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Form 3160-3
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
SHL: NMLC 069515 BHL: EO66220006

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

1a. Type of work: ☑ DRILL ☐ REENTER

ATS-14-1001

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

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No. {313575}
WAR HAMMER 25 FED. COM W1 15H

2. Name of Operator CONOCOPHILLIPS COMPANY {217817}

9. API Well No.
30-025- 43377

3a. Address 600 N. DAIRY ASHFORD ROAD
HOUSTON, TX 77079

3b. Phone No. *(include area code)*
281 206-5282

10. Field and Pool, or Exploratory
WC WOLFCAMP {98081}

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface 316' FNL & 2310' FEL 25-26S-32E
At proposed prod. zone 330' FSL & 2310' FEL 36-26S-32E

11. Sec., T. R. M. or Blk. and Survey or Area
NWNE 25-26S-32E

14. Distance in miles and direction from nearest town or post office*
22 AIR MILES NE OF ORLA, TX & 25 AIR MILES SW OF JAL, NM

12. County or Parish
LEA

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
SHL: 316'
BHL: 330'

16. No. of acres in lease
NMLC-069515: 1,080.00
E066220006: 259.76

17. Spacing Unit dedicated to this well
W2E2 SEC. 25 and NWNE & LOT 2 SEC. 36 = 224.96 ACRES

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
SHL: 33'(WAR 14H,16H)
BHL: 888' (NEMU 55)

19. Proposed Depth
TVD: 12,355' MD: 19,035'

20. BLM/BIA Bond No. on file
ES0085

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3,134' UNGRADED

22. Approximate date work will start*
01/21/2015

23. Estimated duration
3 MONTHS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature Kristina Mickens
Name *(Printed/Typed)* KRISTINA MICKENS
Date 07/30/2014

Title
SENIOR REGULATORY SPECIALIST

Approved by *(Signature)* /s/Cody Layton
Name *(Printed/Typed)*
Date JUL 14 2016

Title FIELD MANAGER
Office CARLSBAD FIELD OFFICE

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

*(Instructions on page 2)

01/26/16

Carlsbad Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

Drilling Program

ConocoPhillips Company

War Hammer 25 Federal COM W1 15H

316' FNL 2310' FEL (SHL)

Sec 25-T26S-R32E

330' FSL 2310' FEL (BHL)

Sec 36-T26S-R32E

Lea County, New Mexico

1. Estimated tops of geological formations:

Geologic Formation at surface: Quaternary

	Formation	TVD (ft)
	Base Fresh Water	300
	Rustler	600
	Top Salt	1050
	Base Salt	4689
*	Cherry Canyon	5671
*	Brushy Canyon	7368
*	Bone Spring Carb	8865
*	Avalon	9071
*	1st Bone Spring	9758
*	2nd Bone Spring	10141
*	3rd Bone Spring	10654
*	Wolfcamp	11835

2. Estimated depth/thickness of freshwater and/or hydrocarbons:

Water:	Fresh water is anticipated above the Rustler at 300' and will be protected by surface casing at 950' and cemented to surface.
Hydrocarbons:	Oil and gas are anticipated in the formations annotated above (*). These zones will be isolated as necessary.

3. Pressure Control Equipment:

*Please see attached BOPE and Choke Manifold Schematic for more detail.

See COA

A 13-5/8" BOP system will be installed and tested prior to drilling out of the surface casing shoe. The BOP system will be utilized to drill the intermediate and production hole sections, and will be tested per BLM Onshore Oil & Gas Order No. 2 per each hole section specified in the final column of the table in section four.

Pressure tests will be conducted at the initial installation of the BOPE and again if needed 30 days from the initial test as per BLM Onshore Oil and Gas Order No. 2. BOPE controls will be installed prior to drilling under the surface casing and will be used until the completion of drilling operations. The intermediate 1 and intermediate 2 string will be tested per 5M working system requirements. The production interval will be tested per 10M working system requirements.

ConocoPhillips Company requests a variance to use a flexible line between the BOP and the choke. The testing and manufacturing specifications for this equipment is attached. The line will be kept as straight as possible with minimum turns.

4. Proposed Casing Program

*All tubulars used for this design will be new.

Hole Size (in)	Casing (in)	Wt/Ft	Grade	Connection	Depth (ft)	Depth (ftTVD)	Depth (ftMD)	BOPE System
17 1/2	13 3/8	54.5	J-55	BTC	0-950	950	950	N/A
12 1/4	9 5/8	40.0	L-80	BTC	0-4825	4825	4825	5M
8 3/4	7 5/8	33.7	P-110	Wedge 523	0-12150	12133	12150	5M
6 5/8	5	21.4	P-110	BTC	0-11650	11650	11650	10M
6 5/8	4 1/2	15.1	P-110	BTC	11650-~~19009~~ 19,035	12355	19009	10M

Prepared By: Jason A. Levinson

Drilling Program
ConocoPhillips Company
War Hammer 25 Federal COM W1 15H
316' FNL 2310' FEL (SHL)
Sec 25-T26S-R32E
330' FSL 2310' FEL (BHL)
Sec 36-T26S-R32E
Lea County, New Mexico

Minimum casing design factors: Burst 1.0, Collapse:1.125, Tensile Strength 1.6 dry / 1.8 buoyant

