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APR 02 2014
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Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

SUBMIT IN TRIPLICATE *– Other instructions on page 2.*

5. Lease Serial No.: NM LC 058395
6. If Indian, Allottee or Tribe Name: N/A
7. If Unit of CA/Agreement, Name and/or No.: N/A
1. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other
8. Well Name and No.: SC Federal #11
2. Name of Operator: ConocoPhillips Co. (P10-4-4054)
9. API Well No.: 30-025-40598
3a. Address: 600 N. Dairy Ashford Rd., Houston TX 77079
3b. Phone No. *(include area code)*: (281)206-5281
10. Field and Pool or Exploratory Area: Maljamar; Yeso West
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*: 400' FSL & 255' FEL; UL P, Sec. 22, T17S, R32E
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			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Subsequent Report	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[ ] Other
	[X] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
[ ] Final Abandonment Notice	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

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

ConocoPhillips Company, 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. The location of the well was adjusted because of existing infrastructure. The new calls will be 435' FSL and 204' FEL; UL P, Sec. 22, T17S, R32E.

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.

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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**
Title: FIELD MANAGER
Date: MAR 26 2014

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

Office: CARLSBAD FIELD OFFICE

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

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SC Federal #11
API #30-025-40598

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: 10/23/13

Susan B. Maunder
Senior Regulatory Specialist

Request Approval to Change Drill Plan
ConocoPhillips Company
Maljamar; Yeso

SC Federal 11
Lea County, New Mexico

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	Interval MD RKB (ft)		OD	Wt	Gr	Conn	MIY	Col	Jt Str	Safety Factors Calculated per ConocoPhillips Corporate Criteria		
	(in)	From	To	(inches)	(lb/ft)			(psi)	(psi)	(klbs)	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	85' – 920'	8-5/8	24#	J-55	STC	2950	1370	244	1.55	3.35	3.53
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 H_2S 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	920	24	2950	1370	244000	8.5	7.25	3.37	11.1	12.7
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)	920	24	2950	1370	244000	381000	8.5	1.55	3.35	3.53
Production Casing (5-1/2" 17# L-80 LTC)	7090	17	7740	6290	338000	397000	10	2.10	2.50	1.97

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 - III. 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 (MWhyd next section) =	920	x	0.052	x	10	=	478				
Case #2. MPSP (Field SW @ $Bullhead_{CSFG}$ + 200 psi) =	920	x	0.052	x	19.23	-	478	+	200	=	642
Case #3. MPSP (Kick Vol @ next section TD) =	7090	x	0.052	x	8.55	-	617	-	407	=	*2129*
Case #4. MPSP (PPTD - GG) =	7090	x	0.052	x	8.55	-	709	=	*2443*		
Case #3 & #4 Limited to MPSP (CSFG + 0.2 ppg) =	920	x	0.052	x (	19.23	+	0.2	) =	930		
MASP (MWhyd + Test Pressure) =	920	x	0.052	x	8.5	+	1500	=	1907		
Burst Safety Factor (Max. MPSP or MASP) =	2950	/	1907	=	1.55						

Production Casing Burst Safety Factor:

Case #1. MPSP ($MWhyd_{TD}$) =	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 =	920	x	0.052	x	8.55	=	409										
Cementing Diff Lift Pressure =	[(	620	x	0.052	x	13.6	) + (	300	x	0.052	x	14.8	) -	399	] =	270	
Collapse Safety Factor =	1370	/	409	=	3.35												

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												

Tensial 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
Tensial 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 Tensial Strength Safety Factor:

Air Wt =	22080										
Bouyant Wt =	22080	x	0.870	=	19215						
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	- (	22080	x	0.870	) =	155071				
Tensial Safety Factor =	244000	/ (	19215	+	*50000*	) =	3.53				

Production Casing Tensial 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				
Tensial 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 plate 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) =	(	22080	x	0.870	) =	19215									
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	+	19215	+	102128	+	46085	+	11301	=	181729				
Conductor Compression Safety Factor =	432966	/	181729	=	2.38										
Load on Surface Casing =	181729	x	60%	=	109037										
Surface Casing Compression Safety Factor =	244000	/	109037	=	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	575' – 620'	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	575' – 620'	875' – 920'	14.8	200	268	1% CaCl2 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:
- Rotating Head
- Annular BOP, 11" 3M
- Blind Ram, 11" 3M
- Pipe Ram, 11" 3M

After nippling 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

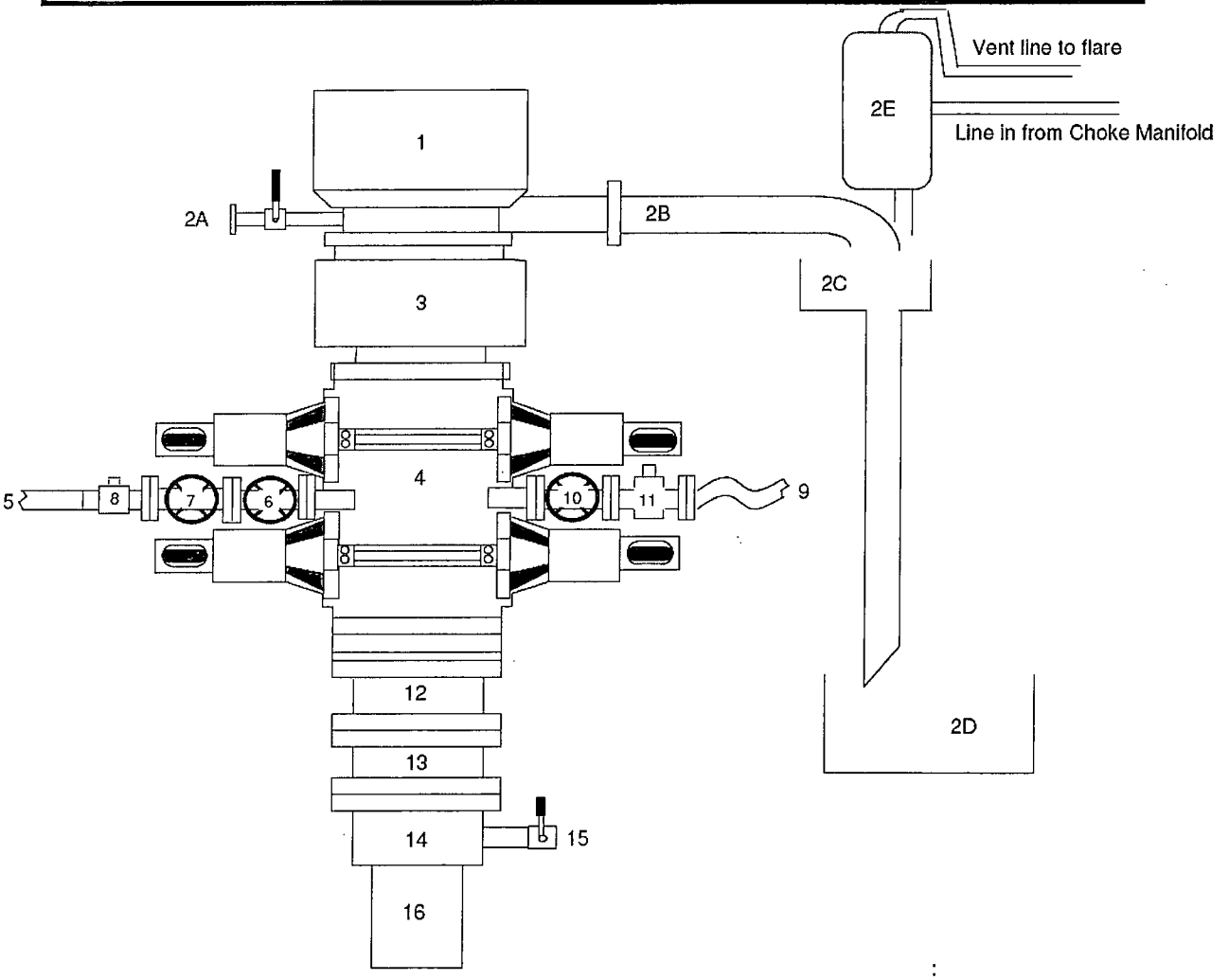
Contact Information:

Sundry Request proposed 16 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



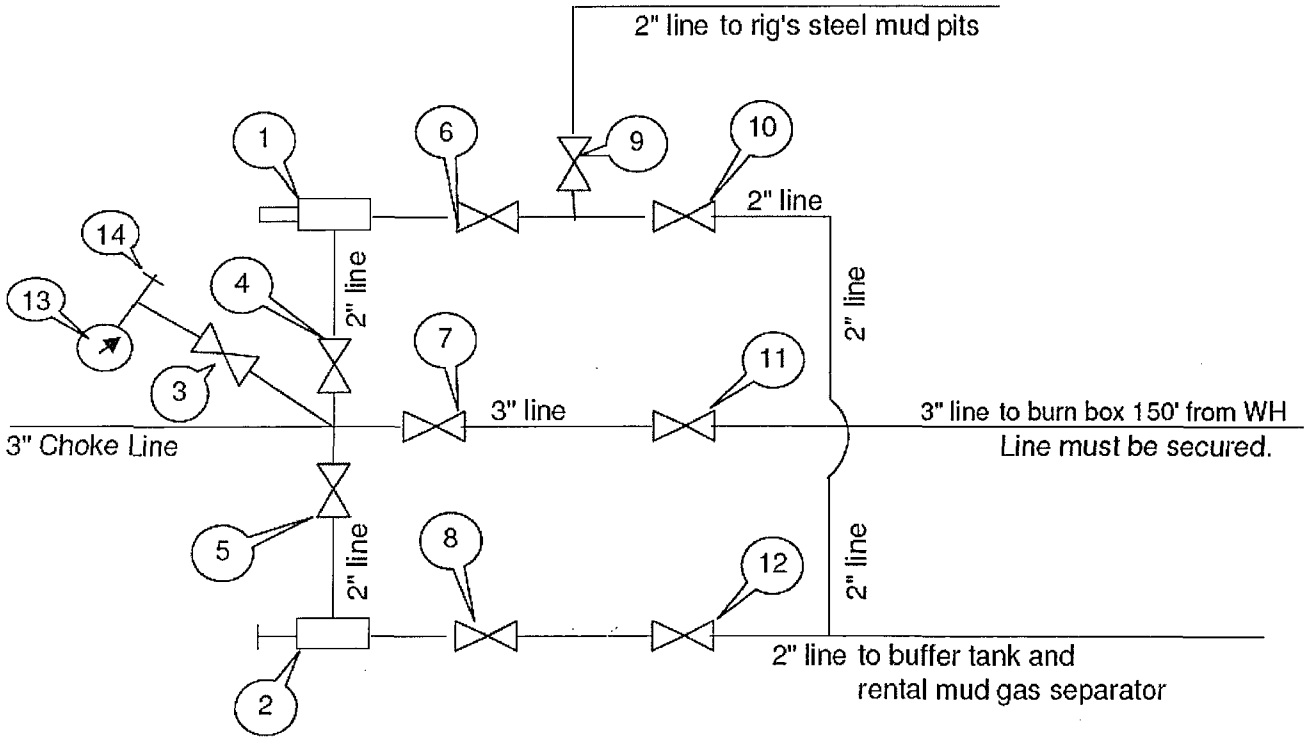
Item	Description
1	Rotating Head, 11"
2A	Fill up Line and Valve
2B	Flow Line (10")
2C	Shale Shakers and Solids Settling Tank
2D	Cuttings Bins for Zero Discharge
2E	Rental Mud Gas Separator with vent line to flare and return line to mud system
3	Annular BOP (11", 3M)
4	Double Ram (11", 3M, equipped with 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

Attachment # 2

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

ConocoPhillips

H_2S Contingency Plan

H_2S Contingency Plan Holders:

Attached is an H_2S 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 Samarripa at ConocoPhillips Company, 432.368.1263.

