

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on page 2

JUN 27 2018

RECEIVED

| | | |
|--|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Well Name and No. Multiple--See Attached 30-02542560 |
| 2. Name of Operator CONOCOPHILLIPS COMPANY Contact: JEREMY LEE E-Mail: Jeremy.L.Lee@cop.com | | 9. API Well No. Multiple--See Attached |
| 3a. Address MIDLAND, TX 79710 | 3b. Phone No. (include area code) Ph: 832-486-2510 | 10. Field and Pool or Exploratory Area Multiple--See Attached |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached | | 11. County or Parish, State LEA COUNTY, NM |

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

Carlsbad Field Office
OCD Hobbs

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Change to Original APD |
| | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat 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 recompleat 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 request the following changes to our plans:

- Zia Hills [REDACTED] Change in target depth
Change in cementing programs
For changes see attached one-page summary for this well
- Zia Hills 25E Fed Com 402H API# 30-025-43364
Change in cementing programs
For changes see attached one-page summary for this well
- Zia Hills 25E Fed Com 403H API# 30-025-43377

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

| | |
|--|------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #422699 verified by the BLM Well Information System For CONOCOPHILLIPS COMPANY, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 06/11/2018 (18PP1215SE) | |
| Name (Printed/Typed) JEREMY LEE | Title REGULATORY COORDINATOR |
| Signature (Electronic Submission) | Date 06/05/2018 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---------------------------------|------------------------|
| Approved By <u>ZOTA STEVENS</u> | Title <u>PETROLEUM ENGINEER</u> | Date <u>06/19/2018</u> |
| 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 <u>Hobbs</u> |

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #422699 that would not fit on the form

Wells/Facilities, continued

| Agreement | Lease | Well/Fac Name, Number | API Number | Location |
|------------------|--------------|------------------------------|--------------------|---|
| NMLC069515 | NMLC069515 | ZIA HILLS 25E FED COM 401H | 30-025-42560-00-X1 | Sec 25 T26S R32E NWNE 250FNL 2310FEL 32.011286 N Lat, 103.373820 W Lon |
| NMLC069515 | NMLC069515 | ZIA HILLS 25E FED COM 402H | 30-025-43364-00-X1 | Sec 25 T26S R32E NWNE 283FNL 2310FEL 32.011253 N Lat, 103.373820 W Lon |
| NMLC069515 | NMLC069515 | ZIA HILLS 25E FED COM 403H | 30-025-43377-00-X1 | Sec 25 T25S R32E NWNE 316FNL 2310FEL 32.011220 N Lat, 103.373820 W Lon |
| NMLC069515 | NMLC069515 | ZIA HILLS 25E FED COM 404H | 30-025-43363-00-X1 | Sec 25 T26S R32E NWNE 349FNL 2310FEL 32.011188 N Lat, 103.373820 W Lon |

10. Field and Pool, continued

WILDCAT;WOLFCAMP

32. Additional remarks, continued

Change in cementing programs
For changes see attached one-page summary for this well

Zia Hills 25E Fed Com 404H API# 30-025-43363
Change in cementing programs
For changes see attached one-page summary for this well

Per our conversation with Z.Stevens set surface casing at least 25' into the Rustler

Thank you.