Hole Size (in)	Casing (in)	Burst	Collapse	Tension	Thread & Cplg. OD (in)	Minimum Clearance (in)
17 1/2	13 3/8	6.07	2.51	20.39	14.375	1.5625
12 1/4	9 5/8	2.18	1.17	5.84	10.625	0.8125
8 3/4	7 5/8	1.85	1.34	3.12	7.775	0.4875
6 5/8	5	1.80	2.32	3.33	5.563	0.5310
6 5/8	4 1/2	1.80	1.79	3.37	5.000	0.8125

5. Proposed Cementing Program

		Volume (sx)	Type	Weight (ppg)	Yield (ft3/sx)	Water (Gal/sx)	Excess	Cement Top
Surface	*Lead*	530	Class C	13.5	1.73	9.14	100%	Surface
	Tail	310	Class C	14.8	1.35	6.39	100%	650ft
Additives (BWOB): 4% Extender, 2% CaCl2, 0.125 lb/sx LCM, 0.2% Anti-Foam								
Intermediate 1	*Lead*	1430	Class C	12.9	1.97	10.88	100%	Surface
	Tail	380	Class C	14.8	1.35	6.19	100%	4325ft
Additives (BWOB): 4% Extender, 2% CaCl2, 0.125 lb/sx LCM, 0.2% Anti-Foam								
Intermediate 2	*Lead*	430	Tuned Light	9.5	3.45	14.38	100%	4325ft
	Tail	140	Class C	13.2	1.61	8.20	100%	11650ft
Additives (BWOB): 0.4% Dispersant, 1 lb/sx Salt, 0.1% Retarder, 0.5% Fluid Loss, 3 lb/sx LCM								
Production	*Lead*							
	Tail	570	Class H	15.0	2.61	6.00	30%	11650ft
Additives (BWOB): 0.4% Retarder, 0.2% Anti-foam, 0.7 Anti-gelling, 0.4% Fluid Loss, 2% Expanding Agent, 5.0% Silica								

6. Proposed Fluids Program

Depth (ft)			Type	Mud Weight (ppg)	Viscosity	Fluid Loss
0	to	950	Spud Mud	8.4 - 9.3	32-36	NC
950	to	4825	Brine	9.3 - 10.5	28-30	≤5
4825	to	12150	Cut Brine	8.6 - 9.1	30-40	≤5
12150	to	19034	Oil Based Mud	12.0 - 14.0	30-40	≤5

Sufficient fluid volume, weight material, and additives will be available onsite at all times. Visual and electronic mud monitoring equipment will be in place to indicate gain or loss.

7. Formation Evaluation Program

Samples: Dry samples taken 30' from intermediate casing point to TD. GC Tracers KOP to TD.

Logging: GR/Neutron from base salt to surface. GR from 200' above KOP to TD. Shuttle log in the lateral.

8. Anticipated Wellbore Conditions

	Value	Comments
Bottom Hole Pressure (psi)	6919	Assumes 0.78psi/ft - 0.22psi/ft Partial Evacuation
Bottom Hole Temperature (°F)	196	Assumes 0.01deg/100ft
Abnormal Pressure / Potential Hazards	Losses below Delaware will be mitigated with lost circulation material. Potential overpressure below the top of Wolfcamp will be mitigated with mud weight. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. All personnel will be familiar with all aspects of safe operation being used to drill this well.	

Prepared By: Jason A. Levinson

Drilling Program
ConocoPhillips Company
War Hammer 25 Federal COM W1 15H
316' FNL 2310' FEL (SHL)
Sec 25-T26S-R32E
330' FSL 2310' FEL (BHL)
Sec 36-T26S-R32E
Lea County, New Mexico

9. Directional Plan:

Kick off Point (ft)	Landing TVD (ft)	Landing MD (ft)	Total Measured Depth (ft)
11783	12355	12683	19034

*ConocoPhillips proposes to drill a vertical wellbore to kick off point and then drill horizontally to TD. Please see the attached directional plan for more detail.

10. Spudder Rig and Skid Operations.

The reasons for using the spudder rig to drill and pre-set surface casing are: Time & Cost Saving.

The "Pinnergy #1" Rig will be used to drill the surface hole and pre-set surface casing on all of the wells in the same pad. Once each surface hole section has been drilled, it will be cased and cemented according to all applicable rules and regulations (Onshore Orders). The wellhead will be nippled up and tested as soon as 13-3/8" surface casing is cut off after the applicable WOC time has been reached. A blind flange of the same pressure rating as the wellhead will be utilized to seal the wellbore on all casing strings. Pressure will be monitored via wing valves on each wellhead section and a means for intervention will be maintained while the drilling rig is not over the well. Spudder rig operation is expected to take 7-10 days for a quad pad and 4-6 days for a dual pad. The BLM will be contacted / notified 24 hours prior to commencing spudder rig operations.

Drilling operation will start with a big Drilling Rig (H&P Flex 3 rig type) and an approved BOP stack will be nippled up and tested on the wellhead before drilling operations resumes on each well. The rig will skid between the wells until each well's section has been drilled as planned (see "Skid-Batch Drilling Operations" Attachment). The BLM will be contacted / notified 24 hours before the big rig moves back on the location.

Once "Spudder Rig" has left the location, The "big Drilling Rig" will be on location within 90 days to drill each well in the Pad as batch drilling operations.