Table of Contents

Section

ConocoPhillips

HYDROGEN SULFIDE (H_2S) 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 H_2S 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 H_2S release. Release of H_2S 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 H_2S 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 H_2S radius of exposure (ROE). All manned barricades must be equipped with an H_2S 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 H_2S. 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 H_2S 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. 432.580.3770
H_2S monitors
Breathing air includes cascade systems
First aid and medical supplies
Safety equipment
H2S Specialist

Total Safety US Odessa, Tx/ Hobs, NM 432.561.5049 Odessa, Tx.
575.392.2973 Hobbs, NM
H_2S monitors
Breathing air includes cascade systems
Fire fighting equipment
First aid and medical supplies
Safety equipment

Indian Fire & Safety – Hobbs, NM 575.393.3093
H_2S 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 H_2S 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 H_2S areas shall have received training on the hazards, characteristics, and properties of H_2S, and on procedures and safety equipment applicable for use in H_2S 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 if 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. "Cottton" 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 Office: 575.393.6161
P. O. Box 1980
Hobbs, New Mexico 88240-1980

Bureau of Land Mngt.
Carlsbad Field Office Office: 575.234.5972
620 E. Greene St. Fax: 575.885.9264
Carlsbad, NM 88220 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 H_2S. 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. H_2S 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

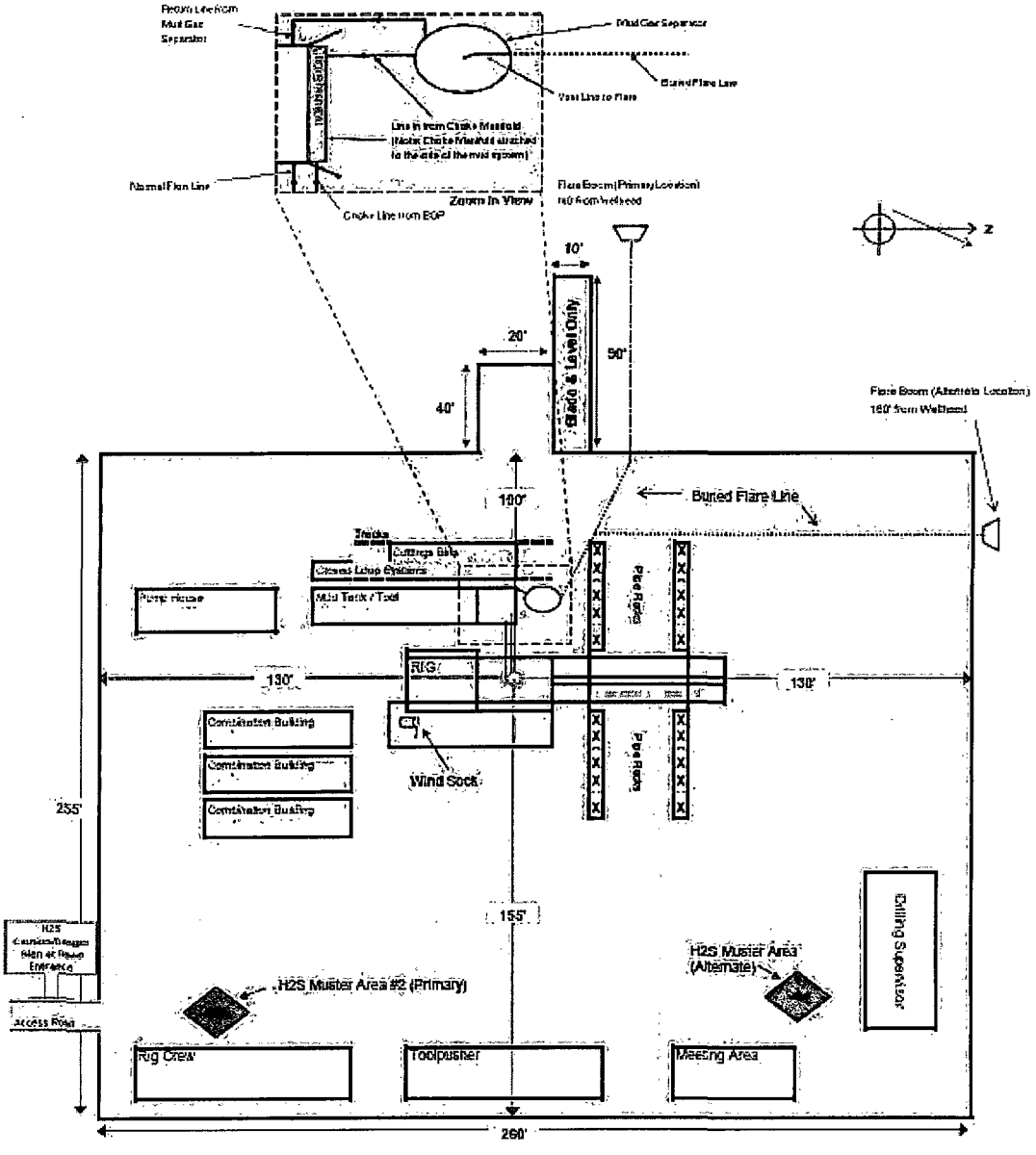
ConocoPhillips

Location Schematic and Rig Layout
for Closed Loop System

(PICTURE NOT TO SCALE)

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

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



Request for Variance

ConocoPhillips Company
Lease Number: USA LC 058395
Well: SC Federal #11
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

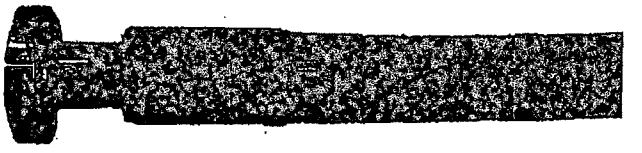
Contact Information:

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

Attachment # 1

RELIANCE
Industrial Products USA, Ltd.

RELIANCE



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

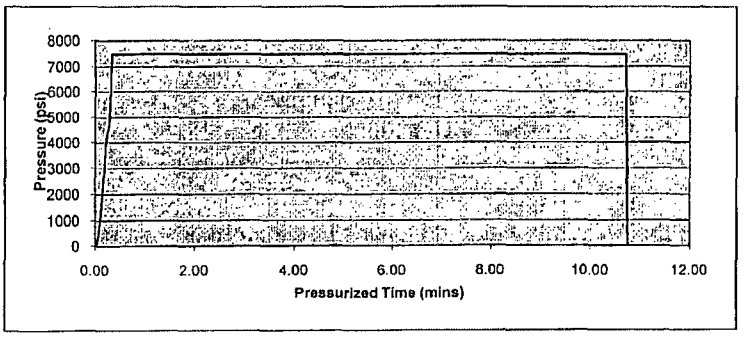
Fittings	Flanges	Hammer Unions	Other
RC4X5055	R35 - 3-1/8 5000# API Type 6B	All Union Configurations	LP Threaded Connectio
RC3X5055	R31 - 3-1/8 3000# API Type 6B		Graylock
RC4X5575			Custom Ends

Attachment # 2

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	Cert No.:	27792
P.O. #:	RIG 822	Date:	9/21/2012
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		



Conducted By: FLORES M,
Test Technician

☑ Acceptable
☐ Not Acceptable

Changes to the Approved Surface Use Plan of Operations

The following changes are respectfully requested. No additional surface disturbance is needed for pad construction. Approximately 48' of road is needed for access.

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 3550' 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 168' 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.

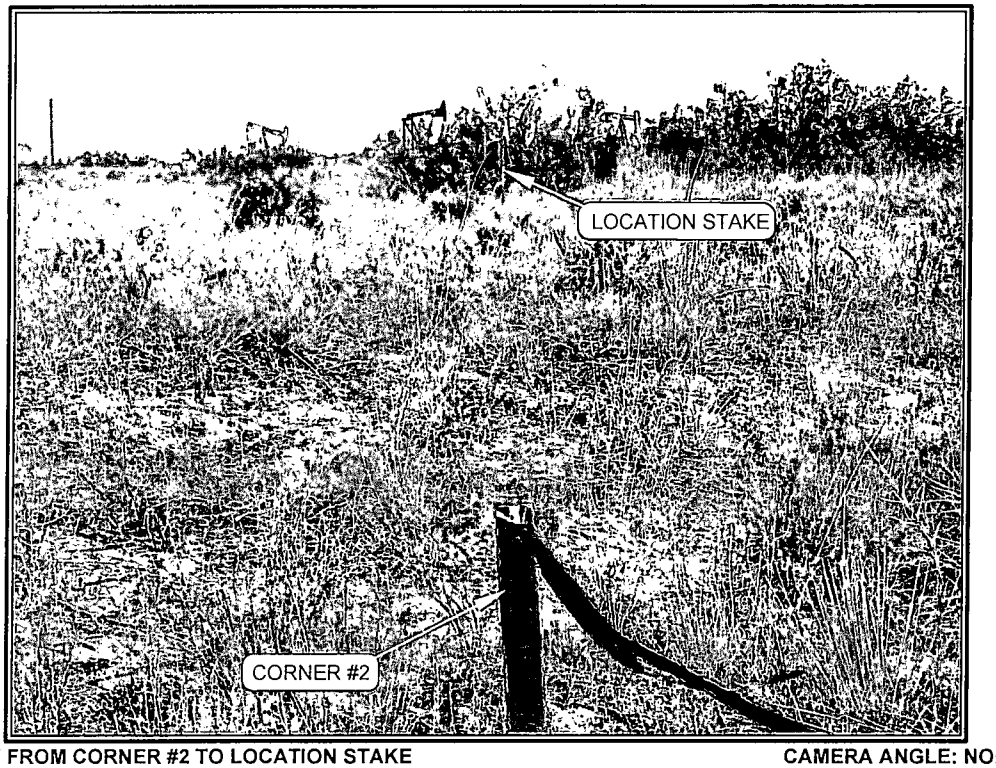


PHOTO: VIEW FROM CORNER #2 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

PHOTO: VIEW FROM BEGINNING OF THE PROPOSED ACCESS FOR THE MCA UNIT 535

CAMERA ANGLE: NORTHEASTERLY

NOTES:

ConocoPhillips

ConocoPhillips Company

SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

TAKEN BY: J.V.	DRAWN BY: J.C.	REVISED:
DATE: 10-09-13	DATE: 10-14-13	

PHOTO SHEET

UINTAH ENGINEERING & LAND SURVEYING

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

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

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	[2] Pool Code	[3] Pool Name
30-025-40598 (40598)	44500	Maljamar; Yeso West

[4] Property Code	[5] Property Name	[6] Well Number
	SC FEDERAL	11

[7] OGRID No.	[8] Operator Name	[9] Elevation
217817	ConocoPhillips Company	3978'

[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
P	22	17 S	32 E		435	SOUTH	204	EAST	LEA