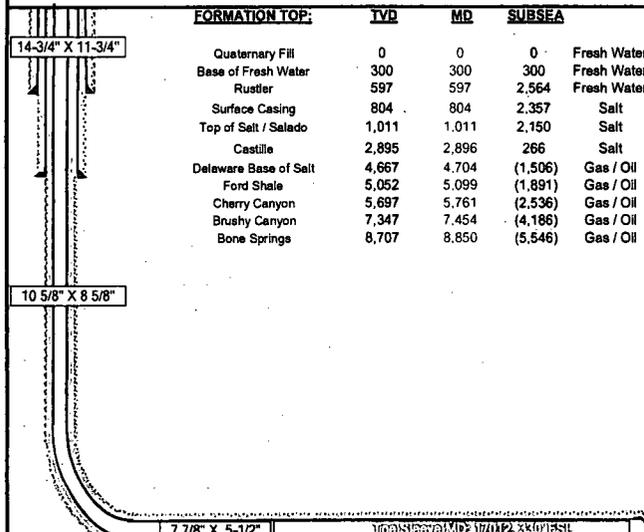


WELL PLAN SUMMARY

1280 Extended Reach Single Lateral

Date: Jun 05, 2018
 Version: 1
 Prepared by: M. Smith

| | | | | | |
|---|----------|-----------------------------------|-------------------|------------------------------------|--|
| WELL: Zia Hills 25E Fed Com 401H | | COUNTY, STATE: Lea, Co, NM | | AFE: WAF OND. | |
| SURFACE LOC: NWNE 25-T26S-R32E | | API No.: | | Drilling Network No.: | |
| BH LOC: SENE 36-T26S-R32E | | BLM Permit: | | Invoice Handler ID: VENNECP | |
| ELEVATIONS: | | WH Coord.: | | COST ESTIMATE | |
| GL | 3,134.0' | LAT | 32° 1' 12.41" N | DRILLING | |
| KB | +27.0' | LON | 103° 37' 36.51" W | COMPLETION | |
| | | | | FACILITIES | |
| | | | | TOTAL | |



Notes

- Ensure proper notifications are made to BLM
 - Spud Notice - 24 hours before spud
 - Running / Cementing all strings of casing - 4 hours
 - BOP Tests - 4 hours
- BOP Tests to be completed according to Onshore Order 2.
 - 10 min high/low tests
- H2S equipment will be rigged up and functional, 500' before Delaware formation. If H2S is encountered, Onshore Order 6 along with ConocoPhillips H2S plan will be followed.

| | | | | | |
|--------------------------------|----------------------------|---------------|--------|---------|-----------|
| 8 5/8 in. shoe 4900' MD | TARGET | 9,933 | 10,560 | (6,772) | Gas / Oil |
| 4825' TVD | Formation Dip Rate: | est > 90° dip | | | |
| | PBTD | 9,933 | 10,560 | (6,772) | Gas / Oil |

CONTACTS

| | Office | Cell |
|--|--------------|--------------|
| Drilling Engineer: Matt Smith | 281-206-5199 | 432-269-6432 |
| Geologist: Josh Day | 281-206-5620 | 423-512-0347 |
| Onsite Drilling Rep.: Greg Rivera | 432-234-9399 | |
| Dennis Hously | | |
| Drilling Supt.: Scott Nicholson | 432-688-9065 | 432-230-8010 |

| DRILLING FLUID: | Type | Interval (MD) | Density (ppg) | Via | PV (sec/qt) | YP (cP) | pH | FL (mL) | LGS (% by vol) | NaCl (ppb sol) | Remarks |
|-----------------|-------------|----------------|---------------|-------|-------------|---------|---------|---------|----------------|----------------|-----------------------|
| Surface: | Fresh Water | Surface - 804' | 8.6 | 28-50 | 1-5 | 2-6 | 7.5-8.5 | NC | < 5.0 | 10,000 | Rig Tanks/Closed Loop |
| Intermediate: | Brine | 804' - 4900' | 10 | 28-50 | 1-5 | 2-6 | 7.5-8.5 | NC | < 5.0 | 180,000 | Rig Tanks/Closed Loop |
| Production: | Cut Brine | 4900' - 17292' | 9.2 | 28-50 | 1-5 | 2-6 | 7.5-8.5 | NC | < 5.0 | 180,000 | Rig Tanks/Closed Loop |

Reference Drilling Fluids Program

| CASING: | Hole | TOP (MD) | BTM (MD) | Length | Size | Wt | Grade | Connection | BOP: |
|---------------|---------|----------|----------|---------|---------|-------|-------|------------|--|
| Surface: | 14 3/4" | 27' | 804' | 777' | 11 3/4" | 47.00 | J-55 | BTC | Minimum - COP Class 3 Well Control Requirements |
| Contingency | | | | | | | | | Rig - 13-5/8"x10M psi Rams / 4-1/16"x10M psi Manifold. |
| Intermediate: | 10 5/8" | 27' | 4,900' | 4,873' | 8 5/8" | 32.00 | P-110 | BTC | Stackup - Rotating Head, Annular Preventer, Pipe Ram, Blind Ram, Mud Cross (Choke & Kill Valves), Pipe Ram |
| Production: | 7 7/8" | 27' | 17,292' | 17,265' | 5 1/2" | 23.00 | P-110 | TXP | |