Prepared By: Jason A. Levinson

SKID / BATCH DRILLING OPERATIONS – "QUAD PAD"

SKID / BATCH DRILLING OPERATION PLAN FOR "QUAD PAD":

1. **ALL SURFACE CASINGS PRE-SET** (Pre-set with "Spudder Rig").
2. WELL 1 / WolfCamp 3. 9-5/8" CASING – WBM.
3. WELL 2 / WolfCamp 2. 9-5/8" CASING – WBM.
4. WELL 3 / WolfCamp 1. 9-5/8" CASING – WBM.
5. WELL 4 / BS 3rd Carb. 9-5/8" CASING – WBM.

"INTERMEDIATE 1" BATCH

6. WELL 4 / BS 3rd Carb. 5-1/2" CASING – WBM.
7. WELL 3 / WolfCamp 1. 7-5/8" CASING – WBM.
8. WELL 2 / WolfCamp 2. 7-5/8" CASING – WBM.
9. WELL 1 / WolfCamp 3. 7-5/8" CASING – WBM.

"INTERMEDIATE 2" BATCH

10. WELL 1 / WolfCamp 3. 5"x4-1/2" CASING – **OBM**.
11. WELL 2 / WolfCamp 2. 5"x4-1/2" CASING – **OBM**.
12. WELL 1 / WolfCamp 1. 5"x4-1/2" CASING – **OBM**.

"PRODUCTION" BATCH

13. **RIG RELEASE**.

March 05 2014

TenarisHydril

Size: 7.625 in.
Wall: 0.430 in.
Weight: 33.70 lbs/ft
Grade: P110
Min. Wall Thickness: 87.5 %

Connection: Wedge 523™
Casing/Tubing: CAS

PIPE BODY DATA					
GEOMETRY					
Nominal OD	**7.625** in.	Nominal Weight	**33.70** lbs/ft	Standard Drift Diameter	**6.640** in.
Nominal ID	**6.765** in.	Wall Thickness	**0.430** in.	Special Drift Diameter	**N/A**
Plain End Weight	**33.07** lbs/ft				
PERFORMANCE					
Body Yield Strength	**1069** x 1000 lbs	Internal Yield	**10860** psi	SMYS	**110000** psi
Collapse	**7870** psi				

WEDGE 523™ CONNECTION DATA					
GEOMETRY					
Connection OD	**7.775** in.	Connection ID	**6.675** in.	Make-Up Loss	**4.060** in.
Critical Section Area	**7.057** sq. in.	Threads per in.	**3.06**		
PERFORMANCE					
Tension Efficiency	**72.6** %	Joint Yield Strength	**776** x 1000 lbs	Internal Pressure Capacity	**10860** psi
Compression Strength	**881** x 1000 lbs	Compression Efficiency	**82.4** %	Bending	**48** °/100 ft
External Pressure Capacity	**7870** psi				
MAKE-UP TORQUES					
Minimum	**9900** ft-lbs	Target	**11900** ft-lbs	Maximum (*)	**17300** ft-lbs
OPERATIONAL LIMIT TORQUES					
Operating Torque	**42000** ft-lbs	Yield Torque	**63000** ft-lbs		
BLANKING DIMENSIONS					
Blanking Dimensions					

* If you need to use torque values that are higher than the maximum indicated, please contact a local Tenaris technical sales representative.

