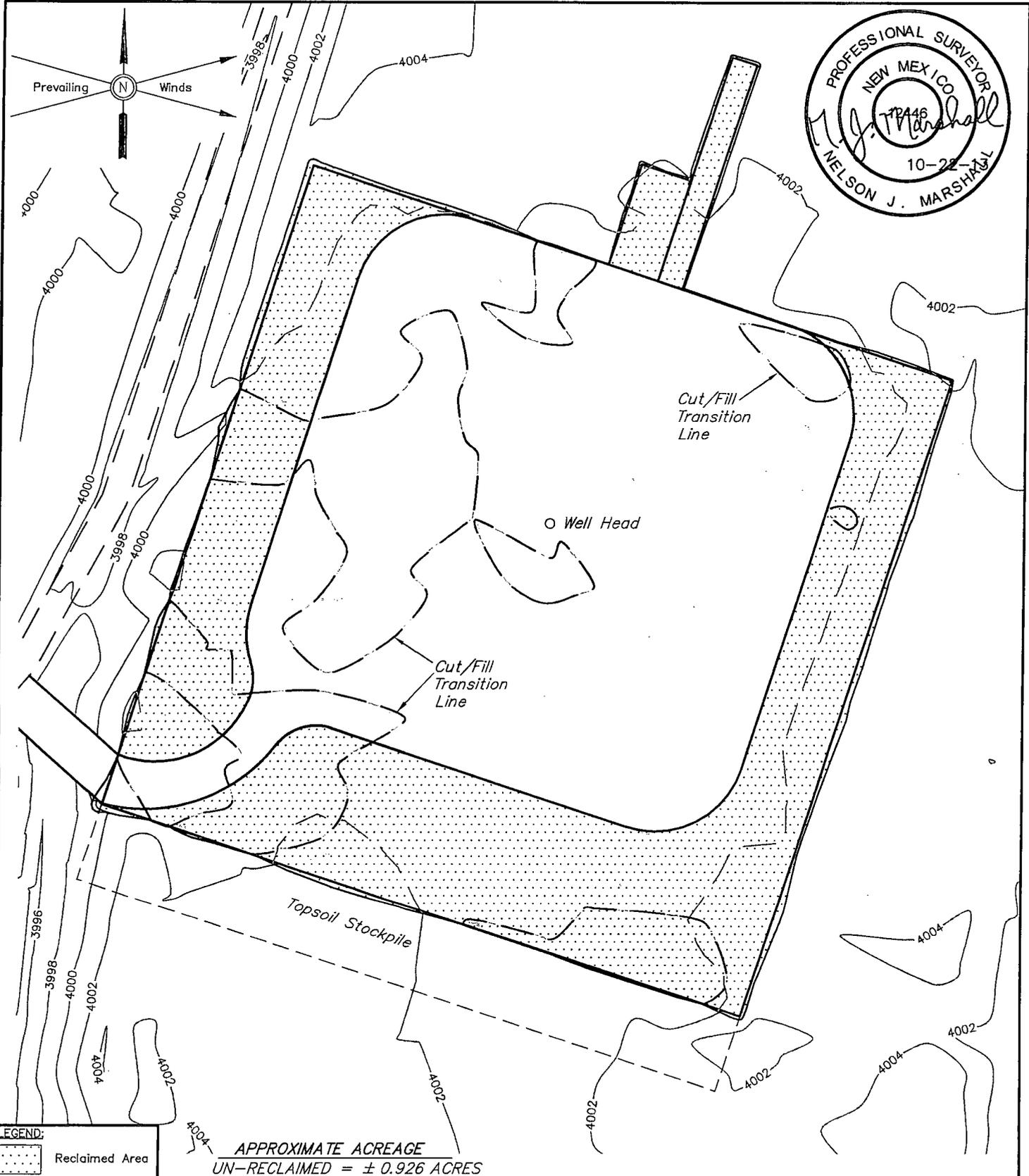


NOTES:
 • Flare pit is to be located a min. of 160' from the well head.

ConocoPhillips **ConocoPhillips Company**
 SC FEDERAL 1
 SECTION 22, T17S, R32E, N.M.P.M.
 2345' FSL 225' FEL

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DRAWN BY: H.K.W. SCALE: 1" = 50'
 DATE: 10-15-13 REVISED:
TYPICAL RIG LAYOUT **FIGURE #3**