CENTRALIZATION:
 Surface Casing: 1 per joint on first 3 joints
 Shoe joint: 1 per joint where DLS > 0.6 "/100'
 Intermediate Casing: Rigid body, 1 every other joint from TD to estimated TOC, 1 every 4 joints above TOC
 Production Liner: Rigid body, 1 every other joint from TD to estimated TOC, 1 every 4 joints above TOC

Mud Pit: Float Based Electronic PVT with Flow Sensor and Gravity Trip Tank, Alarms +/- 10 BBLS

Wellhead: 13-5/8" x 10M psi (Casing Head - "A" Section)

| CEMENT: | Hole | MD | TVD | Spacer | Lead | Tail | COMMENTS |
|---------------|-----------------|---------|--------|---------------|-----------------------|-----------------------------|---|
| Surface: | 14-3/4"x11-3/4" | 804' | 804' | 20 bbl FW | 220 ex Class C + adds | 420 ex Class C + adds | Cemented to surface w/ 200%XS Add FiberBlock |
| Intermediate: | 10-5/8"x8-5/8" | 4,900' | 4,825' | 40 bbl Spacer | 12 ppg 2.414f3/sk | 340 ex Class C adds | Cemented to surface w/ 70%L / 30%T XS calc'd on 10.625" hole Add FiberBlock |
| Production: | 7-7/8"x5-1/2" | 17,292' | 9,933' | 40 bbl spacer | 11.5 ppg 4.038 f3/sk | 522.83454 ex Class C + adds | Cemented 500' above Int Casing Depth 10% XS calc'd on 7.875" hole |

Reference Cementing Recommendation

| DIRECTIONAL PLAN: | Comments | MD (ft) | INC (deg) | AZI (deg) | TYD (ft) | NS (ft) | EW (ft) | DLS ("/100') | VS (ft) | SEC-T-R | Section Line Distance |
|-------------------|----------------------|---------|-----------|-----------|----------|---------|---------|--------------|---------|--------------|-----------------------|
| | Build @ 1.5"/100' | 900' | 0 | 0 | 900' | 0 | 0 | 0 | 0 | 25-T26S-R32E | 250' FNL 2310' FEL |
| | End Build @ 14" | 1,861' | 14 | 83 | 1,851' | 15 | 119 | 1.5 | -14 | 25-T26S-R32E | 235' FNL 2191' FEL |
| | Intermediate Casing | 4,900' | 14 | 83 | 4,797' | 106 | 870 | 0.0 | -100 | 25-T26S-R32E | 144' FNL 1440' FEL |
| | KOP, Build @ 8"/100' | 9,435' | 0 | 0 | 9,216' | 219 | 1799 | 0 | -206 | 25-T26S-R32E | 31' FNL 511' FEL |
| | Landing Point | 10,560' | 90 | 180 | 9,933' | -485 | 1927 | 8 | 499 | 25-T26S-R32E | 735' FNL 383' FEL |
| | Toe Sleeve 2 | 16,962' | 90 | 180 | 9,933' | -6883 | 2030 | 0 | 6,897 | 36-T26S-R32E | 380' FSL 380' FEL |
| | FTP / Toe Sleeve 1 | 17,012' | 90 | 180 | 9,933' | -6933 | 2030 | 0 | 6,947 | 36-T26S-R32E | 330' FSL 330' FEL |
| | PBHL/TD | 17,292' | 90 | 180 | 9,933' | -7213 | 2030 | 0 | 7,227 | 36-T26S-R32E | 50' FSL 330' FEL |

Reference Directional Plan
 MWD Surveys will be taken at 90' interval below surface casing, 30' while building curve, and every 90' while drilling lateral.

FORMATION EVALUATION:

| | |
|----------------------------|---|
| Mud Logging - One-Man: | First surface hole to TD. First intermediate hole to TD |
| Mud Logging - Two-Man: | All wells. Intermediate Casing Point to TD |
| Open Hole - PEX: | None |
| Cased Hole - GR/CBL/JUSIT: | None |
| MWD - GR: | Surface Casing Shoe to TD |

OUR WORK IS NEVER SO URGENT OR IMPORTANT THAT WE CANNOT TAKE THE TIME TO DO IT SAFELY!