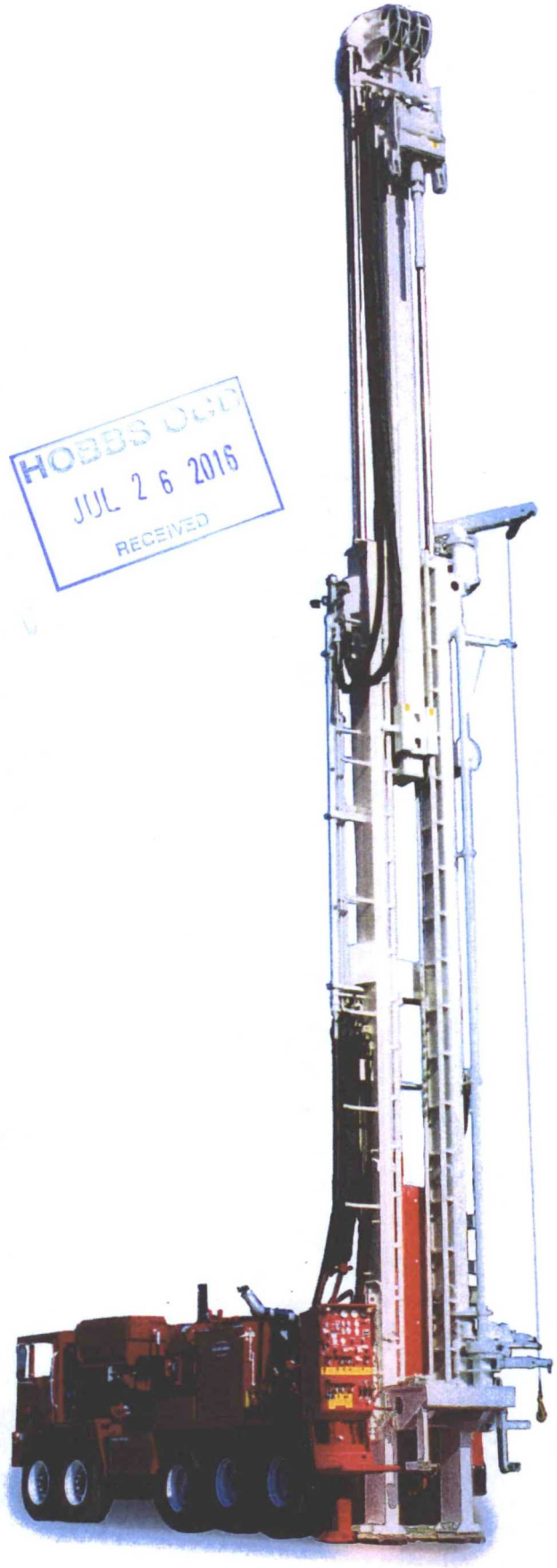
SCHRAMM

T130XD

ROTADRILL

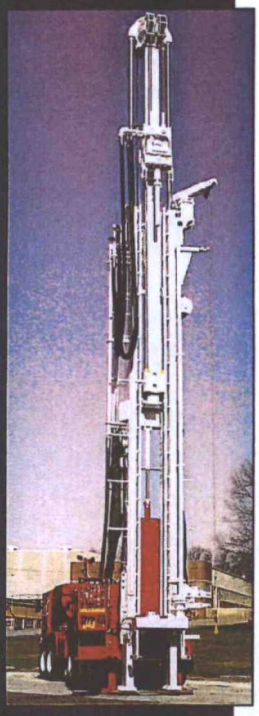
A heavy duty, heavy hoist carrier mounted drill rig. The T130XD utilizes innovative Telemast technology to achieve Range III pipe capability in a compact over the road package.

- Equipped with Schramm Telemast
- 50′ head travel handles Range III casing
- 43′ transport length with less than 6′ overhang
- 130,000 lbs hoist
- No sub-structure required
- Mast slides to clear BOP



CARRIER MOUNTED RIG EQUIPPED WITH TELEMAST

T130XD ROTADRILL SPECIFICATIONS



Engine
Detroit Diesel DDC/MTU 12V-2000TA DDEC
760 bhp (567 kw) @ 1800 rpm

Standard Compressor
Variable volume two-stage, oil flooded rotary screw
1350 cfm @ 350 psi (38.0 cu. m/min @ 24.1 bar), up to 1150 cfm @ 500 psi (32.6 cu. m/min @ 35.5 bar)

Cooling
Three core, side by side type
130°F (54.4°C) ambient design temp.

Dimensions
OA length, transport - 42′ 9″ (13 m)
OA width - 8′ 6″ (2.6 m)
OA height, transport - 13′ 6″ (4.1 m)
Weight std. rig - 92,000 lb (41,723 kg)

Carrier
CCC 8x4 Carrier
Cat C-13, 410 hp @ 2100 rpm engine
44,000 lb (19,955 kg) front axles
21,500 lb (9,750 kg) pusher axle
52,000 lb (23,587 kg) rear axles
117,500 lb (53,298 kg) GVWR

Top Head Rotation
Ductile iron, single reduction oil bath gearbox with two disc valve type hydraulic motors. Infinitely variable rotation speed.
3.5:1 Reduction Gear
3″ diameter (76.2 mm) spindle thru hole
0-143 rpm, infinitely variable
106,600 in-lb (12,045 N·m) torque

Feed System
Top head is driven by hydraulic traverse cylinders through special wire rope and large diameter Nylatron sheaves. As top head is raised, the inner mast section extends by a ratio of 1:2 until it reaches its fully extended position at 50′ of clear head travel.
42′ 9″ (13 m) OA height (retracted)
69′ 9″ (21.65 m) OA height (extended)
50′ (15.24 m) top head travel
130,000 lb (59,090 kg) pullup
8 fpm (2.44 mpm) pullup speed-slow feed
125 fpm (38.1 mpm) pullup speed-rapid feed
32,000 lb (14,545 kg) pulldown capacity
26 fpm (7.92 mpm) pulldown speed-slow feed
270 fpm (82.3 mpm) pulldown speed-rapid feed
52′ 10″ (16.1 m) working clearance mast spindle to table (sub removed)
48′ 10″ (14.9 m) working clearance mast sub to table

Drill Pipe & Casing
30′ x 4-½″ OD x 2-⅞ IF breakout style drill pipe, range III casing
28″ (711 mm) max. diameter through slipbox

Mast
Telescoping construction permits long head travel and working height, yet short OA length in transport position.
32″ (813 mm) cylinder operated slide
Free-standing mast
hydaulically operated adjustable mast feet
hydraulically retracted slip box
20″ (508 mm) table opening w/o slips

Winch
Planetary with spring applied hydraulic release brake
9,600 lb (4,354 kg) bare drum line pull
151 fpm (46 mpm) bare drum line speed

Hydraulic System
Open loop load sensing system
7 micron filtration
200 gallon (760 l) system capacity

Water Injection System
25 gpm (95 lpm) water pump
Electric foam pump

Outriggers
Front - (1) 5″ bore x 41″ stroke (127 mm x 1.4 m)
Rear - (2) 5″ bore x 41″ stroke (127 mm x 1.4 m)

Tool Lubricator
Positive displacement, air pump operated piston type pump variable to 5.0 gph (18.9 lph)

Lighting & Electrical System - 24 Volt
Mast - (4) 60 watt floodlights
Control Panel - (2) 60 watt gauge floodlights
Work - (3) 70 watt halogen

Accessories
Pipe handling sling, 60″ breakout wrench, and 50 hour maintenance kit.

