

Surface Use Plan of Operations

HOBBS OCD

ConocoPhillips Company
Buck 30 Federal Com W1 3H
316 FNL & 365 FWL (NWNW) of Section 30-26S-32E
Federal Lease No. NMLC 068281B (SHL)
Lea County, New Mexico

AUG 21 2015

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ConocoPhillips Company respectfully requests that this APD be reviewed with other wells in this development; Buck 30 Federal Com W3 1H, Buck 30 Federal Com W2 2H, Buck 30 Federal Com W1 3H & Buck 30 Federal Com W1 4H.

Location was finalized during an onsite conducted December 17, 2013 with BLM staff.

1. Access Road - Existing

A. Directions to Proposed Location:

Beginning at the intersection of Highway 18 and Highway 128 proceed in a westerly, then northwesterly direction from Jal, New Mexico along Highway 128 approximately 30.0 miles to the junction of this road and J-1/Orla road to the south; turn left and proceed in a southerly, then southwesterly direction approximately 13.6 miles to the junction of this road and an existing road to the west; turn right and proceed in a westerly direction approximately 1.1 miles to the junction of this road and an existing road to the south; turn left and proceed in a southerly direction approximately 0.5 miles to the beginning of the proposed access road to the west; follow road flags in a westerly, then northerly direction approximately 279' to the proposed location.

B. Proposed route to location - **See Enclosed Access Road Map.**

C. The existing road will be maintained, including Dust Suppression, in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of this drilling location.

2. Planned Access Roads

A. There will be approximately 279' of new access road with a 30' construction right of way and a minimum travel width of 14'. All is on federal surface. **See Figure 6.**

B. Maximum grade will not exceed 8 percent.

C. There will be no County approach.

D. There will be no low water crossing or culverts.

E. There will be no cattleguard installed on the access road.

F. The proposed access road will be constructed in accordance with roading guidelines established for oil & gas exploration and development activities as referenced in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition and/or BLM Manual Section 9113 concerning road construction activities on projects under federal jurisdiction. Prior to moving in any heavy equipment, the access road will be thoroughly compacted. The access road will be surfaced to the required minimum depth (after compaction).

3. Location of Existing Wells within a One-Mile Radius.

1. All existing wells are identified on Topo C. **See "TOPO C-Enclosed One-Mile Radius Map."**

4. Location of existing and/or Proposed Facilities

A. On the Well Pad:

1. This well will be placed on oil production. A well pad will be constructed to accommodate a 4 well pad.
2. Planned dimensions of the 4 well pad are approximately 549 feet by 350 feet. Our intent is to perform interim reclamation to reduce the pad footprint following initial development phase. Interim reclamation will be done as shown on the enclosed map titled "Reclamation Diagram" on the north, south, east, and west sides of the pad.
3. Top soil will be stored along the north side of the pad.
4. There will be no production equipment on this pad.

AUG 24 2015

B. Utility Corridor:

A. Power:

1. About 8522' of new power line will be installed following the lease road connecting to an existing power source for the proposed well and proposed CTB. **See Enclosed Power Maps.**

B. Pipeline:

1. Production will be through the Buck 19 Central Tank Battery. Produced fluid will utilize a utility corridor for installation of a line to the Buck 19 Central Tank Battery in which approximately 2,095' of a new flow line in a 39ft ROW will be constructed to that facility. The enclosed pipeline survey plat shows new flow lines following lease road(s). The produced fluid line will be 4" Steel, buried, operated up to 1480# PSI, and within BLM specifications to the proposed Buck 19 Central Tank Battery. **See Enclosed Pipeline Map, Flow Line ROW Schematic & Buried Pipe Diagram.**
2. The utility corridor will also be utilized for a 2,095', 2" Steel, buried gas supply line in a 39ft ROW from the Buck 19 Central Tank Battery back to the wellhead on the pad, operated up to 1100# psi, and within BLM specifications. **See Enclosed Pipeline Map, Flow Line ROW Schematic & Buried Pipe Diagram.**
3. The utility corridor for the pipeline will be in a 39' ROW. **See Enclosed Flow Line ROW Schematic and Buried Pipe Diagram.**

C. Water Transfer Lines:

1. Approximately 6 miles of above ground temporary fresh water transfer lines will be installed following the roads during completion operations from the Wilder Frac Pond Sec. 28-26S-32E (previously authorized under the Wilder Federal #1 project) and Buck Frac Pond Sec. 17-26S-32E (previously authorized under the Buck Federal 17 1H project) to the 4 well pad.
2. Above ground temporary water lines will be installed following the roads to transfer produced water from the Buck 19 Central Tank Battery to the 4 wells on the pad during completion operations.