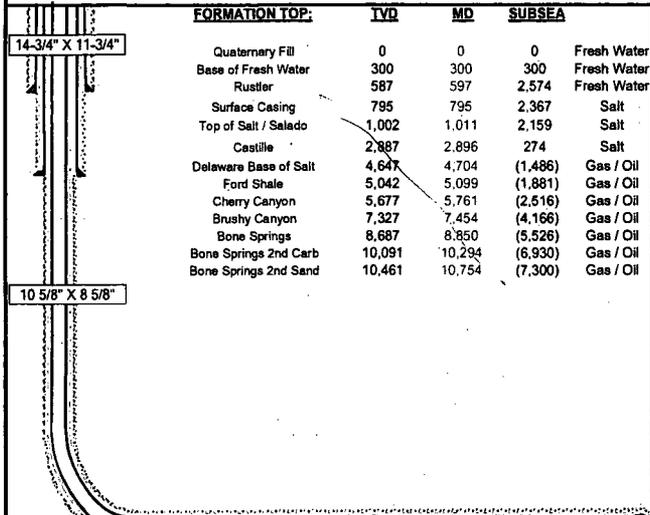


WELL PLAN SUMMARY

1280 Extended Reach Single Lateral

Date: Jun 05, 2018
Version: 1
Prepared by: M. Smith

| | | | | | | | | |
|---|--|--|-----------------------------------|--|--|------------------------------------|--|--|
| WELL: Zia Hills 25E Fed Com 402H | | | COUNTY, STATE: Lea, Co, NM | | | AFE: WAF.OND. | | |
| SURFACE LOC: NWNE 25-T26S-R32E | | | 283' FNL 2310' FEL | | | API No.: | | |
| BH LOC: SENE 36-T26S-R32E | | | 50' FSL 1320' FEL | | | Drilling Network No.: | | |
| ELEVATIONS: | | | GL 3,134.0' | | | BLM Permit: | | |
| KB +27.0' | | | | | | Invoice Handler ID: VENNECP | | |
| | | | | | | COST ESTIMATE | | |
| | | | | | | DRILLING | | |
| | | | | | | COMPLETION | | |
| | | | | | | FACILITIES | | |
| | | | | | | TOTAL | | |



Notes

- 1) Ensure proper notifications are made to BLM
 - A) Spud Notice - 24 hours before spud
 - B) Running / Cementing all strings of casing - 4 hours
 - C) BOP Tests - 4 hours
- 2) BOP Tests to be completed according to Onshore Order 2.
 - A) 10 min high/low tests
- 3) H2S equipment will be rigged up and functional, 500' before Delaware formation. If H2S is encountered, Onshore Order 6 along with ConocoPhillips H2S plan will be followed.

| | | | |
|--|--|---------------|--------------|
| CONTACTS | | Office | Cell |
| Drilling Engineer: Matt Smith | | 281-206-5199 | 432-269-6432 |
| Geologist: Josh Day | | 281-206-5620 | 423-512-0347 |
| Onsite Drilling Rep.: Greg Rivera | | 432-234-9399 | |
| Dennis Hously | | | |
| Drilling Supt.: Scott Nicholson | | 432-688-9065 | 432-230-8010 |

| | | | | | | |
|--------------------------------|--|----------------------------|---------------|--------|---------|-----------|
| 8 5/8 in. shoe 4800' MD | | TARGET | 10,530 | 11,000 | (7,369) | Gas / Oil |
| 4777' TVD | | Formation Dip Rate: | est > 90° dip | | | |
| | | PBTD | 10,530 | 11,000 | (7,369) | Gas / Oil |

| | | |
|--|--|------------------------|
| Estimated BH Static Temperature (°F): | | 199 |
| Max. Anticipated BH Pressure: | | 0.550 psi/ft 5,792 psi |
| Max Anticipated Surface Pressure: | | 3,475 psi |

| DRILLING FLUID: | Type | Interval (MD) | Density (ppg) | Vis (sec/qt) | PV (cP) | YP (#100R2) | pH | FL (mL) | LGS (% by vol) | NaCl (ppb sol) | Remarks |
|-----------------|-------------|----------------|---------------|--------------|---------|-------------|---------|---------|----------------|----------------|-----------------------|
| Surface: | Fresh Water | Surface - 795' | 8.6 | 28-50 | 1-5 | 2-6 | 7.5-8.5 | NC | < 5.0 | 10,000 | Rig Tanks/Closed Loop |
| Intermediate: | Brine | 795' - 4800' | 10 | 28-50 | 1-5 | 2-6 | 7.5-8.5 | NC | < 5.0 | 180,000 | Rig Tanks/Closed Loop |
| Production: | Cut Brine | 4800' - 17715' | 9.2 | 50-70 | 18-25 | 8-14 | 9.5-10 | < 8 | < 8.0 | 400 - 00 | Rig Tanks/Closed Loop |