Optional Equipment
Many modifications are available including:
Third driving axle
Reverse circulation package
Tilt-out top head
High capacity top head
Single pipe loading arm
Auxiliary winch controls
Auxiliary air supply

SCHRAMM®
www.schramminc.com

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West Chester, PA 19380 USA
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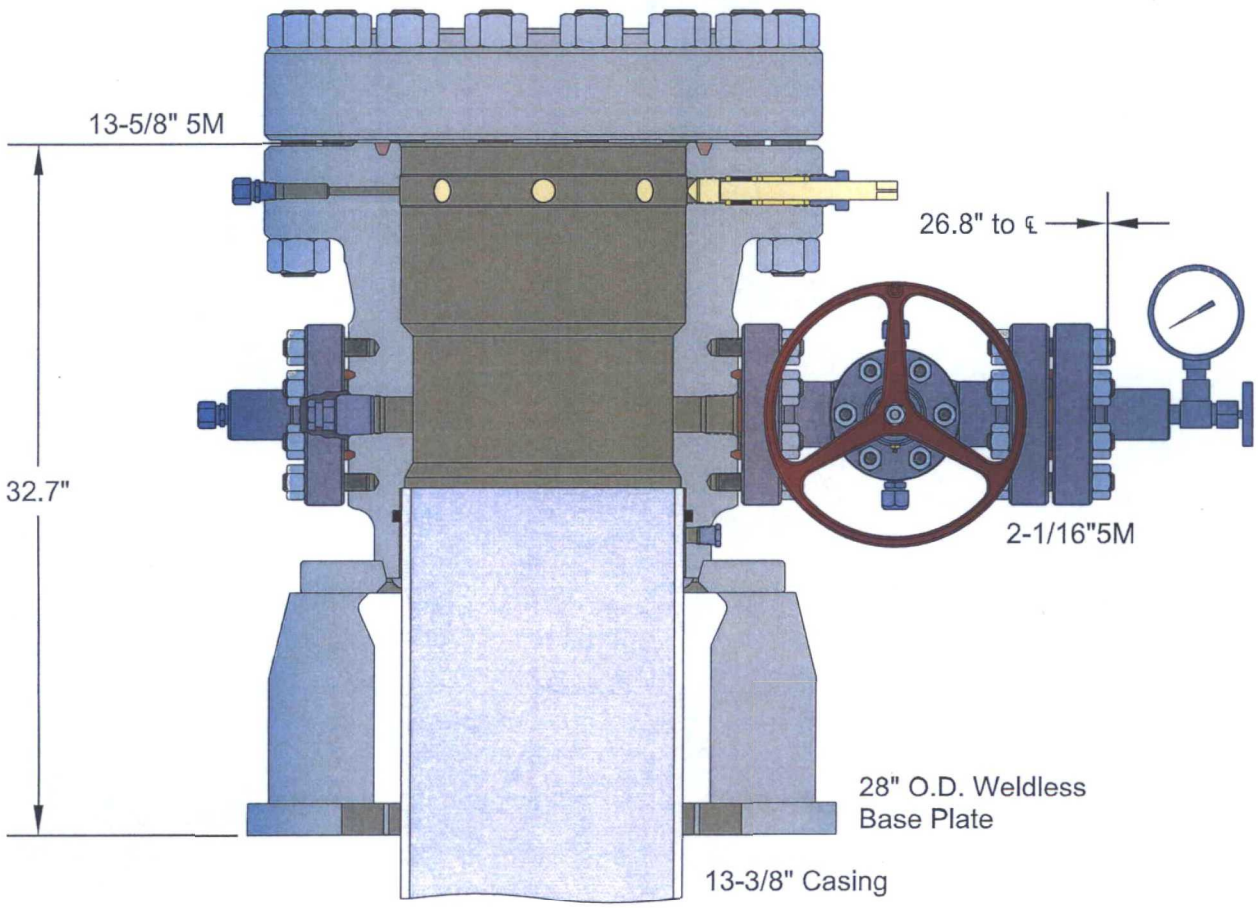
GE Oil & Gas