LEGEND:
 Reclaimed Area

APPROXIMATE ACREAGE
 UN-RECLAIMED = ± 0.926 ACRES

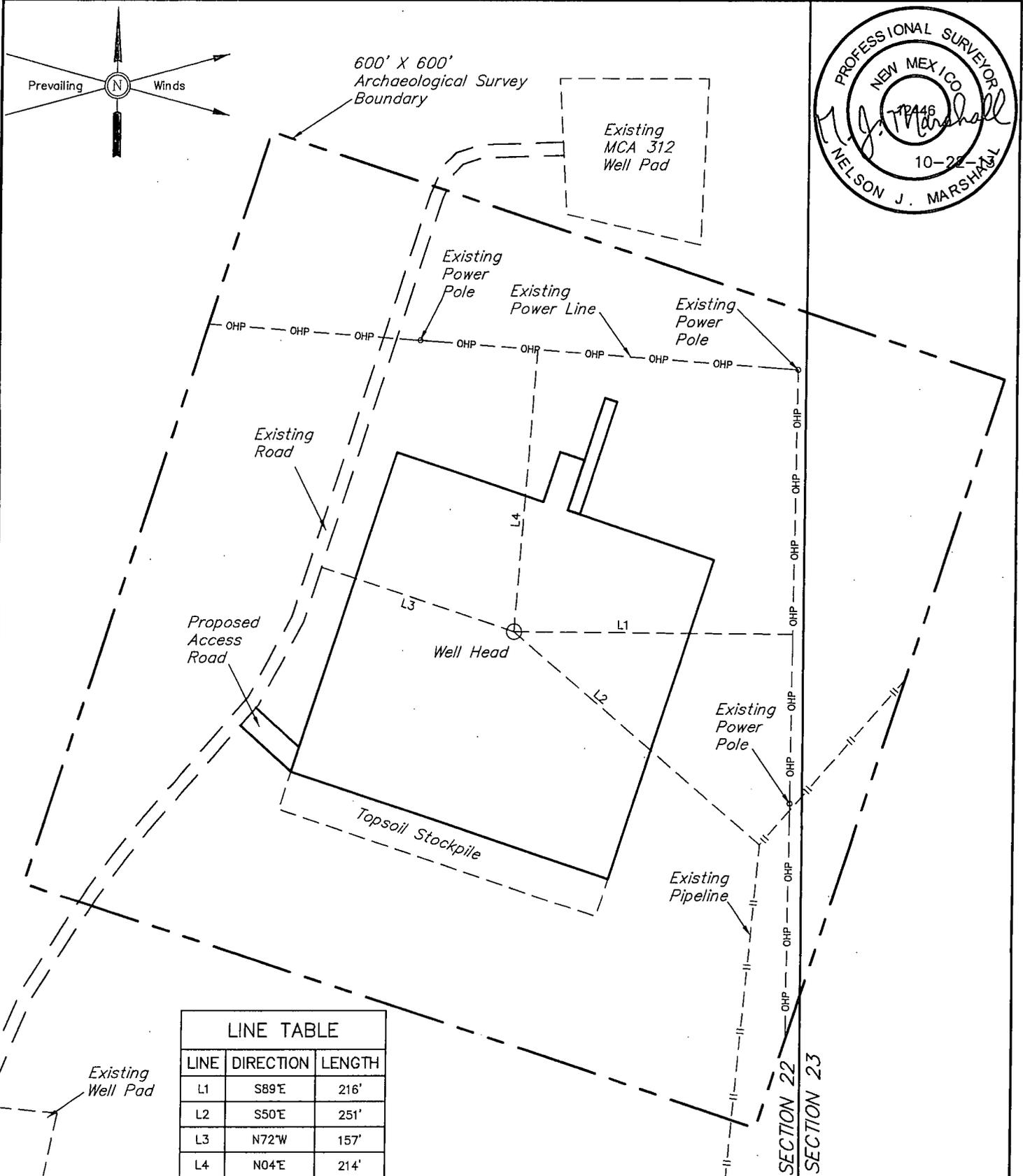
NOTES:

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DATE: 10-15-13	REVISED:
RECLAMATION DIAGRAM	
FIGURE #4	



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°E	216'
L2	S50°E	251'
L3	N72°W	157'
L4	N04°E	214'

NOTES:

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 2345' FSL 225' FEL

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DRAWN BY: H.K.W. SCALE: 1" = 100'
 DATE: 10-15-13 REVISED:
ARCHAEOLOGICAL SURVEY
BOUNDARY **FIGURE #5**

Sec. 22

NE 1/4

NE 1/4

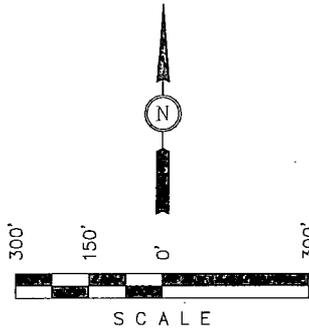
1/16 Section Line

1/4 Section Line

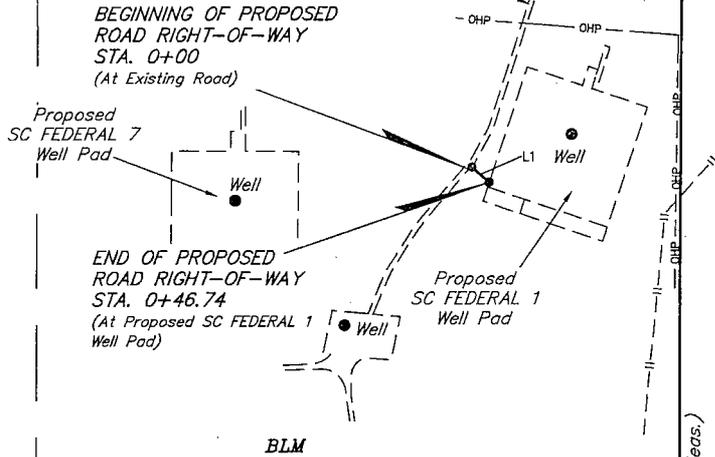
1/16 Section Line

SE 1/4

S00°00'31"E - 2640.05' (Meas.)
S00°00'31"E - 2640.86' (Meas.)



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S48°48'48"E	46.74'



BEGINNING OF ROAD STA. 0+00 BEARS S49°50'13"W 561.12' FROM THE EAST 1/4 CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

END OF ROAD STA. 0+46.74 BEARS S45°04'12"W 556.02' FROM THE EAST 1/4 CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

RIGHT-OF-WAY LENGTHS			
PROPERTY OWNER	FEET	ACRES	RODS
SE 1/4 SEC 22	46.74	0.021	2.83

ROAD 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 NE 1/4 SE 1/4 OF SECTION 22, T17S, R32E, N.M.P.M., WHICH BEARS S49°50'13"W 561.12' FROM THE EAST 1/4 CORNER OF SAID SECTION 22, THENCE S48°48'48"E 46.74' TO A POINT IN THE NE 1/4 SE 1/4 OF SAID SECTION 22, WHICH BEARS S45°04'12"W 556.02' FROM THE EAST 1/4 CORNER OF SAID SECTION 22. 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 0.021 ACRES MORE OR LESS.