| Reference Drilling Fluids Program | | | | | | | | | |
|--|-----------------|----------|----------|---------------|-------------------------------|-----------------------|----------------------------|-----------------------|--|
| CASING: | Hole | TOP (MD) | BTM (MD) | Length | Size | Wt | Grade | Connection | BOP: |
| Surface: | 14 3/4 | 27' | 795' | 768' | 11 3/4 | 47.00 | J-55 | BTC | Minimum - COP Class 3 Well Control Requirements |
| Intermediate: | 10 5/8 | 27' | 4,800' | 4,773' | 8 5/8 | 32.00 | P-110 | BTC | Rig - 13-5/8"x10M psi Rams / 4-1/16"x10M psi Manifold |
| Production: | 7 7/8 | 27' | 17,715' | 17,688' | 5 1/2 | 23.00 | P-110 | TXP | Stackup - Rotating Head, Annular Preventer, Pipe Ram, Blind Ram, Mud Cross (Choke & Kill Valves), Pipe Ram |
| CENTRALIZATION: | | | | | | | | | |
| Surface Casing: 1 per joint on first 3 joints | | | | | | | | | |
| Intermediate Casing: Shoe joint, 1 per joint where DLS > 0.6 °/100' | | | | | | | | | |
| Production Liner: Rigid body, 1 every other joint from TD to estimated TOC, 1 every 4 joints above TOC | | | | | | | | | |
| CEMENT: | | | | | | | | | |
| | Hole | MD | TVD | Spacer | Lead | Lead | Lead | Lead | COMMENTS |
| Surface: | 14-3/4"x11-3/4" | 795' | 795' | 20 bbl FW | 220 ex Class C + adds | 12 ppg 2.414R3/sk | 420 ex Class C+ adds | 14.8 ppg 1.33 ft3/sk | Cemented to surface w/ 200%XS Add FiberBlock |
| Intermediate: | 10-5/8"x8-5/8" | 4,800' | 4,777' | 40 bbl Spacer | 300 ex TXI Lite Weight + adds | 11.5 ppg 4.038 ft3/sk | 340 ex Class C adds | 14.8 ppg 1.328 ft3/sk | Cemented to surface w/ 70%L / 30%T XS calc'd on 10.625" hole Add FiberBlock |
| Production: | 7-7/8"x5-1/2" | 17,715' | 10,530' | 40 bbl spacer | 242 ex TXI Lite Weight + adds | 10.5 ppg 4.034ft3/sk | 550.8456 ex Class C + adds | 14.4 ppg 1.217R3/sk | Cemented 500' above Int Casing Depth 10% XS calc'd on 7.875" hole |

| Reference Cementing Recommendation | | | | | | | | | | |
|---|---------|-----------|-----------|----------|---------|---------|--------------|---------|--------------|-----------------------|
| DIRECTIONAL PLAN: | | | | | | | | | | |
| Comments | MD (ft) | INC (deg) | AZI (deg) | TVD (ft) | NS (ft) | EW (ft) | DLS (°/100') | VS (ft) | SEC-T-R | Section Line Distance |
| Build @ 1.5°/100' | 900' | 0 | 0 | 900' | 0 | 0 | 0 | 0 | 25-T26S-R32E | 283' FNL 2310' FEL |
| End Build @ 7° | 1,375' | 7 | 76 | 1,374' | 7 | 29 | 1.5 | -7 | 25-T26S-R32E | 276' FNL 2281' FEL |
| Intermediate Casing | 4,800' | 7 | 76 | 4,777' | 109 | 441 | 0.0 | -106 | 25-T26S-R32E | 174' FNL 1869' FEL |
| KOP, Build @ 8°/100' | 9,875' | 0 | 0 | 9,813' | 243 | 988 | 0 | -236 | 25-T26S-R32E | 40' FNL 1322' FEL |
| Landing Point | 11,000' | 90 | 180 | 10,530' | -472 | 993 | 8 | 480 | 25-T26S-R32E | 755' FNL 1317' FEL |
| Toe Sleeve 2 | 17,385' | 90 | 180 | 10,572' | -6857 | 1040 | 0 | 6,864 | 36-T26S-R32E | 380' FSL 1320' FEL |
| FTP / Toe Sleeve 1 | 17,435' | 90 | 180 | 10,572' | -6907 | 1040 | 0 | 6,914 | 36-T26S-R32E | 330' FSL 1320' FEL |
| PBHLTD | 17,715' | 90 | 180 | 10,572' | -7187 | 1040 | 0 | 7,194 | 36-T26S-R32E | 50' FSL 1320' FEL |