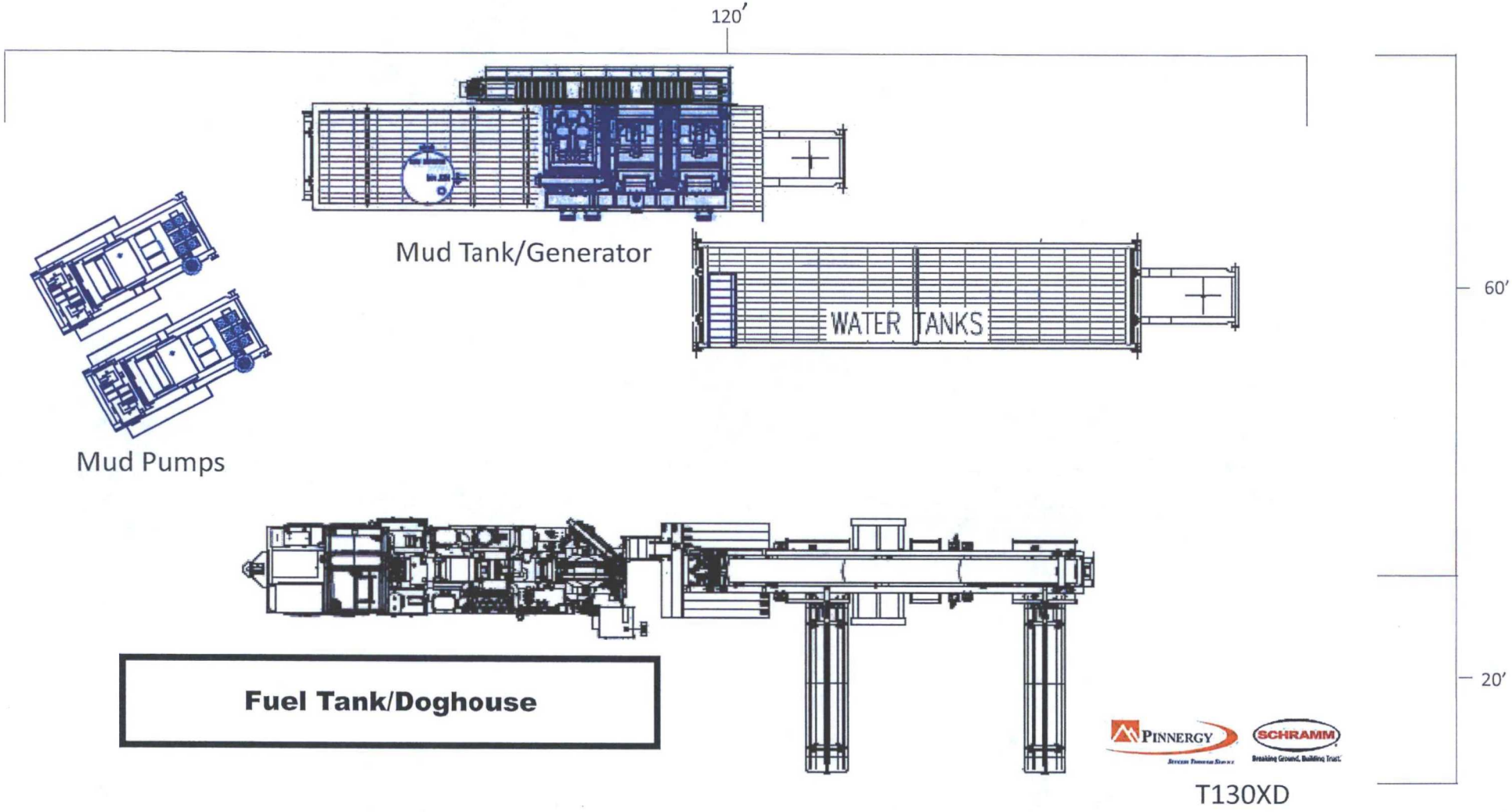
ALL DIMENSIONS ARE APPROXIMATE

CONOCOPHILLIPS
SPUDDER RIG

HSG,WG,SH2-LWR,13-5/8 5M X 13-3/8 SOW,W/2 2-1/16 5M FP
BASEPLATE,WELDLESS,28 OD
FLANGE,BLIND, 13-5/8 5M

DRAWN	VJK	19AUG14
APPRV	KN	16AUG14

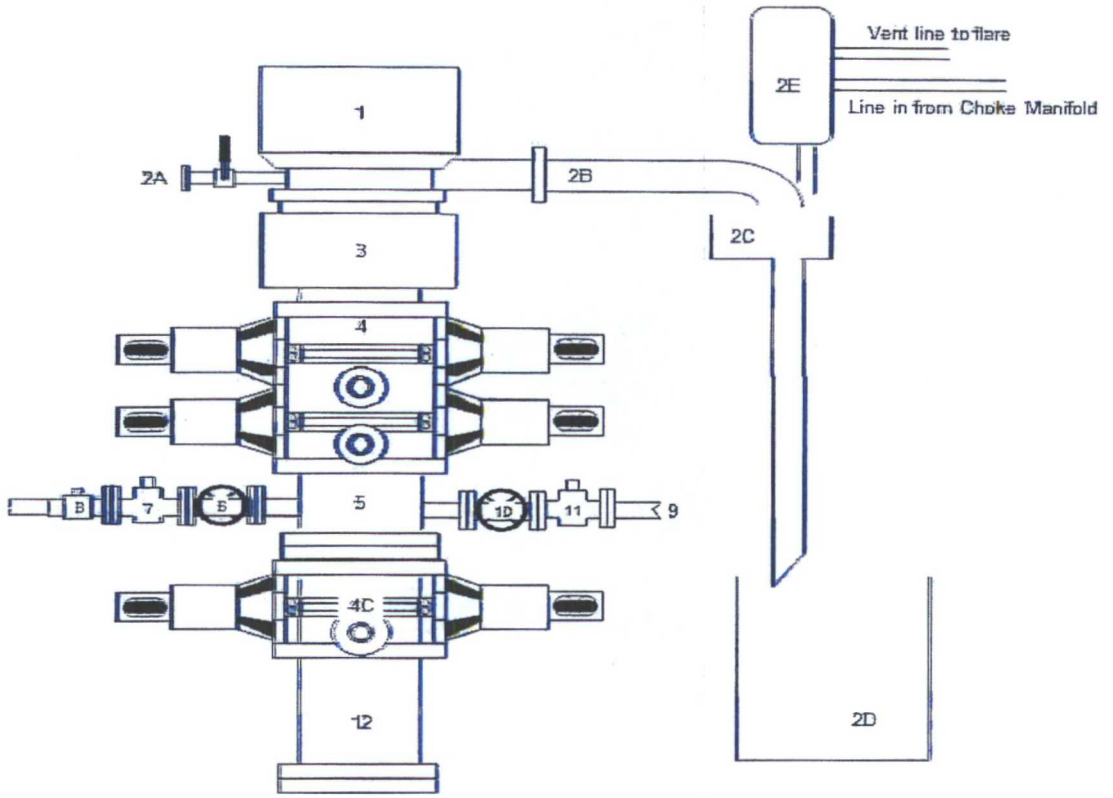
FOR REFERENCE ONLY
DRAWING NO. PE00624



"Pinnergy #1" Spudder Rig Layout

BLOWOUT PREVENTER ARRANGEMENT - H&P486

10M System per Onshore Oil and Gas Order No. 2 utilizing 10M Rated Equipment

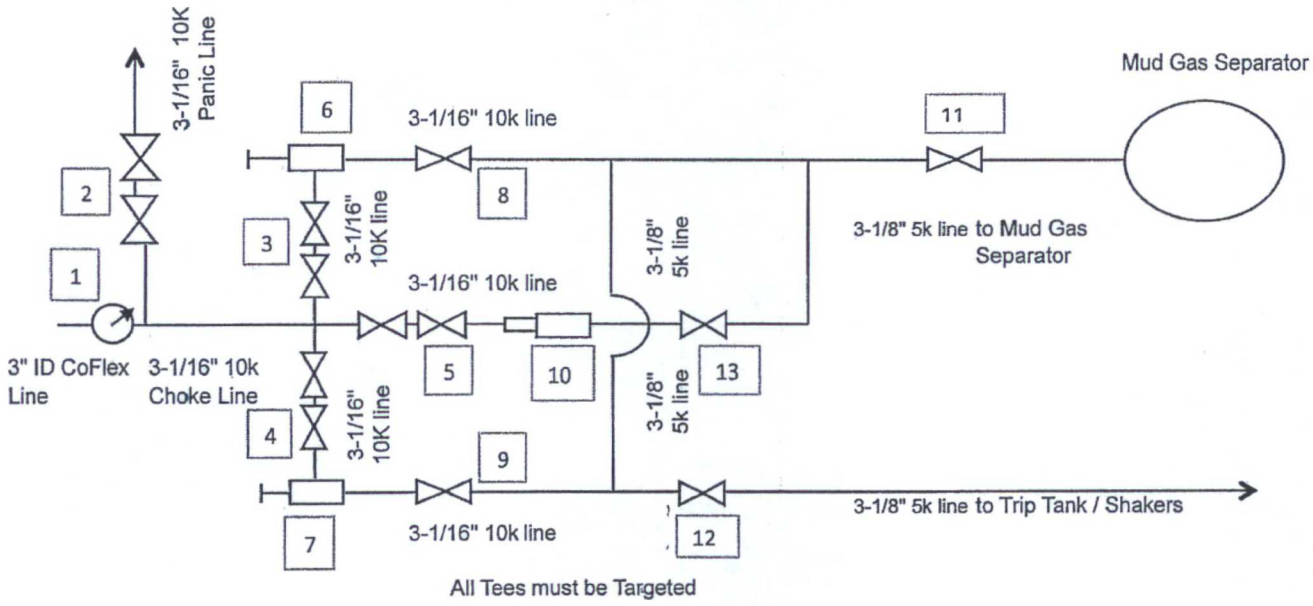


Item	Description
1	Rotating Head
2A	Fill up Line and Valve
2B	Flow Line (8")
2C	Shale Shakers and Centrifuges
2D	Cuttings Bins for Zero Discharge
2E	Mud Gas Separator with vent line to flare and return line to mud system
3	Annular Preventer (13-5/8", 10M)
4	Double Ram (13-5/8", 10M, Bline Ram bottom x Pipe Ram top)
5	Drilling Spool (13-5/8" 10M)
4C	Single Ram (13-5/8", 10M, Pipe Rams)
6	Kill Line Valve, Inner (4-1/16", 10k psi WP)