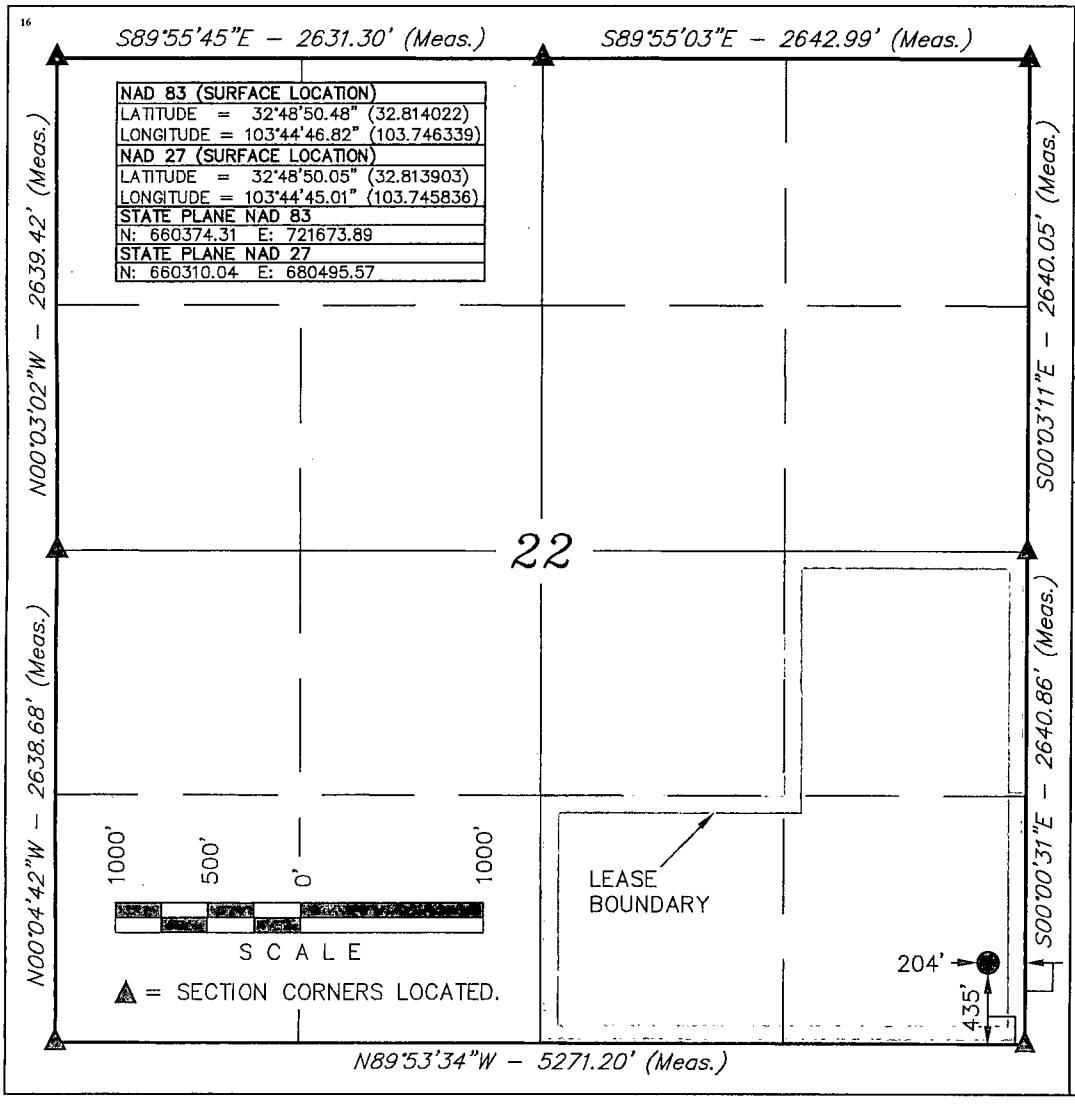
[11] Bottom Hole Location If Different From Surface

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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			

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.

[16]



[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.

September 31, 2013
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number:

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

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

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[4] Property Code	[5] Property Name	[6] Well Number
	SC FEDERAL	11

[7] OGRID No.	[8] Operator Name	[9] Elevation
217817	ConocoPhillips Company	3978'

[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
P	22	17 S	32 E		435	SOUTH	204	EAST	LEA

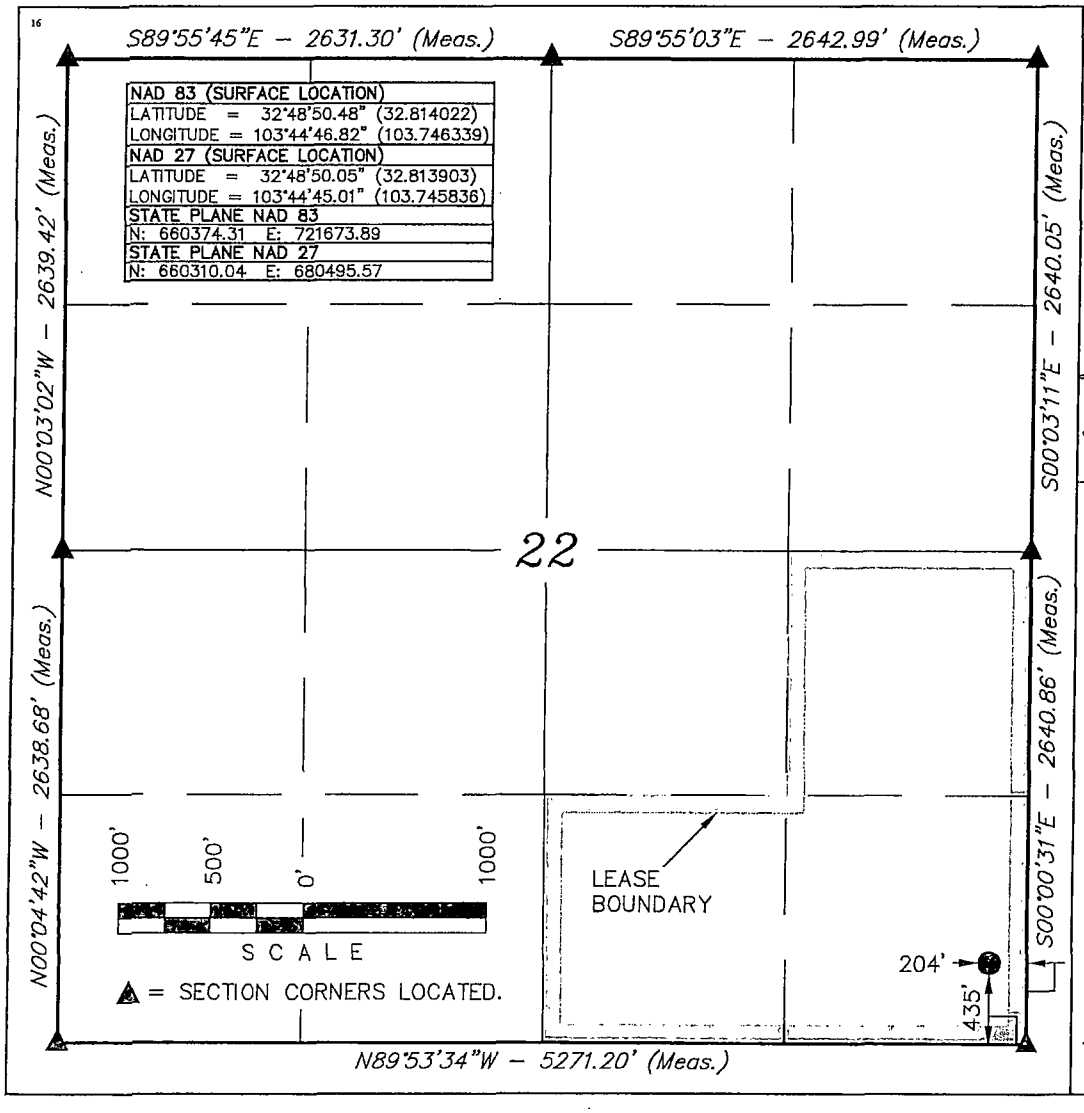
[11] Bottom Hole Location If Different From Surface

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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			

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.

[16]



[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

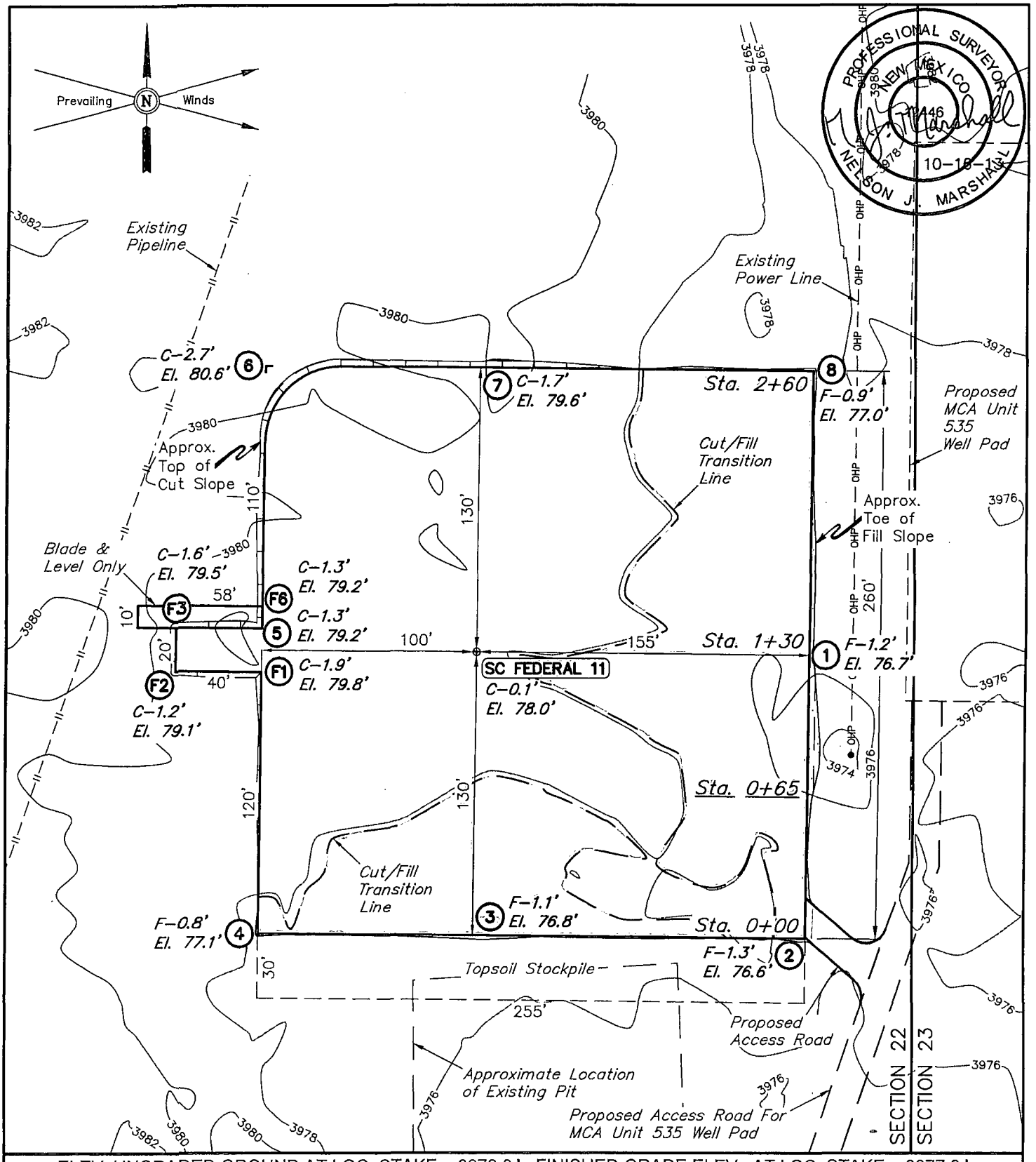
[18] SURVEYOR CERTIFICATION

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.

September 31, 2013
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number:



ELEV. UNGRADED GROUND AT LOC. STAKE = 3978.0' FINISHED GRADE ELEV. AT LOC. STAKE = 3977.9'

NOTES:

- Flare pit is to be located a min. of 100' from the well head.
- Round corners at 35' radius or as needed.
- Construct diversion ditches as needed.
- Underground utilities shown on this sheet are for visualization purposes only, actual locations to be determined prior to construction.