| | | | | | | | | | |
|---|---|--|--|--|--|--|--|--|--|
| Reference Directional Plan | | | | | | | | | |
| MWD Surveys will be taken at 90° interval below surface casing, 30' while building curve, and every 90° while drilling lateral. | | | | | | | | | |
| FORMATION EVALUATION: | | | | | | | | | |
| Mud Logging - One-Man: | First surface hole to TD, First intermediate hole to TD | | | | | | | | |
| Mud Logging - Two-Man: | Intermediate Casing Point to TD | | | | | | | | |
| Open Hole - PEX: | None | | | | | | | | |
| Cased Hole - GR/CBLUSIT: | None | | | | | | | | |
| MWD - GR: | Surface Casing Shoe to TD | | | | | | | | |

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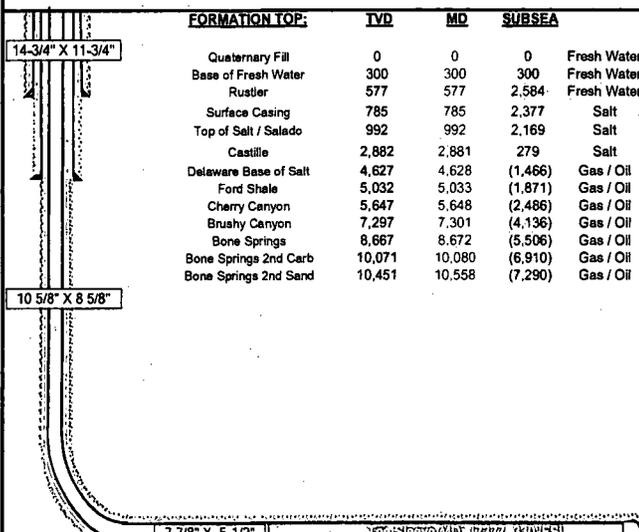


WELL PLAN SUMMARY

1280 Extended Reach Single Lateral

Date: Jun 05, 2018
Version: 1
Prepared by: M. Smith

| | | | | | | | | |
|---|----------|--|-----------------------------------|------|-----|------------------------------------|-------------------|--|
| WELL: Zia Hills 25E Fed Com 403H | | | COUNTY, STATE: Lea, Co, NM | | | AFE: WAF.OND. | | |
| SURFACE LOC: NWNE 25-T26S-R32E | | | API No.: | | | Drilling Network No.: | | |
| BH LOC: SENE 36-T26S-R32E | | | BLM Permit: | | | Invoice Handler ID: VENNECP | | |
| ELEVATIONS: | | | WH Coord.: | | | COST ESTIMATE | | |
| GL | 3,134.0' | | LAT | 32° | 1' | 11.75" N | DRILLING | |
| KB | +27.0' | | LON | 103° | 37' | 36.51" W | COMPLETION | |
| | | | | | | | FACILITIES | |
| | | | | | | | TOTAL | |



| FORMATION TOP: | TVD | MD | SUBSEA | Notes |
|-----------------------|--------|--------|---------|-------------|
| Quaternary Fill | 0 | 0 | 0 | Fresh Water |
| Base of Fresh Water | 300 | 300 | 300 | Fresh Water |
| Rustler | 577 | 577 | 2,584 | Fresh Water |
| Surface Casing | 785 | 785 | 2,377 | Salt |
| Top of Salt / Salado | 992 | 992 | 2,169 | Salt |
| Castile | 2,882 | 2,881 | 279 | Salt |
| Delaware Base of Salt | 4,627 | 4,628 | (1,466) | Gas / Oil |
| Ford Shale | 5,032 | 5,033 | (1,871) | Gas / Oil |
| Cherry Canyon | 5,847 | 5,648 | (2,486) | Gas / Oil |
| Brushy Canyon | 7,297 | 7,301 | (4,136) | Gas / Oil |
| Bone Springs | 8,667 | 8,672 | (5,506) | Gas / Oil |
| Bone Springs 2nd Carb | 10,071 | 10,080 | (6,910) | Gas / Oil |
| Bone Springs 2nd Sand | 10,451 | 10,558 | (7,290) | Gas / Oil |