7	Kill Line Valve, Outer (4-1/16", 10k psi WP)
8	Kill Line Check Valve (4-1/16, 10k psi WP)
9	Choke Line (4-1/16", 10k psi WP)
10	Choke Line Valve, Inner (4-1/16", 10k psi WP)
11	Choke Line Valve, Outer, (4-1/6" 10k psi WP HCR)
12	Drilling Spool Adapter (13-5/8", 10M)

Drawn by: James Chen P.E., Drilling Engineer, ConocoPhillips Company, April 11, 2014

CHOKE MANIFOLD ARRANGEMENT - HP486

10M System per Onshore Oil and Gas Order No. 2 utilizing 5M/10M Equipment



Item	Description
1	Pressure Gauge
2	2 Gate Valves, 3-1/16" 10M
3	2 Gate Valves, 3-1/16" 10M
4	2 Gate Valves, 3-1/16" 10M
5	2 Gate Valves, 3-1/16" 10M
6	Upper Manual Adjustable Choke, 4-1/16", 10M
7	Lower Manual Adjustable Choke, 4-1/16", 10M
8	Gate Valve, 3-1/16" 10M
9	Gate Valve, 3-1/16" 10M
10	Remote Controlled Hydraulic Adjustable Choke, 4-1/16", 10M
11	Gate Valve, 3-1/8" 5M
12	Gate Valve, 3-1/8" 5M
13	Gate Valve, 3-1/16" 10M

The 10M Choke Manifold & Valves will be tested to rated working pressure.