▲ = SECTION CORNERS LOCATED.

CERTIFICATE OF PROFESSIONAL SURVEY

THIS IS TO CERTIFY THAT THE ABOVE PLAT 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.

Robert Marshall
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 12446
 STATE OF NEW MEXICO
 10-22-13

NOTES:
 • The maximum grade of existing ground for the proposed access road is ±5%.

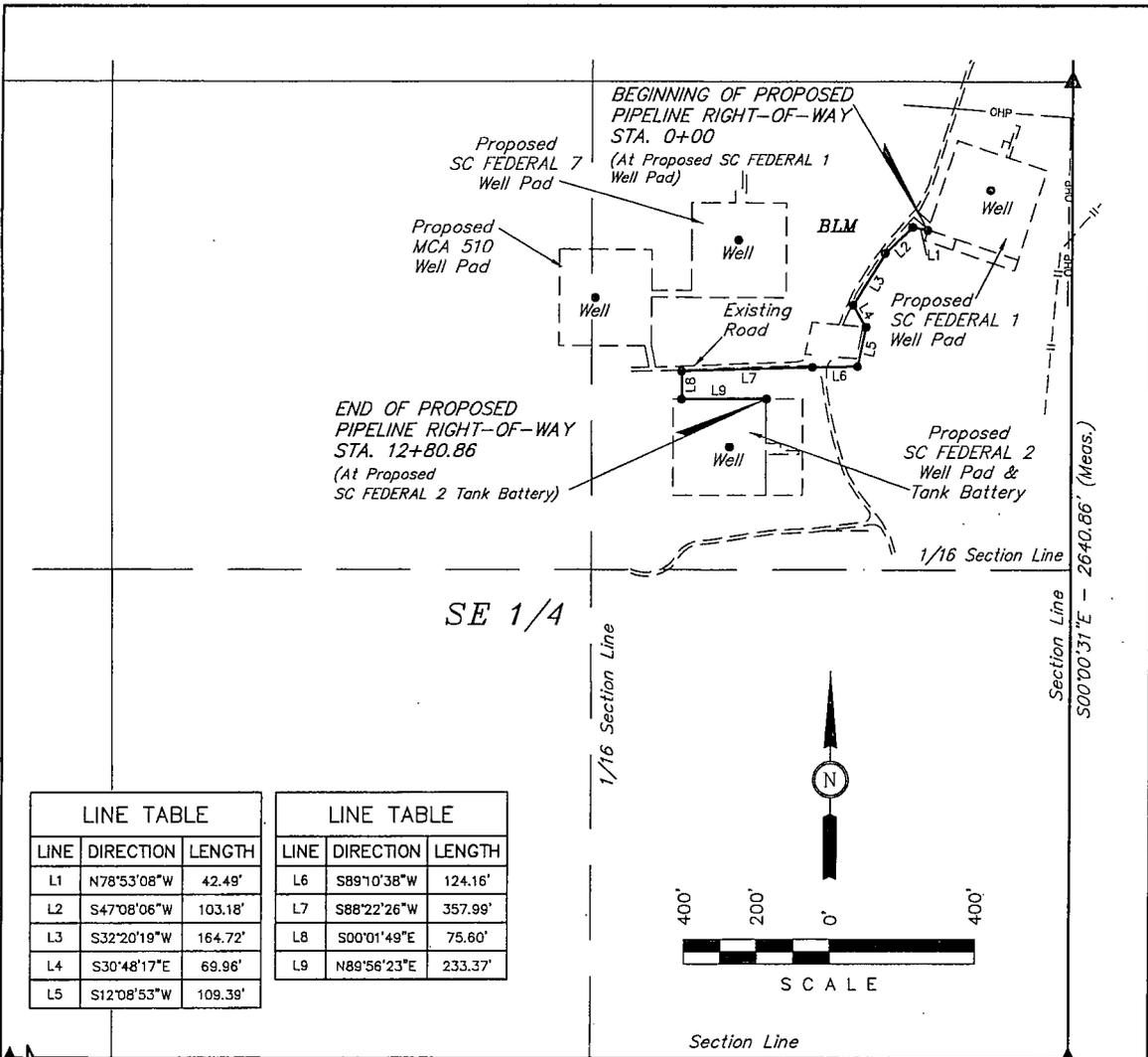
ConocoPhillips	ConocoPhillips Company
SC FEDERAL 1 SECTION 22, T17S, R32E, N.M.P.M. 2345' FSL 225' FEL	



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 DATE: 10-15-13 REVISED:

ACCESS ROAD R-O-W **FIGURE #3**



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N78°53'08"W	42.49'
L2	S47°08'06"W	103.18'
L3	S32°20'19"W	164.72'
L4	S30°48'17"E	69.96'
L5	S12°08'53"W	109.39'

LINE TABLE		
LINE	DIRECTION	LENGTH
L6	S89°10'38"W	124.16'
L7	S88°22'26"W	357.99'
L8	S00°01'49"E	75.60'
L9	N89°56'23"E	233.37'

BEGINNING OF PIPELINE STA. 0+00 BEARS
 S44°32'54"W 566.00' FROM THE EAST 1/4
 CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

END OF PIPELINE STA. 12+80.86 BEARS
 S44°20'44"W 1201.18' FROM THE EAST 1/4
 CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

PIPELINE RIGHT-OF-WAY DESCRIPTION

A 6' WIDE RIGHT-OF-WAY 3' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE NE 1/4 SE 1/4 OF SECTION 22, T17S, R32E, N.M.P.M., WHICH BEARS S44°32'54"W 566.00' FROM THE EAST 1/4 CORNER OF SAID SECTION 22, THENCE N78°53'08"W 42.49'; THENCE S47°08'06"W 103.18'; THENCE S32°20'19"W 164.72'; THENCE S30°48'17"E 69.96'; THENCE S12°08'53"W 109.39'; THENCE S89°10'38"W 124.16'; THENCE S88°22'26"W 357.99'; THENCE S00°01'49"E 75.60'; THENCE N89°56'23"E 233.37' TO A POINT IN THE NE 1/4 SE 1/4 OF SAID SECTION 22, WHICH BEARS S44°20'44"W 1201.18' FROM THE EAST 1/4 CORNER OF SAID SECTION 22. 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 0.176 ACRES MORE OR LESS.