ConocoPhillips

ConocoPhillips Company

SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

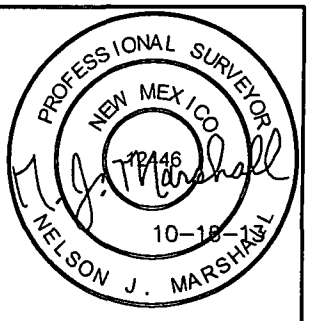
DRAWN BY: J.S.	SCALE: 1" = 60'	
DATE: 10-03-13	REVISED:	

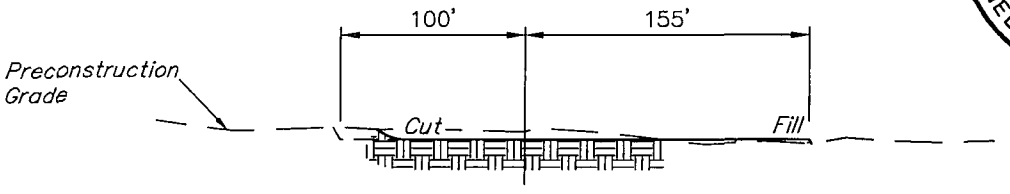
LOCATION LAYOUT FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING

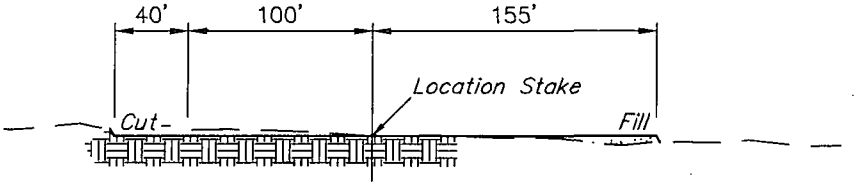
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

1" = 40'
X-Section Scale
1" = 100'

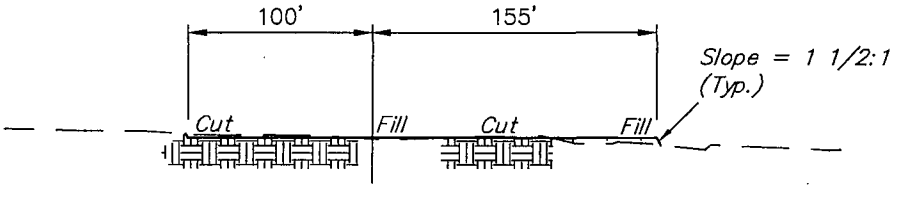




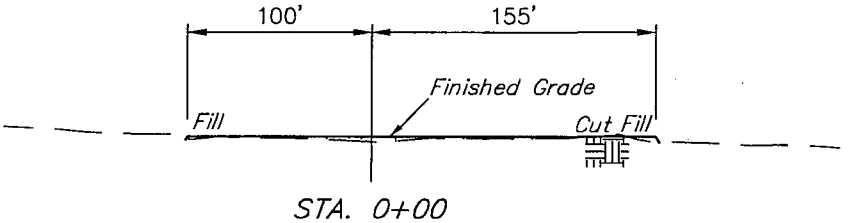
STA. 2+60



STA. 1+30



STA. 0+65



STA. 0+00

APPROXIMATE EARTHWORK QUANTITIES	
(4") TOPSOIL STRIPPING	850 Cu. Yds.
REMAINING LOCATION	1,170 Cu. Yds.
TOTAL CUT	**2,020 Cu. Yds.**
FILL	**1,170 Cu. Yds.**
EXCESS MATERIAL	850 Cu. Yds.
TOPSOIL	850 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	**0 Cu. Yds.**

APPROXIMATE SURFACE DISTURBANCE AREAS		
	DISTANCE	**ACRES**
WELL SITE DISTURBANCE	N/A	±1.760
20' WIDE ACCESS ROAD R-O-W DISTURBANCE	±47.92'	±0.022
6' WIDE PIPELINE R-O-W DISTURBANCE	±3550.22'	±0.489
10' WIDE POWER LINE R-O-W DISTURBANCE	±167.84'	±0.039
TOTAL SURFACE USE AREA	**±3765.98'**	**±2.310**

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

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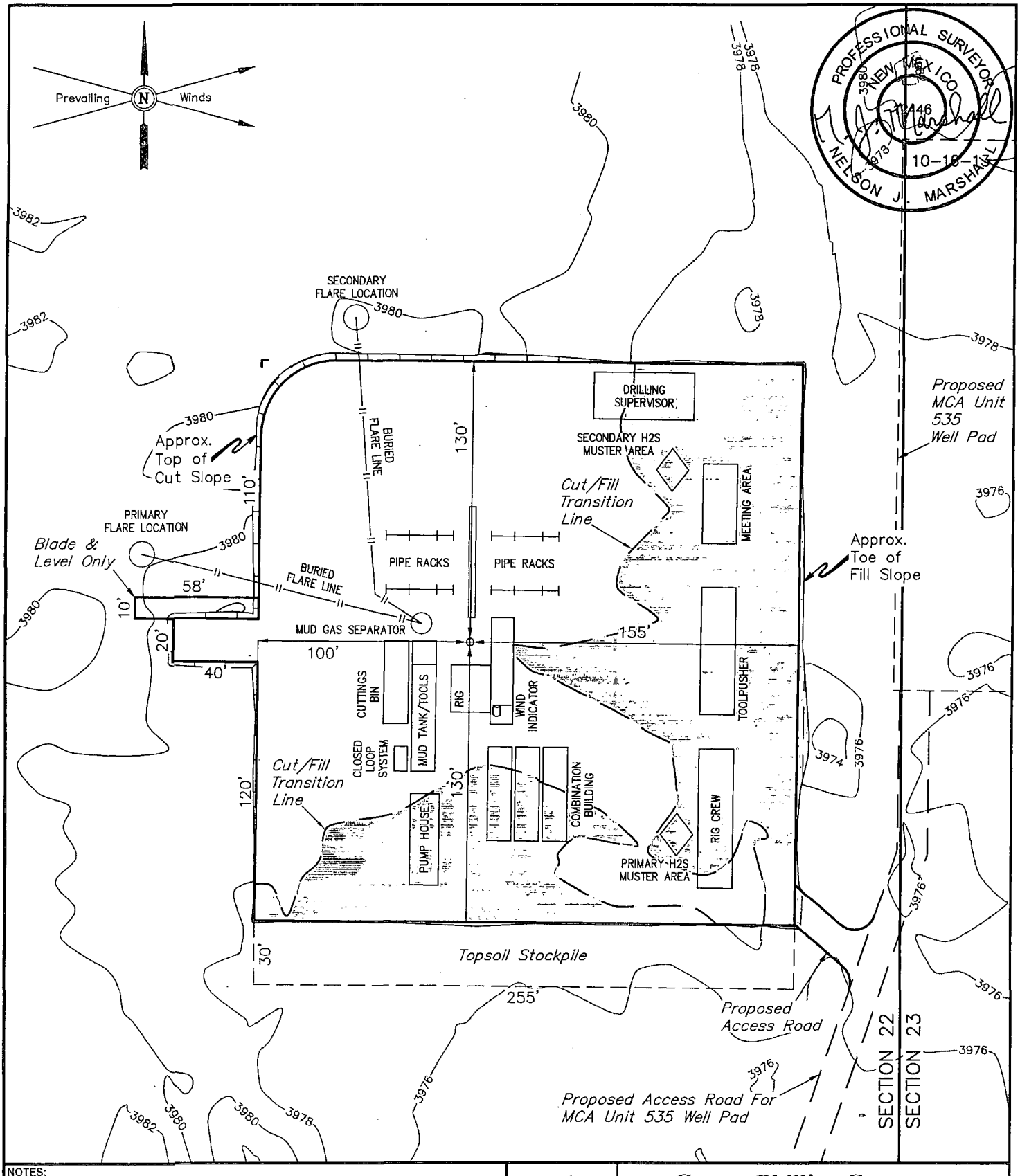
SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

UINTAH ENGINEERING & LAND SURVEYING
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

DRAWN BY: J.S.	SCALE: AS SHOWN	
DATE: 10-03-13	REVISED:	

TYPICAL CROSS SECTIONS | **FIGURE #2**



NOTES:

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

ConocoPhillips

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SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

DRAWN BY: J.S.	SCALE: 1" = 60'	
DATE: 10-03-13	REVISED:	

TYPICAL RIG LAYOUT | **FIGURE #3**

UINTAH ENGINEERING & LAND SURVEYING

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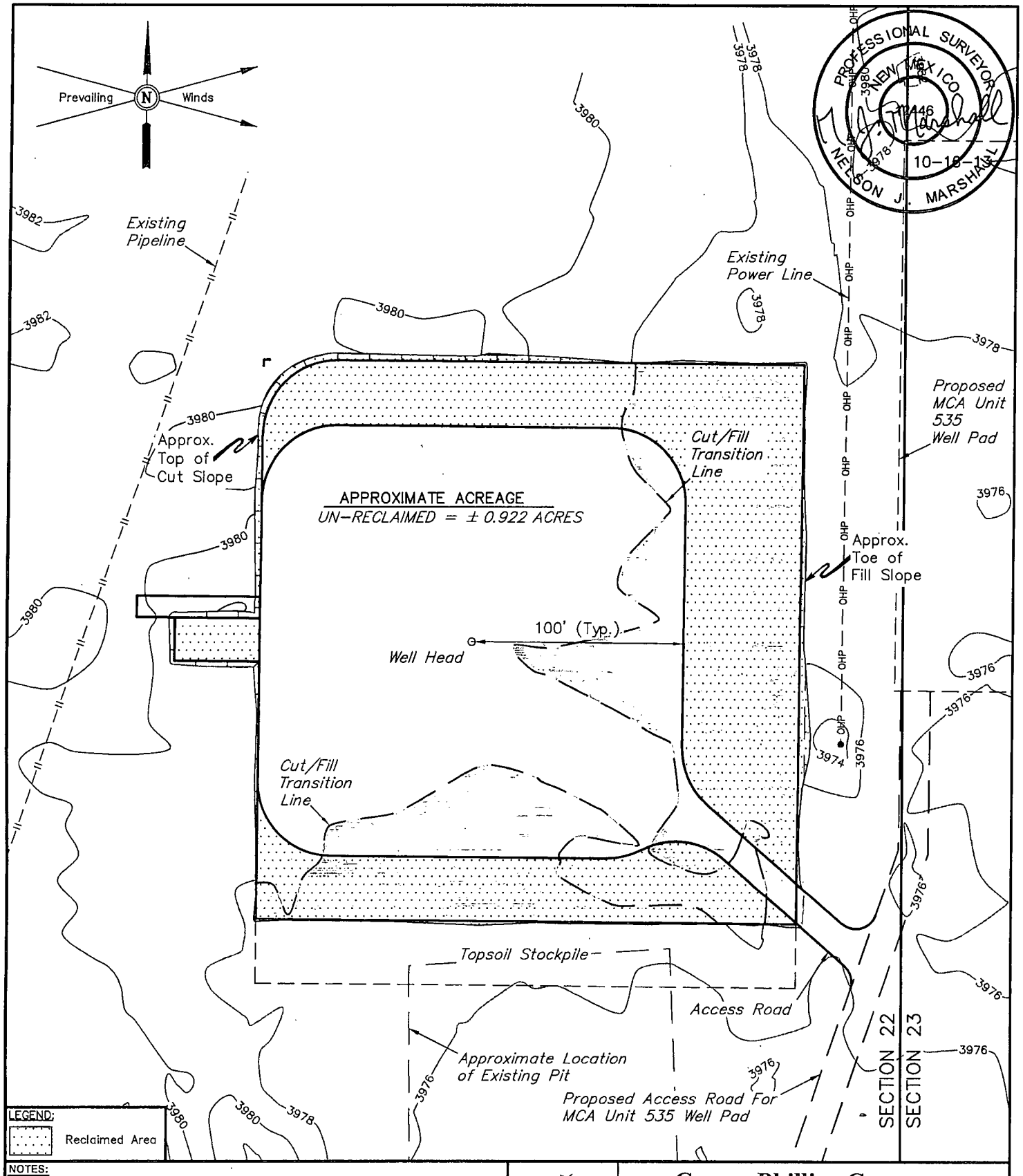
Vernal, UT 84078 * (435) 789-1017



NOTES:

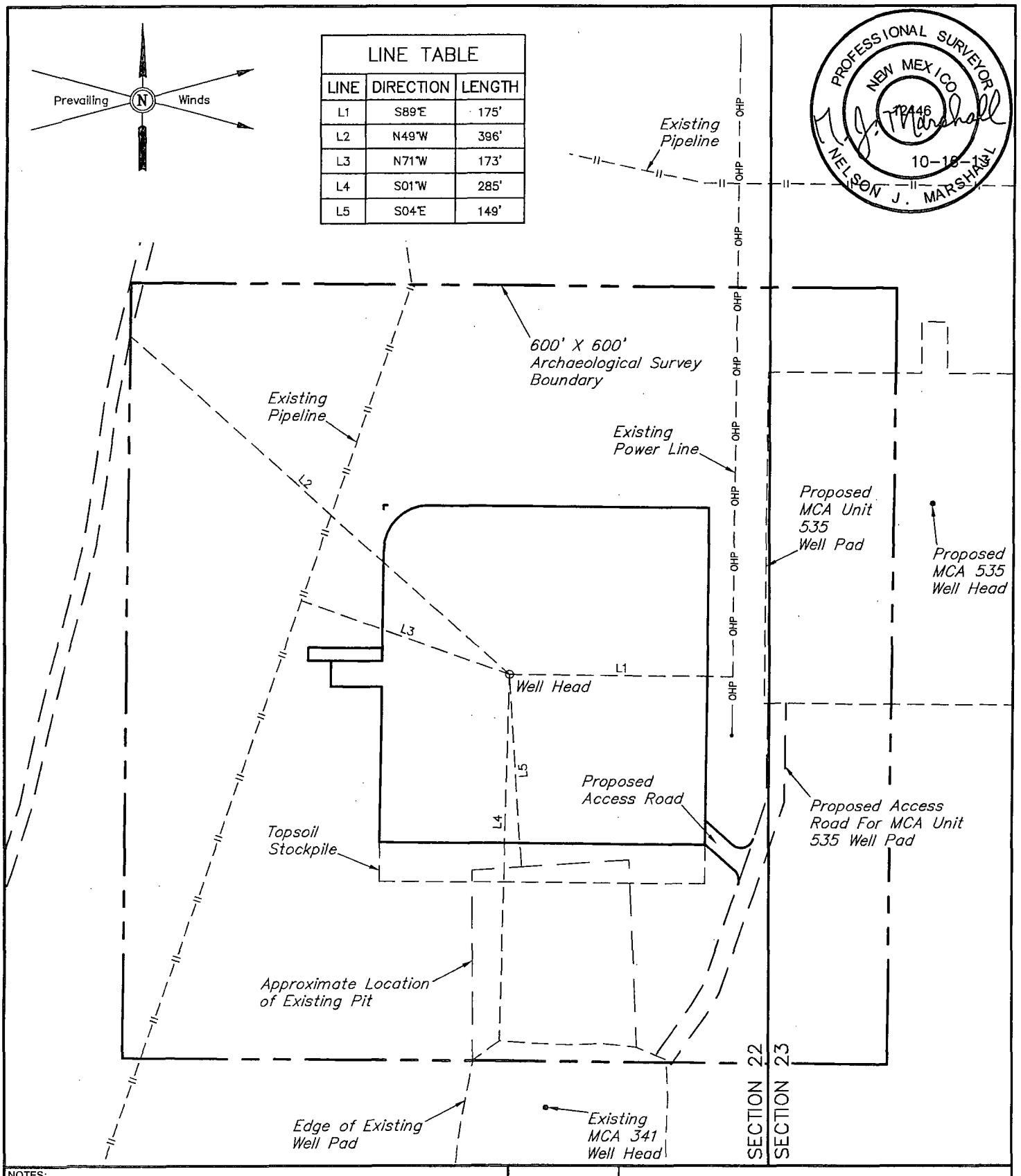
ConocoPhillips Company

SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

DRAWN BY: J.S.	SCALE: 1" = 60'	
DATE: 10-03-13	REVISED:	

RECLAMATION DIAGRAM | FIGURE #4

UINTAH ENGINEERING & LAND SURVEYING
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



NOTES:

ConocoPhillips Company

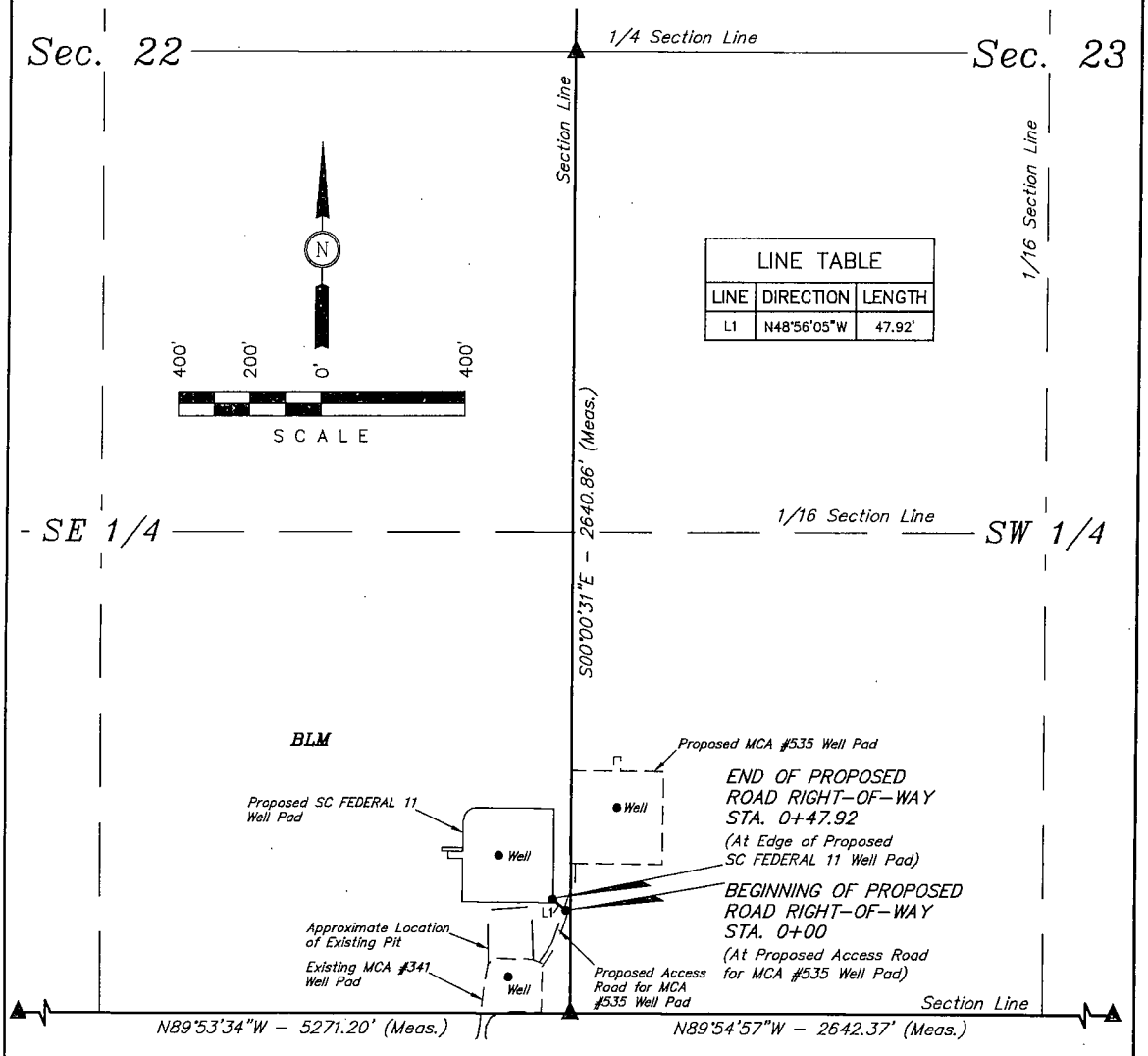
SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

UINTAH ENGINEERING & LAND SURVEYING

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

DRAWN BY: J.S.	SCALE: 1" = 100'	
DATE: 10-03-13	REVISED:	

ARCHAEOLOGICAL SURVEY BOUNDARY — FIGURE #5



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 SE 1/4 SE 1/4 OF SECTION 22, T17S, R32E, N.M.P.M., WHICH BEARS N02°46'37"W 282.45' FROM THE SOUTHEAST CORNER OF SAID SECTION 22, THENCE N48°56'05"W 47.92' TO A POINT IN THE SE 1/4 SE 1/4 OF SAID SECTION 22, WHICH BEARS N09°01'33"W 317.53' FROM THE SOUTHEAST 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 0.022 ACRES MORE OR LESS.

BEGINNING OF ROAD STA. 0+00 BEARS N02°46'37"W 282.45' FROM THE SOUTHEAST CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

END OF ROAD STA. 0+47.92 BEARS N09°01'33"W 317.53' FROM THE SOUTHEAST CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

RIGHT-OF-WAY LENGTHS			
DESCRIPTION	FEET	ACRES	RODS
SE 1/4 SEC 22	47.92	0.022	2.90

▲ = SECTION CORNERS LOCATED.

CERTIFICATE

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.

NELSON J. MARSHALL — 12446 — PROFESSIONAL SURVEYOR — NEW MEXICO

NELSON J. MARSHALL
REGISTERED LAND SURVEYOR
REGISTRATION NO. 12446
STATE OF NEW MEXICO

10-16-13

NOTES:

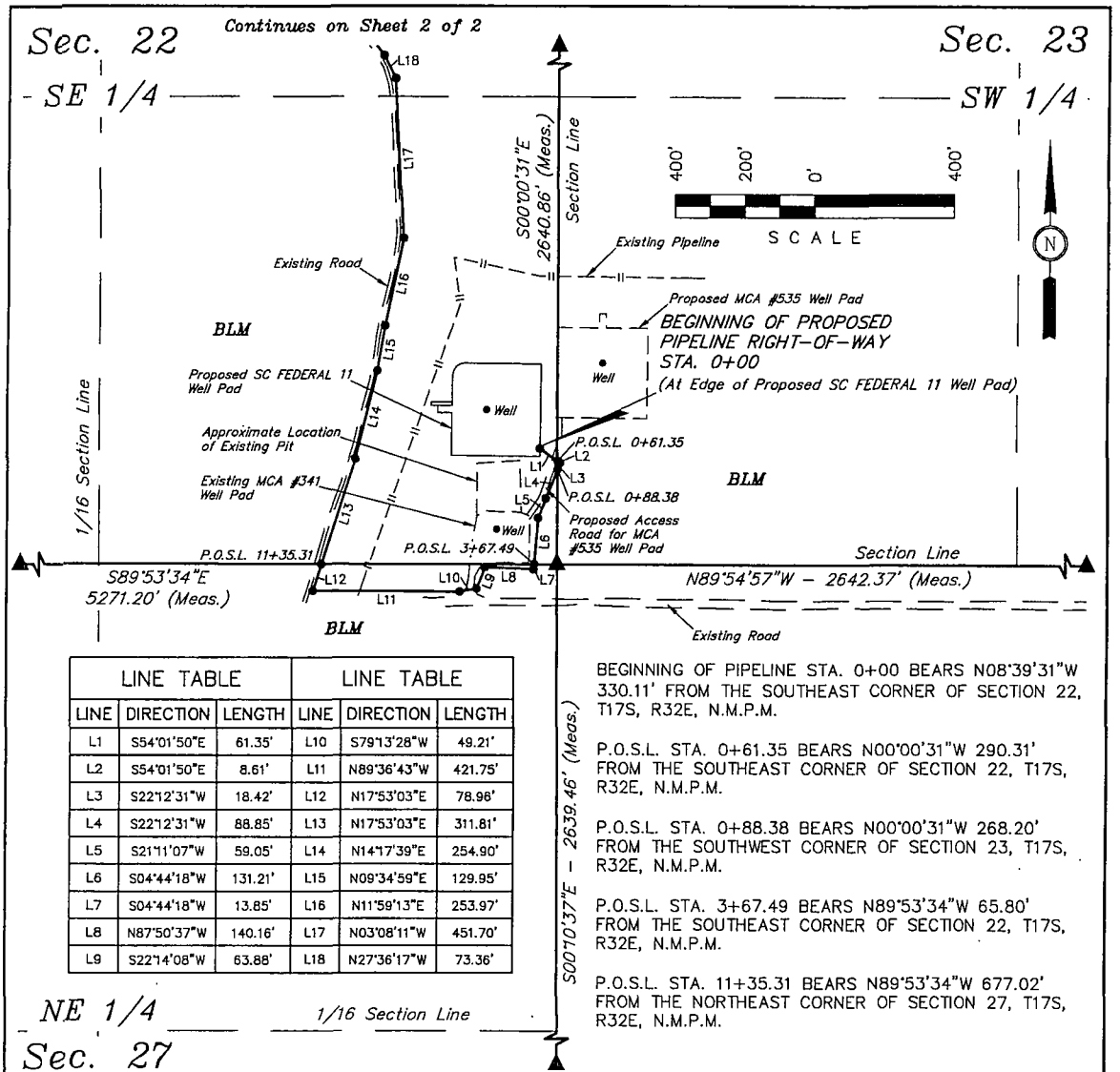
ConocoPhillips Company

SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

DRAWN BY: J.S.	SCALE: 1" = 400'	
DATE: 10-03-13	REVISED:	

ACCESS ROAD R-O-W — FIGURE #6

UINTAH ENGINEERING & LAND SURVEYING
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



LINE TABLE			LINE TABLE		
LINE	DIRECTION	LENGTH	LINE	DIRECTION	LENGTH
L1	S54°01'50"E	61.35'	L10	S79°13'28"W	49.21'
L2	S54°01'50"E	8.61'	L11	N89°36'43"W	421.75'
L3	S22°12'31"W	18.42'	L12	N17°53'03"E	78.96'
L4	S22°12'31"W	88.85'	L13	N17°53'03"E	311.81'
L5	S21°11'07"W	59.05'	L14	N14°17'39"E	254.90'
L6	S04°44'18"W	131.21'	L15	N09°34'59"E	129.95'
L7	S04°44'18"W	13.85'	L16	N11°59'13"E	253.97'
L8	N87°50'37"W	140.16'	L17	N03°08'11"W	451.70'
L9	S22°14'08"W	63.88'	L18	N27°36'17"W	73.36'

BEGINNING OF PIPELINE STA. 0+00 BEARS N08°39'31"W 330.11' FROM THE SOUTHEAST CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

P.O.S.L. STA. 0+61.35 BEARS N00°00'31"W 290.31' FROM THE SOUTHEAST CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

P.O.S.L. STA. 0+88.38 BEARS N00°00'31"W 268.20' FROM THE SOUTHWEST CORNER OF SECTION 23, T17S, R32E, N.M.P.M.