Drawn by:
James Chen, P.E.
Drilling Engineer, ConocoPhillips Company
Date: June 25th-2012

Closed Loop System Design, Operating and Maintenance, and Closure Plan

ConocoPhillips Company
Well: WAR HAMMER 25 FEDERAL COM W1 15H
Location: Sec. 25, T26S, R32E
Date: 7/10/2014

ConocoPhillips proposes the following plan for design, operating and maintenance, and closure of our proposed closed loop system for the above named well:

1. We propose to use a closed loop system with steel pits, haul-off bins, and frac tanks for containing all cuttings, solids, mud, water, brine, and liquids. We will not dig a pit, nor will we use a drying pad, nor will we build an earth pit above ground level, nor will we dispose of or bury any waste on location.

   All drilling waste and all drilling fluids (fresh water, brine, mud, cuttings, drill solids, cement returns, and any other liquid or solid that may be involved) will be contained on location in the rig's steel pits or in haul-off bins or in frac tanks as needed. The intent is as follows:

   - We propose to use the rigs' steel pits for containing and maintaining the drilling fluids.
   - We propose to remove cuttings and drilled solids from the mud by using solids control equipment and to contain such cuttings and drilled solids on location in haul-off bins.
   - We propose that any excess water that may need to be stored on location will be stored in tanks.

The closed loop system components will be inspected daily by each tour and any needed repairs will be made immediately. Any leak in the system will be repaired immediately, and any spilled liquids and/or solids will be cleaned immediately, and the area where any such spill occurred will be remediated immediately.

2. Cuttings and solids will be removed from location in haul-off bins by an authorized contractor and disposed of at an authorized facility. For this well, we propose the following disposal facility:

   R-360 Inc.
   4507 West Carlsbad Hwy, Hobbs, NM 88240,
   P.O. Box 388; Hobbs, New Mexico 88241
   Toll Free Phone: 877.505.4274, Local Phone Number: 432.638.4076

   The physical address for the plant where the disposal facility is located is Highway 62/180 at mile marker 66 (33 miles East of Hobbs, NM and 32 miles West of Carlsbad, NM).

   The Permit Number for R-360 is NM-01-0006.

   A photograph showing the type of haul-off bins that will be used is attached.

3. Mud will be transported by vacuum truck and disposed of at R-360 Inc. at the facility described above.

4. Fresh Water and Brine will be hauled off by vacuum truck and disposed of at an authorized salt water disposal well. We propose the following for disposal of fresh water and brine as needed:

   - Nabors Well Services Company, 3221 NW County Rd; Hobbs, NM 88240, PO 5208 Hobbs, NM, 88241, Permit SWD 092. (Well Location: **Section 3, T19S R37E**)

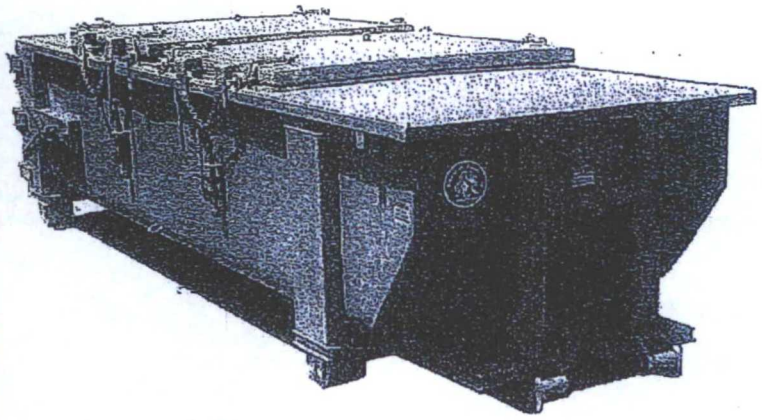
   - Basic Energy Services, P.O. Box 1869; Eunice, NM 88231 Phone Number: 575.394.2545, Facility located at Hwy 18, Mile Marker 19; Eunice, NM.

Jason Levinson
Drilling Engineer
Office: 281-206-5334
Cell: 281-682-2783

SPECIFICATIONS

FLOOR: 3/16" PL one piece
CROSS MEMBER: 3 x 4.1 channel 16" on center
WALLS: 3/16" PL solid welded with tubing top, inside liner hooks
DOOR: 3/16" PL with tubing frame
FRONT: 3/16" PL slant formed
PICK UP: Standard cable with 2" x 6" x 1/4" rails, gusset at each crossmember
WHEELS: 10 DIA x 9 long with rease fittings
DOOR LATCH: 3 Independent ratchet binders with chains, vertical second latch
GASKETS: Extruded rubber seal with metal retainers
WELDS: All welds continuous except sub-structure crossmembers
FINISH: Coated inside and out with direct to metal, rust inhibiting acrylic enamel color coat
HYDROTESTING: Full capacity static test
DIMENSIONS: 22'-11" long (21'-8" inside), 99" wide (88" inside), see drawing for height
OPTIONS: Steel grit blast and special paint, Ampliroll, Heil and Dino pickup
ROOF: 3/16" PL roof panels with tubing and channel support frame
LIDS: (2) 68" x 90" metal rolling lids spring loaded, self raising
ROLLERS: 4" V-groove rollers with delrin bearings and grease fittings
OPENING: (2) 60" x 82" openings with 8" divider centered on container
LATCH: (2) independent ratchet binders with chains per lid
GASKETS: Extruded rubber seal with metal retainers

Heavy Duty Split Metal Rolling Lid



CONT.	A	B
20 YD	41	53
25 YD	53	65
30 YD	65	77