RIGHT-OF-WAY LENGTHS

PROPERTY OWNER	FEET	ACRES	RODS
SE 1/4 SEC 22	1280.86	0.176	77.63

▲ = SECTION CORNERS LOCATED.

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 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.
 Nelson Marshall
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 12446
 STATE OF NEW MEXICO 10-22-13



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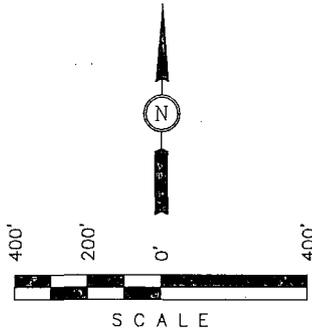
ConocoPhillips	ConocoPhillips Company	
SC FEDERAL 1 SECTION 22, T17S, R32E, N.M.P.M. 2345' FSL 225' FEL		
DRAWN BY: H.K.W.	SCALE: 1" = 400'	
DATE: 10-15-13	REVISED:	
PIPELINE R-O-W		FIGURE #7

NE 1/4

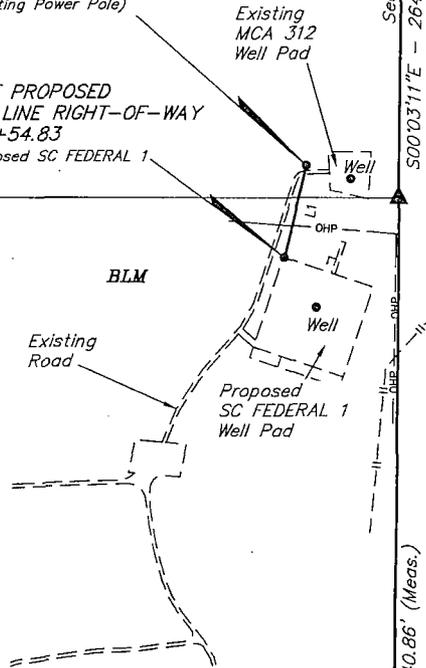
LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N13°35'15"E	254.83'

Sec. 22

1/4 Section Line



BLM
 BEGINNING OF PROPOSED POWER LINE RIGHT-OF-WAY STA. 0+00 (At Existing Power Pole)
 END OF PROPOSED POWER LINE RIGHT-OF-WAY STA. 2+54.83 (At Proposed SC FEDERAL 1 Well Pad)



Section Line
 S00°03'11"E - 2640.05' (Meas.)
 S00°00'31"E - 2640.86' (Meas.)

SE 1/4

1/4 Section Line

1/16 Section Line

▲ = SECTION CORNERS LOCATED.

BEGINNING OF POWER LINE STA. 0+00 BEARS N71°03'19"W 268.23' FROM THE EAST 1/4 CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

END OF POWER LINE STA. 2+54.83 BEARS S62°52'37"W 352.31' FROM THE EAST 1/4 CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

RIGHT-OF-WAY LENGTHS			
PROPERTY OWNER	FEET	ACRES	RODS
NE 1/4 SEC 22	89.18	0.020	5.40
SE 1/4 SEC 22	165.65	0.038	10.39
TOTAL	254.83	0.058	15.44

POWER LINE RIGHT-OF-WAY DESCRIPTION

A 10' WIDE RIGHT-OF-WAY 5' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE SE 1/4 NE 1/4 OF SECTION 22, T17S, R32E, N.M.P.M., WHICH BEARS N71°03'19"W 268.23' FROM THE EAST 1/4 CORNER OF SAID SECTION 22, THENCE N13°35'15"W 254.83' TO A POINT IN THE NE 1/4 SE 1/4 OF SAID SECTION 22, WHICH BEARS S62°52'37"W 352.31' FROM THE EAST 1/4 CORNER OF SAID SECTION 22. 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 0.058 ACRES MORE OR LESS.

CERTIFICATE OF PROFESSIONAL SURVEYOR
 THIS IS TO CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE 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.
 Nelson J. Marshall
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 12446
 STATE OF NEW MEXICO
 10-22-13

	ConocoPhillips Company	
	SC FEDERAL 1 SECTION 22, T17S, R32E, N.M.P.M. 2345' FSL 225' FEL	
DRAWN BY: H.K.W. DATE: 10-15-13	SCALE: 1" = 400' REVISED:	
POWER LINE R-O-W		FIGURE 18