P.O.S.L. STA. 3+67.49 BEARS N89°53'34"W 65.80' FROM THE SOUTHEAST CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

P.O.S.L. STA. 11+35.31 BEARS N89°53'34"W 677.02' FROM THE NORTHEAST CORNER OF SECTION 27, 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 SE 1/4 SE 1/4 OF SECTION 22, T17S, R32E, N.M.P.M., WHICH BEARS N08°39'31"W 330.11' FROM THE SOUTHEAST CORNER OF SAID SECTION 22, THENCE S54°01'50"E 61.35' TO A POINT ON THE EAST LINE OF THE SE 1/4 SE 1/4 OF SAID SECTION 22, WHICH BEARS N00°00'31"W 290.31' FROM THE SOUTHEAST CORNER OF SAID SECTION 22, THENCE S54°01'50"E 8.61'; THENCE S22°12'31"W 18.42' TO A POINT ON THE WEST LINE OF THE SW 1/4 SW 1/4 OF SECTION 23, T17S, R32E, N.M.P.M., WHICH BEARS N00°00'31"W 268.20' FROM THE SOUTHWEST CORNER OF SAID SECTION 23, THENCE S22°12'31"W 88.85'; THENCE S21°11'07"W 59.05'; THENCE S04°44'18"W 131.21' TO A POINT ON THE SOUTH LINE OF THE SE 1/4 SE 1/4 OF SAID SECTION 22, WHICH BEARS N89°53'34"W 65.80' FROM THE SOUTHEAST CORNER OF SAID SECTION 22, THENCE S04°44'18"W 13.85'; THENCE N87°50'37"W 140.16'; THENCE S22°14'08"W 63.88'; THENCE S79°13'28"W 49.21'; THENCE N89°36'43"W 421.75'; THENCE N17°53'03"E 78.96' TO A POINT ON THE NORTH LINE OF THE NE 1/4 NE 1/4 OF SECTION 27, T17S, R32E, N.M.P.M., WHICH BEARS N89°53'34"W 677.02' FROM THE NORTHEAST CORNER OF SAID SECTION 27, THENCE N17°53'03"E 311.81'; THENCE N14°17'39"E 254.90'; THENCE N09°34'59"E 129.95'; THENCE N11°59'13"E 253.97'; THENCE N03°08'11"W 451.70'; THENCE N27°36'17"W 73.36'; THENCE N37°18'27"W 164.30'; THENCE N22°59'19"W 47.30'; THENCE N16°52'02"W 82.37'; THENCE N08°08'33"W 161.88'; THENCE N70°25'42"W 49.55'; THENCE S88°22'26"W 357.99'; THENCE S00°01'49"E 75.83' TO A POINT IN THE NE 1/4 SE 1/4 OF SAID SECTION 22, WHICH BEARS S51°16'26"W 1373.63' 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 0.489 ACRES MORE OR LESS.

RIGHT-OF-WAY LENGTHS			
DESCRIPTION	FEET	ACRES	RODS
SE 1/4 SEC 22	2755.37	0.380	166.99
SW 1/4 SEC 23	27.03	0.004	1.64
NE 1/4 SEC 27	767.82	0.106	46.53
TOTAL ON BLM	3550.22	0.489	215.16

CERTIFICATE OF 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.

NEW MEXICO 12446 PROFESSIONAL SURVEYOR

REGISTERED LAND SURVEYOR
REGISTRATION NO. 12446
STATE OF NEW MEXICO

10-16-13

▲ = SECTION CORNERS LOCATED.

SHEET 1 of 2

NOTES:

ConocoPhillips

ConocoPhillips Company

SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

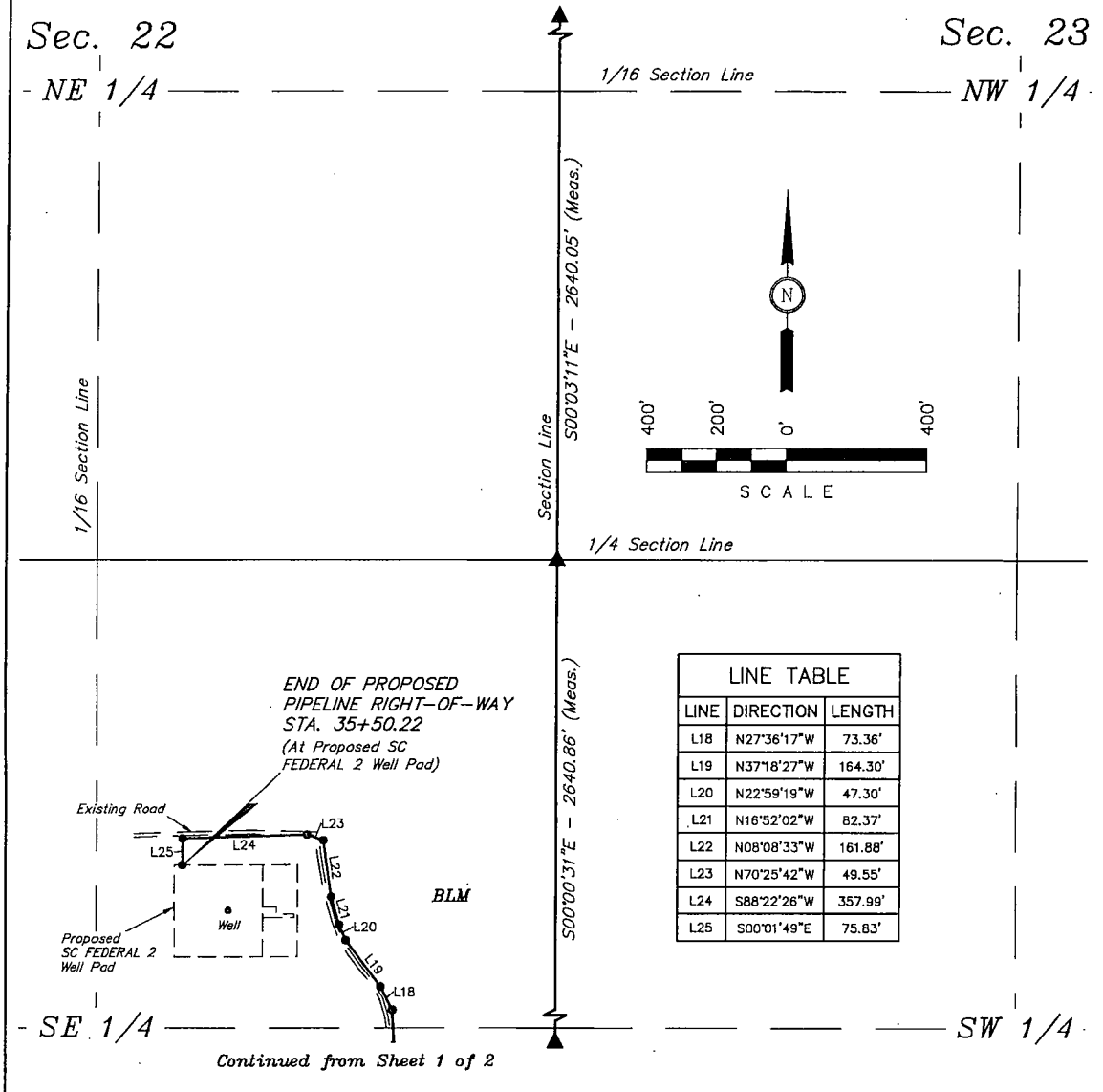
UINTAH ENGINEERING & LAND SURVEYING

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

DRAWN BY: J.S.	SCALE: 1" = 400'	
DATE: 10-03-13	REVISED:	

PIPELINE R-O-W

FIGURE #7A



LINE TABLE		
LINE	DIRECTION	LENGTH
L18	N27°36'17"W	73.36'
L19	N37°18'27"W	164.30'
L20	N22°59'19"W	47.30'
L21	N16°52'02"W	82.37'
L22	N08°08'33"W	161.88'
L23	N70°25'42"W	49.55'
L24	S88°22'26"W	357.99'
L25	S00°01'49"E	75.83'

Continued from Sheet 1 of 2

END OF PIPELINE STA. 35+50.22 BEARS S51°16'26"W 1373.63' FROM THE EAST 1/4 CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

CERTIFICATE

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.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 12446
STATE OF NEW MEXICO

10-16-13

▲ = SECTION CORNERS LOCATED.

SHEET 2 of 2

NOTES:

ConocoPhillips

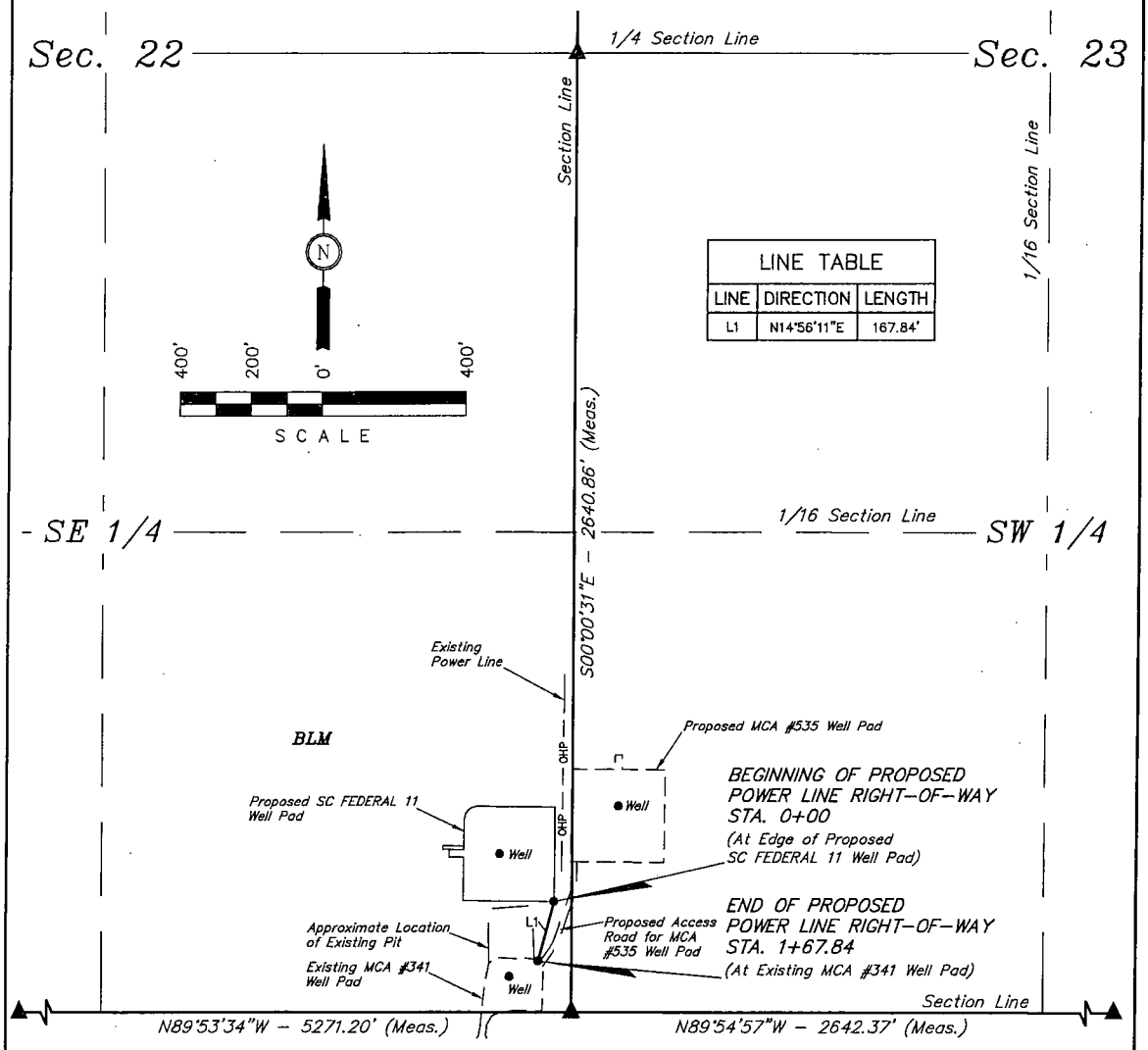
ConocoPhillips Company

SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

DRAWN BY: J.S.	SCALE: 1" = 400'	
DATE: 10-03-13	REVISED:	