D. Proposed Buck 19 Central Tank Battery Facility

1. A new Central Tank Battery is needed to develop this area. The location is in Section 19, T26S, R32E. **See Enclosed Location Layout**
2. The proposed tank battery pad is 350 feet by 350 feet.
3. This well will be placed on oil production. The production equipment may include but not limited to oil and water tanks.

E. Facilities Paint Color

All above ground existing facilities are painted an earth tone color that blends with the surrounding area. Any proposed new facilities will be painted shale green.

5. Location and Type of Water Supply

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

6. Source of Construction Materials

- A. Any materials needed in addition to what can be used from location and access road will be hauled in from a supplier having a permitted source of materials.
- B. If production is established, any additional construction materials required for the surfacing of the access road and for installation of the production facilities will be purchased from a supplier having a permitted source of materials.

- C. No construction materials will be taken from Federal lands without a prior approval from the appropriate Surface Management Agency.

7. Methods for Handling Waste Disposal

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

8. Ancillary Facilities

The production facilities are discussed under Item 4.

9. Well Site Layout

- A. **See Enclosed Location Layout Plat**
- B. Well Site Layout – **See Enclosed Well Pad Detail.**
- C. There will be no top soil.
- D. There will be a no reserve pit on location. The well will be drilled via a closed loop system and the contents will be taken to an approved disposal site.

10. Plans for Reclamation of the Surface

- A. Interim Reclamation
 1. Interim reclamation will be completed, after well has been drilled, as indicated on the enclosed map titled "Reclamation Diagram" (Figure #4).
 2. If this well is a producer, all site rehabilitation shall be completed within six months. Under normal weather conditions, the timetable for rehab will allow two months for backfill settling and two months to complete final re-contouring, and top-soiling. In the event of winter freeze-up, reclamation will be put on hold as determined by the BLM.
 3. Interim reclamation is to be performed according to BLM standards and currently consists of removing excess caliche (for re-use or disposal at an approved facility), turning the sides to be reclaimed so that sand and topsoil are on the surface and re-contouring. The unused portion of the site will be ripped prior to replacing the topsoil. The soil-banked material will be spread over the area.
- B. Final Reclamation
 1. At such time as the well is abandoned, ConocoPhillips Company will contact the BLM for development of the final rehabilitation plan. Upon abandonment, an erect dry hole marker welded to surface casing four feet below ground level will be installed. It will contain the same information as the well sign as directed by 43 CFR 3162.6 (30 CFR 221.22). The dry

hole marker sealing the casing will have an 1/8" to 1/4" weep hole which will allow pressure to dissipate and make detection of any fluid seepage easier.

2. Caliche will be removed and disposed of in an approved facility. Re-contouring will be performed prior to topsoil being spread over location.
3. Reseeding will be an approved mixture by the BLM. If the broadcast method is utilized, the seed mixture shall be doubled.
4. There shall be no primary or secondary noxious weed seed in the native seed mixture.
5. The entire disturbed location shall be fenced after seeding. When the location has been rehabilitated and vegetation re-established, the fence shall be removed or fenced area reduced as required by the landowner or BLM.
6. Weeds will be controlled on disturbed areas within the exterior limits of the well pad. The control methods will be in accordance with guidelines established by EPA, BLM, state, and local authorities.

C. Other Reclamation Information

1. If this well site is constructed and not drilled, the site and access road will be reclaimed or BLM approved special erosion control measures implemented within 90 days of site construction unless otherwise approved in writing by sundry notice.
2. A pre-work onsite with BLM and ConocoPhillips Company may be held for all phases of reclamation.

11. Surface Ownership

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220

12. Other Information

- A. ConocoPhillips Company may 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 the additional Conditions of Approval provided by the BLM.

Operator Certification

CONOCOPHILLIPS COMPANY

CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application with bond coverage provided by Nationwide Bond ES0085. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

 Date: 05/22/2014
Kristina Mickens
Sr. Regulatory Specialist