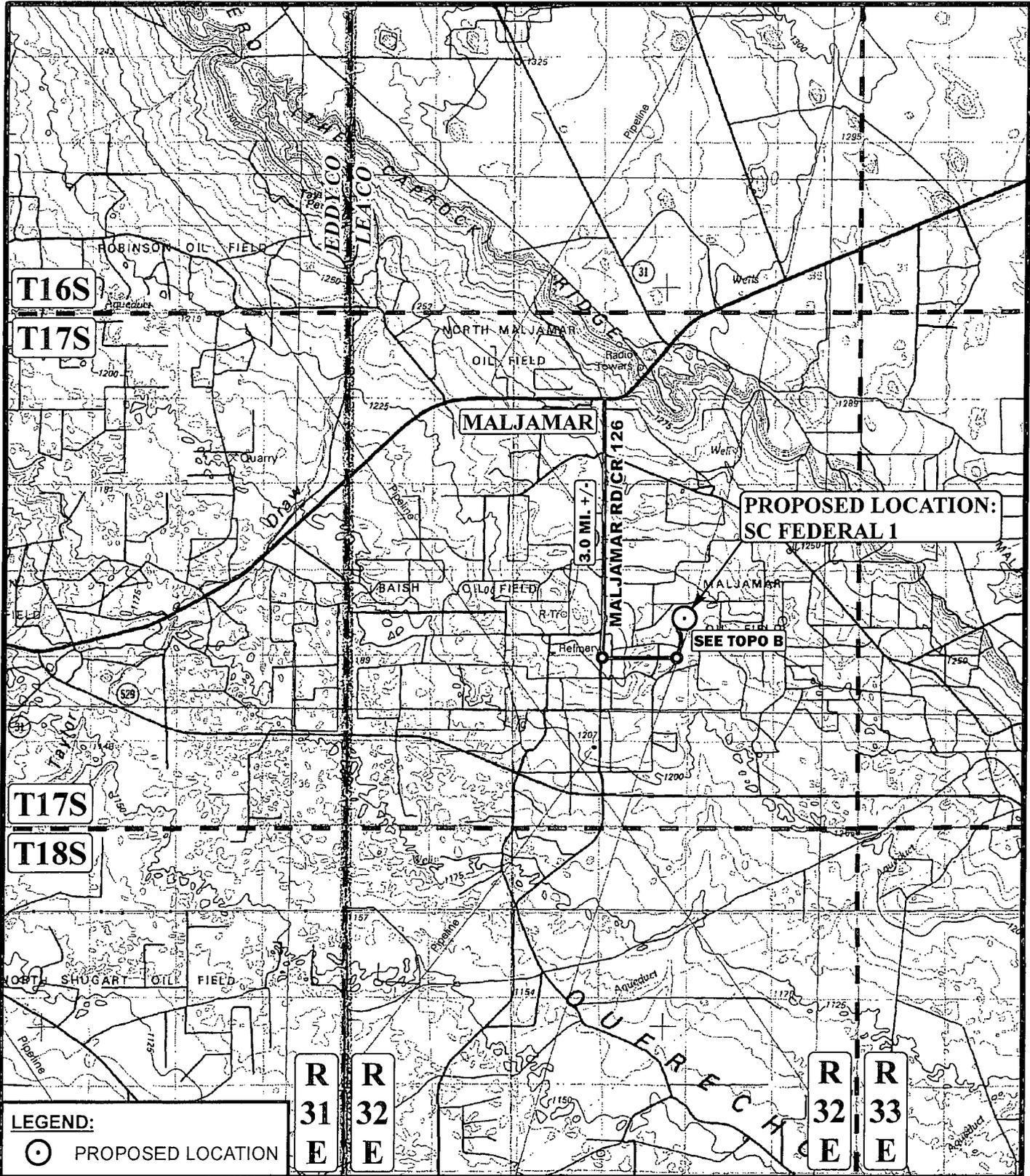


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ConocoPhillips Company
SC FEDERAL 1
SECTION 22, T17S, R32E, N.M.P.M.

PROCEED IN A SOUTHERLY DIRECTION FROM MALJAMAR, NEW MEXICO ALONG MALJAMAR ROAD/COUNTY ROAD 126 APPROXIMATELY 3.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE EXISTING MCA UNIT 75; PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 485' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 47' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM MALJAMAR, NEW MEXICO TO THE PROPOSED LOCATION IS APPROXIMATELY 4.4 MILES.



**PROPOSED LOCATION:
SC FEDERAL 1**

SEE TOPO B

3.0 MI. +/-
MALJAMAR RD/CR 126

LEGEND:

○ PROPOSED LOCATION

R 31 E

R 32 E

R 32 E

R 33 E

SCALE: 1:100,000
DRAWN BY: J.C.
DATE DRAWN: 10-08-13

REVISED:



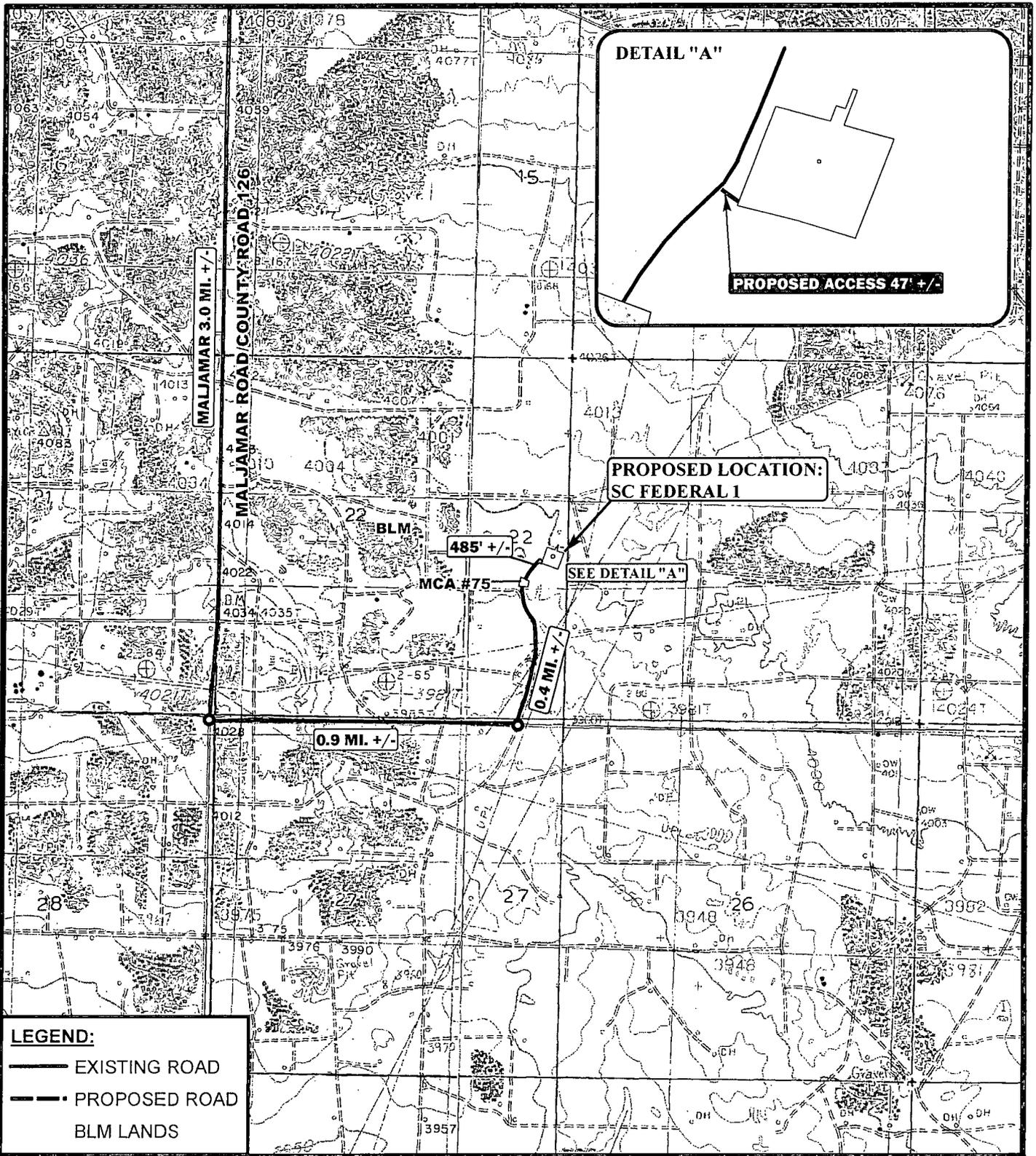
ConocoPhillips **ConocoPhillips Company**

SC FEDERAL 1
SECTION 22, T17S, R32E, N.M.P.M.
2345' FSL 225' FEL



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ACCESS ROAD MAP **TOPO A**



DETAIL "A"

PROPOSED ACCESS 47' +/-

PROPOSED LOCATION:
SC FEDERAL 1

SEE DETAIL "A"

485' +/-

0.4 MI +/-

0.9 MI +/-

LEGEND:

- EXISTING ROAD
- - - PROPOSED ROAD
- 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: J.C.
DATE DRAWN: 10-08-13

REVISED:

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ConocoPhillips

ConocoPhillips Company

SC FEDERAL 1
SECTION 22, T17S, R32E, N.M.P.M.
2345' FSL 225' FEL

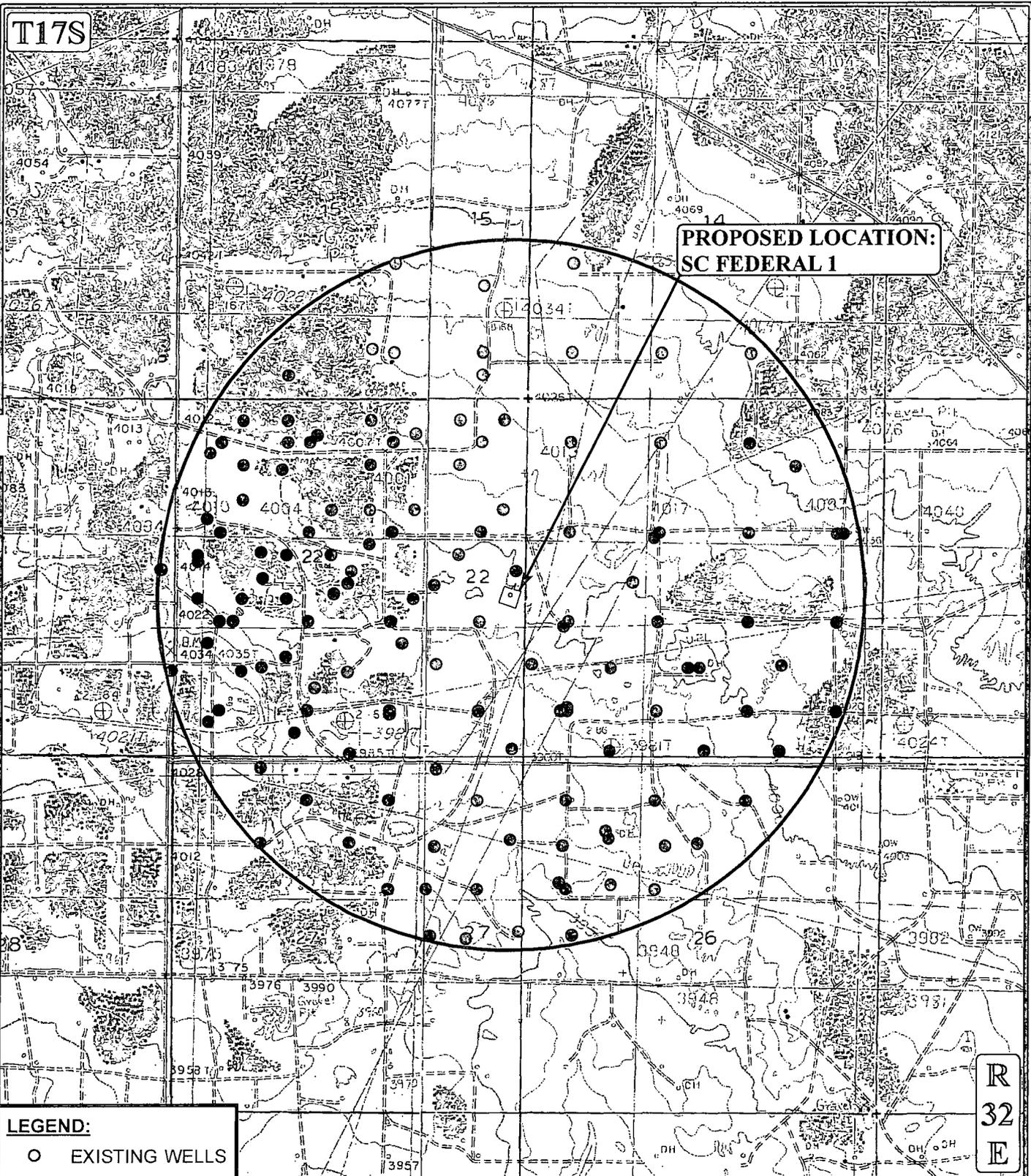
ACCESS ROAD MAP

TOPO B



T17S

PROPOSED LOCATION:
SC FEDERAL 1



LEGEND:
 ○ EXISTING WELLS

R
32
E

SCALE: 1" = 2000'
 DRAWN BY: J.C.
 DATE DRAWN: 10-08-13



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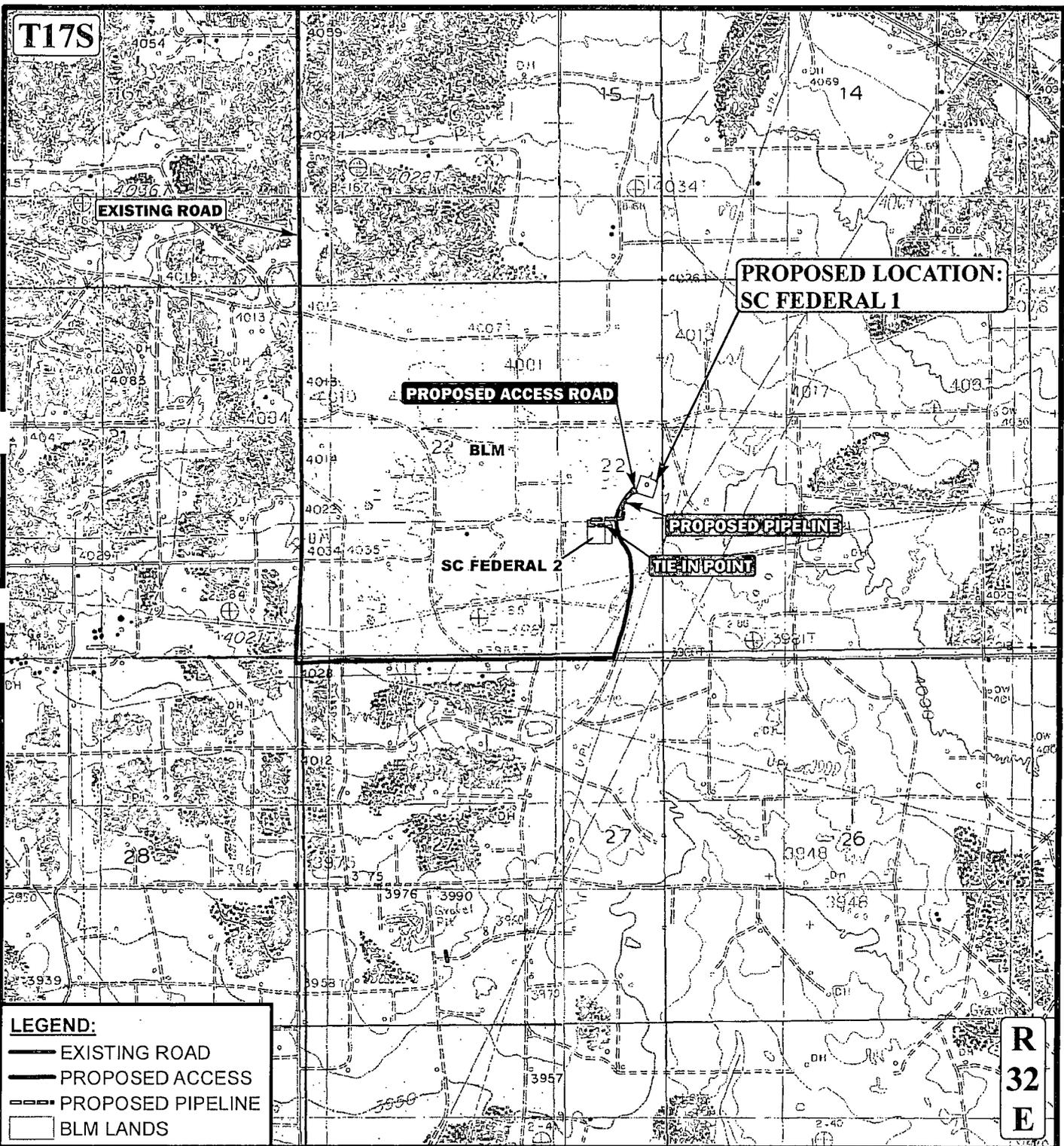
SC FEDERAL 1
 SECTION 22, T17S, R32E, N.M.P.M.
 2345' FSL 225' FEL



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TOPOGRAPHIC MAP

TOPO C



APPROXIMATE TOTAL PIPELINE DISTANCE 1,281' +/-

*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: J.C.	
DATE DRAWN: 10-08-13	