PIPELINE R-O-W FIGURE #7B

UINTAH ENGINEERING & LAND SURVEYING
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



POWER LINE RIGHT-OF-WAY DESCRIPTION

A 120' WIDE RIGHT-OF-WAY 5' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE SE 1/4 SE 1/4 OF SECTION 22, T17S, R32E, N.M.P.M., WHICH BEARS N09°19'49"W 307.80' FROM THE SOUTHEAST CORNER OF SAID SECTION 22, THENCE N14°56'11"E 167.84' TO A POINT IN THE SE 1/4 SE 1/4 OF SAID SECTION 22, WHICH BEARS N33°20'53"W 169.47' FROM THE SOUTHEAST 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 0.039 ACRES MORE OR LESS.

BEGINNING OF POWER LINE STA. 0+00 BEARS N09°19'49"W 307.80' FROM THE SOUTHEAST CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

END OF POWER LINE STA. 1+67.84 BEARS N33°20'53"W 169.47' FROM THE SOUTHEAST CORNER OF SECTION 22, T17S, R32E, N.M.P.M.

RIGHT-OF-WAY LENGTHS			
DESCRIPTION	FEET	ACRES	RODS
SE 1/4 SEC 22	167.84	0.039	10.17

▲ = SECTION CORNERS LOCATED.

CERTIFICATE

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.

NEW MEXICO 12446 PROFESSIONAL SURVEYOR — ALAN L. MARSHALL

REGISTERED LAND SURVEYOR
REGISTRATION NO. 12446
STATE OF NEW MEXICO

10-16-13

NOTES:

ConocoPhillips Company

SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

DRAWN BY: J.S. | SCALE: 1" = 400'
DATE: 10-03-13 | REVISED:

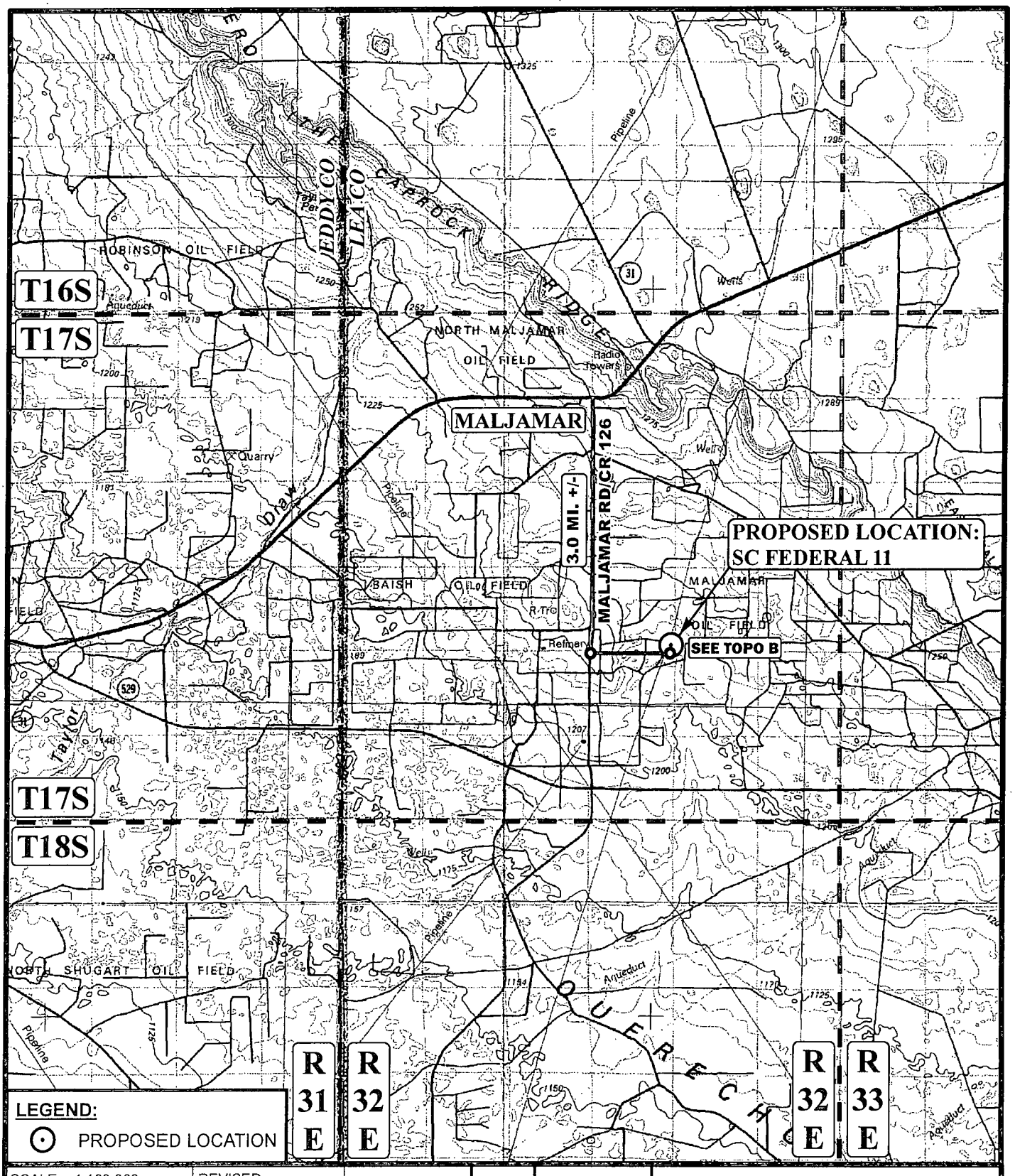
POWER LINE R-O-W | FIGURE #8

UINTAH ENGINEERING & LAND SURVEYING
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

ConocoPhillips Company
SC FEDERAL 11
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 1.0 MILE TO THE JUNCTION OF THIS ROAD AND AN EXISTING ACCESS FOR THE EXISTING MCA UNIT 341 TO THE NORTH; TURN LEFT AND PROCEED IN A NOTHERLY DIRECTION APPROXIMATELY 122' TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE MCA UNIT 535 PAD TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 154' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION 48' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM MALJAMAR, NEW MEXICO TO THE PROPOSED LOCATION IS APPROXIMATELY 4.1 MILES.



LEGEND:

⊙ PROPOSED LOCATION

SCALE: 1:100,000	REVISED:	
DRAWN BY: J.C.		
DATE DRAWN: 10-02-13		

N

UINTAH ENGINEERING & LAND SURVEYING

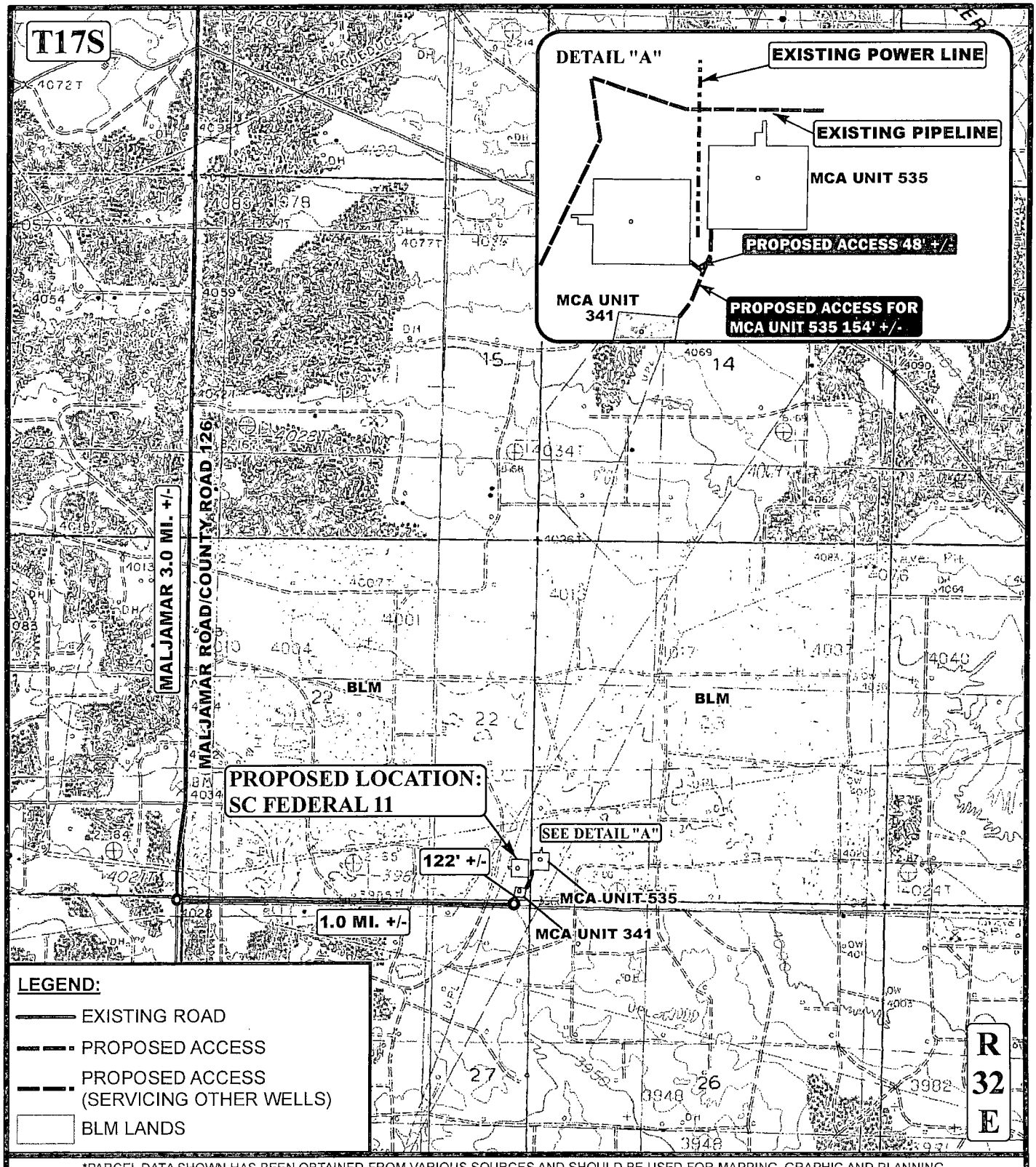
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