| | | Office | Cell |
|--|--|--------------|--------------|
| Drilling Engineer: Matt Smith | | 281-206-5199 | 432-269-6432 |
| Geologist: Josh Day | | 281-206-5620 | 423-512-0347 |
| Onsite Drilling Rep.: Greg Rivera | | 432-234-9399 | |
| Dennis Hously | | | |
| Drilling Supt.: Scott Nicholson | | 432-688-9065 | 432-230-8010 |

| | | | | | |
|-------------------------|---------------------|---------------|--------|---------|-----------|
| 6 5/8 in. shoe 4760' MD | TARGET | 10,531 | 10,996 | (7,370) | Gas / Oil |
| .4757' TVD | Formation Dip Rate: | est > 90° dip | | | |
| | PBTD | 10,531 | 10,996 | (7,370) | Gas / Oil |

| | |
|---------------------------------------|--------------|
| Estimated BH Static Temperature (°F): | 199 |
| Max. Anticipated BH Pressure: | 0.550 psifft |
| Max Anticipated Surface Pressure: | 5.792 psi |
| | 3.475 psi |

| DRILLING FLUID: | Type | Interval (MD) | Density (ppg) | Via | PV (sec/qt) | YP (cP) | pH | FL (mL) | LGS (% by vol) | NaCl (ppb sol) | Remarks |
|-----------------|-------------|----------------|---------------|-------|-------------|---------|---------|---------|----------------|----------------|-----------------------|
| Surface: | Fresh Water | Surface - 785' | 8.6 | 28-50 | 1-5 | 2-6 | 7.5-8.5 | NC | < 5.0 | 10,000 | Rig Tanks/Closed Loop |
| Intermediate: | Brine | 785' - 4760' | 10 | 28-50 | 1-5 | 2-6 | 7.5-8.5 | NC | < 5.0 | 180,000 | Rig Tanks/Closed Loop |
| Production: | Cut Brine | 4760' - 17657' | 9.2 | 50-70 | 18-25 | 8-14 | 9.5-10 | < 8 | < 8.0 | 400 - 00 | Rig Tanks/Closed Loop |

| CASING: | Hole | TOP (MD) | BTM (MD) | Length | Size | Wt | Grade | Connection | BOP: |
|---------------|--------|----------|----------|---------|--------|-------|-------|------------|--|
| Surface: | 14 3/4 | 27' | 785' | 758' | 11 3/4 | 47.00 | J-55 | BTC | Minimum - COP Class 3 Well Control Requirements Rig - 13-5/8"x10M psi Rams / 4-1/16"x10M psi Manifold Stackup - Rotating Head, Annular Preventor, Pipe Ram, Blind Ram, Mud Cross (Choke & Kill Valves), Pipe Ram |
| Intermediate: | 10 5/8 | 27' | 4,760' | 4,733' | 8 5/8 | 32.00 | P-110 | BTC | |
| Production: | 7 7/8 | 27' | 17,657' | 17,630' | 5 1/2 | 23.00 | P-110 | TXP | |

| CEMENT: | Hole | MD | TVD | Spacer | Lead | Tail | COMMENTS |
|---------------|-----------------|---------|---------|---------------|---|--|---|
| Surface: | 14-3/4"x11-3/4" | 785' | 785' | 20 bbl FW | 210 ax Class C + adds 12 ppg 2.414ft ³ /sk | 420 ax Class C+ adds 14.8 ppg 1.33 ft ³ /sk | Cemented to surface w/ 200%XS Add FiberBlock |
| Intermediate: | 10-5/8"x8-5/8" | 4,760' | 4,757' | 40 bbl Spacer | 290 ax TXI Lite Weight + adds 11.5 ppg 4.038 ft ³ /sk | 340 ax Class C adds 14.8 ppg 1.328 ft ³ /sk | Cemented to surface w/ 70%L / 30%T XS calc'd on 10.625" hole Add FiberBlock |
| Production: | 7-7/8"x5-1/2" | 17,657' | 10,531' | 40 bbl spacer | 244 sk TXI Lite Weight + adds 10.5 ppg 4.034ft ³ /sk | 547.00484 ax Class C + adds 14.4 ppg 1.217ft ³ /sk | Cemented 500' above Int Casing Depth 10% XS calc'd on 7.875" hole |