ConocoPhillips **ConocoPhillips Company**

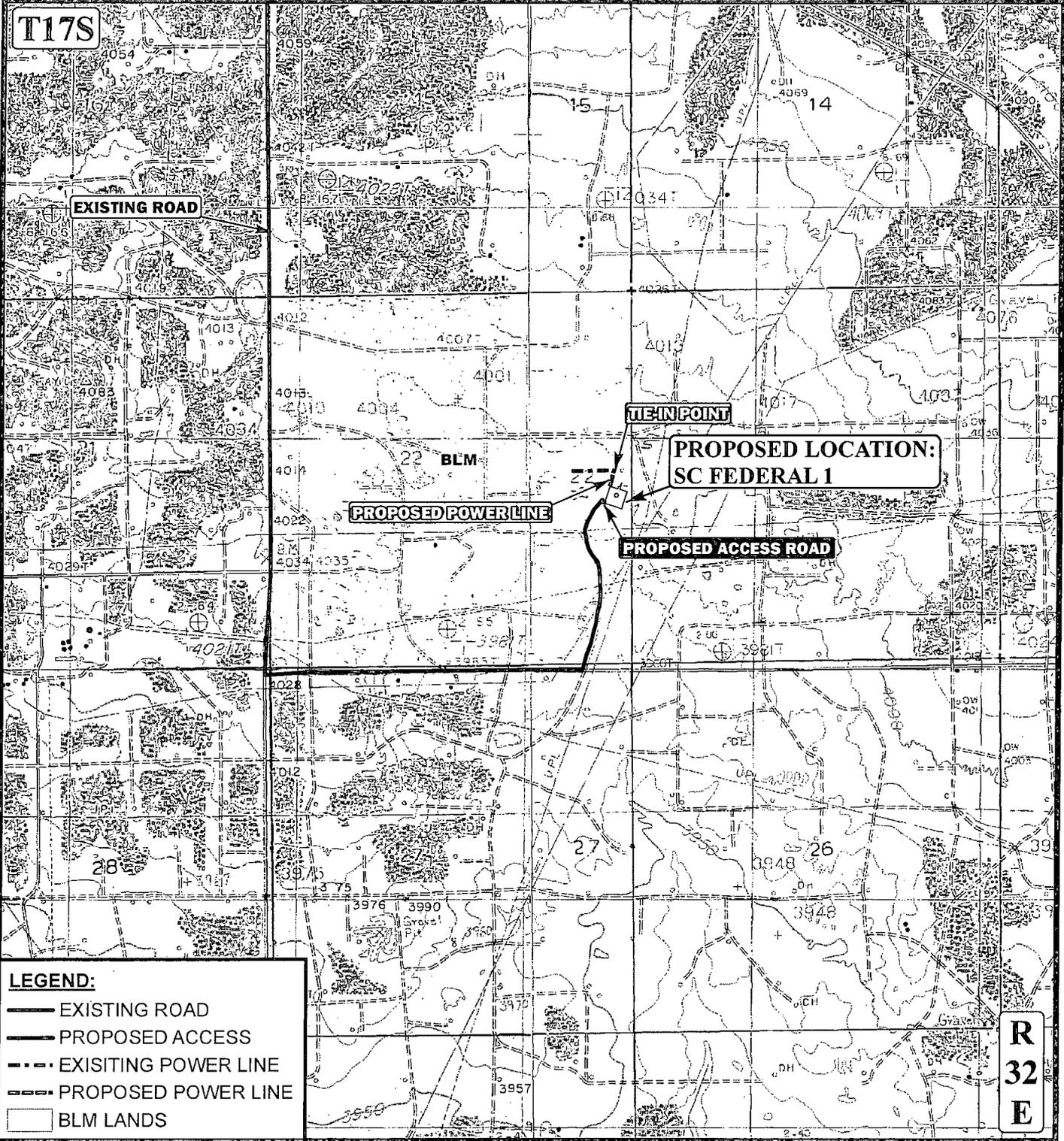
SC FEDERAL 1
SECTION 22, T17S, R32E, N.M.P.M.
2345' FSL 225' FEL



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PIPELINE MAP

TOPO D



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS
- - - EXISTING POWER LINE
- - - PROPOSED POWER LINE
- BLM LANDS

**R
32
E**

APPROXIMATE TOTAL POWER LINE DISTANCE 255' +/-

*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: J.C.	
DATE DRAWN: 10-08-13	



ConocoPhillips

ConocoPhillips Company

SC FEDERAL 1
SECTION 22, T17S, R32E, N.M.P.M.
2345' FSL 225' FEL



Corporate Office * 85 South 200 East
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POWER LINE MAP

TOPO E

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	ConocoPhillips Co.
LEASE NO.:	LC058395
WELL NAME & NO.:	SC Federal 1
SURFACE HOLE FOOTAGE:	2345' / FSL & 225' / FEL
LOCATION:	Section 22, T.17 S., R.32 E., NMPM
COUNTY:	Lea County, New Mexico

I. DRILLING

HOBBS OCD

A. DRILLING OPERATIONS REQUIREMENTS

APR 02 2014

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

RECEIVED

- 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)

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612

1. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated 500 feet prior to drilling into the **Grayburg** formation. **As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. **The record of the drilling rate along with the GR/N well log run from TD to surface 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# to 40#). 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) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. 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.

Possible water and brine flows in the Salado and Artesia groups.

Possible lost circulation in the Grayburg and San Andres formations.

1. The **8-5/8** inch surface casing will be set at approximately **925** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) 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 **5-1/2** inch production casing is:

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Operator has proposed contingency DV tool/ECP at a depth of 3000'. Operator is to submit sundry if DV tool depth varies by more than 100' from approved depth.

a. First stage to DV tool:

- Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

b. Second stage above DV tool:

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.

3. 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.** 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).
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M) psi.**

4. 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 results of the test shall be reported to the appropriate BLM office.
 - d. 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.**
 - e. 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.

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.

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