ConocoPhillips

ConocoPhillips Company

SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

ACCESS ROAD MAP TOPO A



*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: 10-02-13		

N

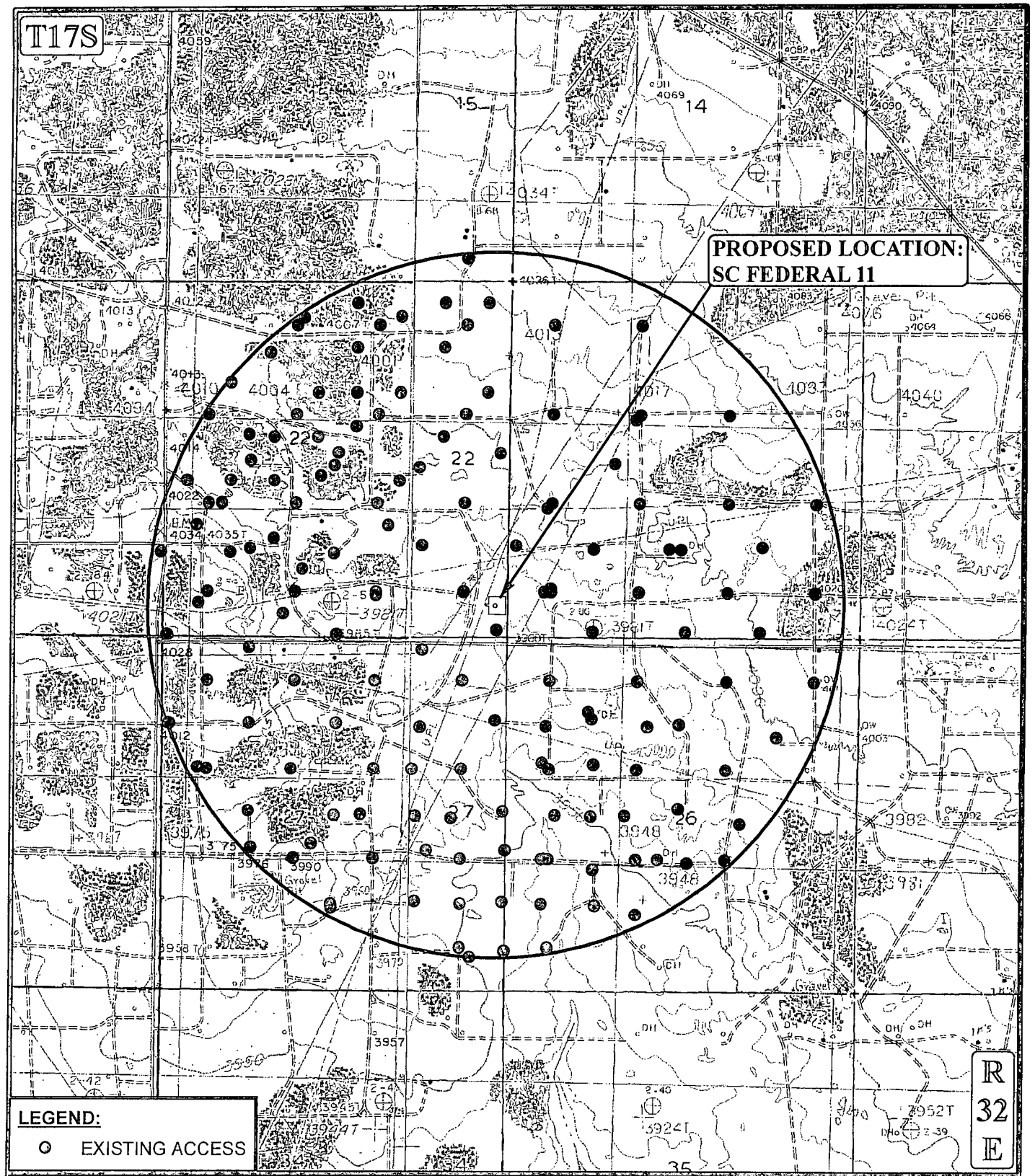
ConocoPhillips Company

SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

UINTAH ENGINEERING & LAND SURVEYING

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

ACCESS ROAD MAP TOPO B



LEGEND:

⊙ EXISTING ACCESS

SCALE: 1" = 2000'	REVISED:	
DRAWN BY: J.C.		
DATE DRAWN: 10-03-2013		

N

ConocoPhillips | **ConocoPhillips Company**

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TOPOGRAPHIC MAP | TOPO C

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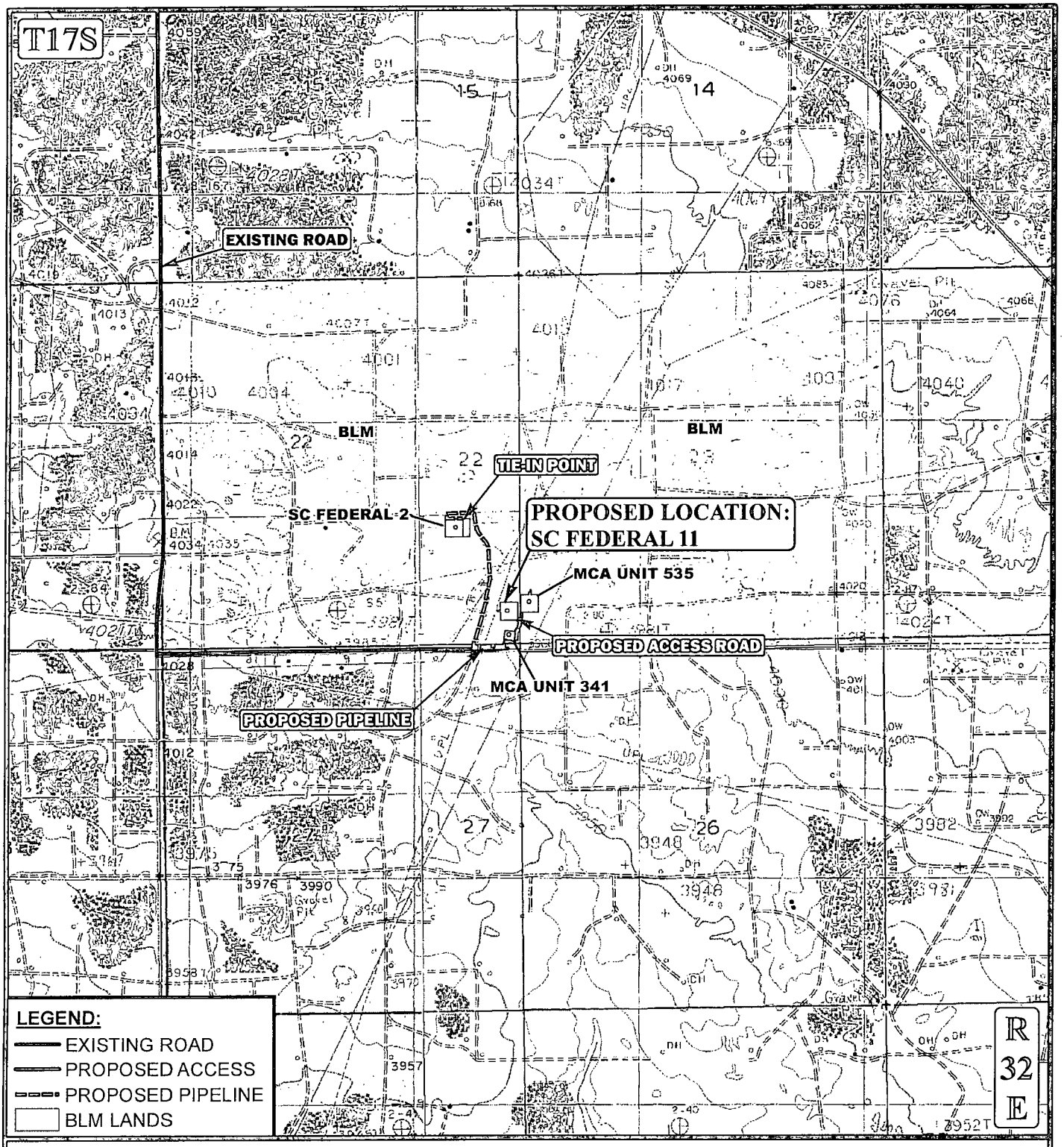

APPROXIMATE TOTAL PIPELINE DISTANCE 3,550' +/-

*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: 10-03-13		

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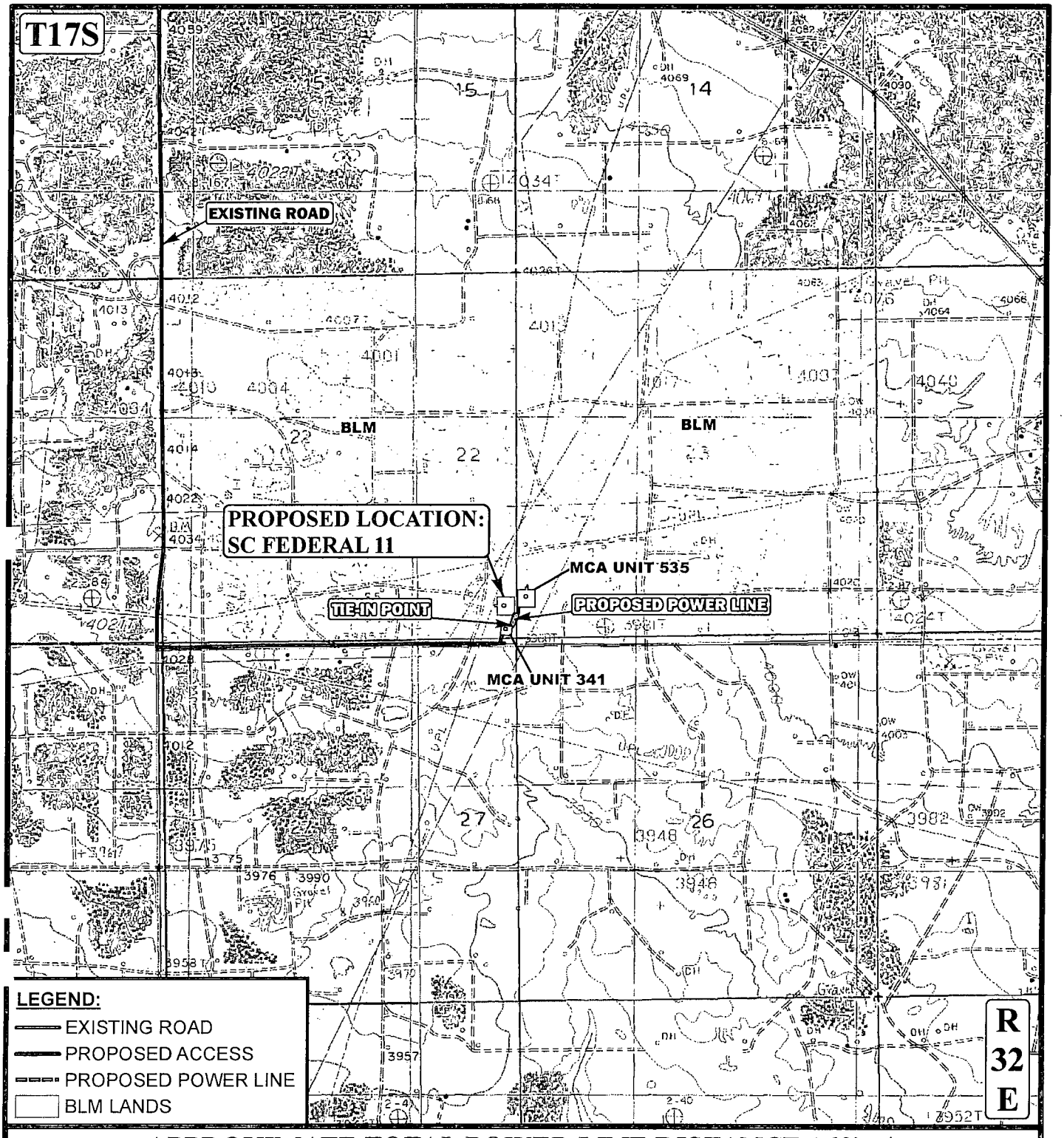
SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

PIPELINE MAP | TOPO D

UINTAH ENGINEERING & LAND SURVEYING
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



APPROXIMATE TOTAL POWER LINE DISTANCE 168' +/-

*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:	
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DATE DRAWN: 10-15-13		

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SC FEDERAL 11
SECTION 22, T17S, R32E, N.M.P.M.
435' FSL 204' FEL

POWER LINE MAP | TOPO E

UINTAH ENGINEERING & LAND SURVEYING
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	ConocoPhillips Co.
LEASE NO.:	LC058395
WELL NAME & NO.:	SC Federal 10
SURFACE HOLE FOOTAGE:	940'/ FSL & 1880'/ FEL
LOCATION:	Section 22, T.17 S., R.32 E., NMPM
COUNTY:	Lea County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

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

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 **920** 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.

CRW 011514