| Reference Directional Plan: | | | | | | | | | | | |
|-----------------------------|---------|-----------|-----------|----------|---------|---------|--------------|---------|--------------|-----------------------|-----------|
| Comments | MD (ft) | INC (deg) | AZI (deg) | TVD (ft) | NS (ft) | EW (ft) | DLS (°/100') | VS (ft) | SEC-T-R | Section Line Distance | |
| Build @ 1.5°/100' | 4,860' | 0 | 0 | 4,860' | 0 | 0 | 0 | 0 | 25-T26S-R32E | 316' FNL | 2310' FEL |
| End Build @ 3° | 5,089' | 3 | 360 | 5,089' | 7 | 0 | 1.5 | -7 | 25-T26S-R32E | 309' FNL | 2310' FEL |
| Intermediate Casing | 4,760' | 3 | 360 | 4,757' | 118 | -1 | 0.0 | -119 | 25-T26S-R32E | 198' FNL | 2311' FEL |
| KOP, Build @ 8°/100' | 9,822' | 0 | 0 | 9,814' | 266 | -2 | 0 | -266 | 25-T26S-R32E | 50' FNL | 2312' FEL |
| Landing Point | 10,946' | 90 | 180 | 10,531' | -450 | 3 | 8 | 450 | 25-T26S-R32E | 766' FNL | 2307' FEL |
| Toe Sleeve 2 | 17,327' | 90 | 180 | 10,531' | -6830 | 50 | 0 | 6,831 | 36-T26S-R32E | 380' FSL | 2310' FEL |
| FTP / Toe Sleeve 1 | 17,377' | 90 | 180 | 10,531' | -6880 | 50 | 0 | 6,881 | 36-T26S-R32E | 330' FSL | 2310' FEL |
| PBHL/JD | 17,657' | 90 | 180 | 10,531' | -7160 | 50 | 0 | 7,161 | 36-T26S-R32E | 50' FSL | 2310' FEL |

Reference Directional Plan MWD Surveys will be taken at 90° interval below surface casing, 30' while building curve, and every 90° while drilling lateral.

| FORMATION EVALUATION: | | |
|--------------------------|---|--|
| Mud Logging - One-Man: | First surface hole to TD. First intermediate hole to TD | |
| Mud Logging - Two-Man: | Intermediate Casing Point to TD | |
| Open Hole - PEX | None | |
| Cased Hole - GR/CBL/USIT | None | |
| MWD - GR | Surface Casing Shoe to TD | |

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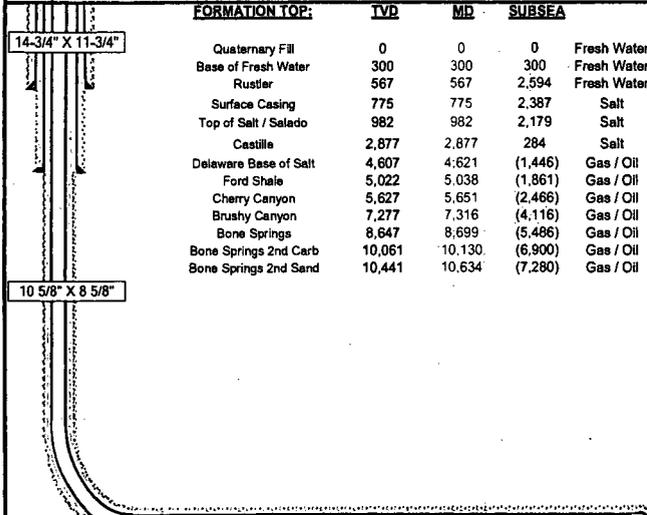


WELL PLAN SUMMARY

1280 Extended Reach Single Lateral

Date: Jun 05, 2018
Version: 1
Prepared by: M. Smith

| | | | | | |
|--|----------|-----------------------------------|-------------------|------------------------------------|--|
| WELL: Zia Hills 25E Fed Com 404H | | COUNTY, STATE: Lea, Co, NM | | AFE: WAF.OND. | |
| SURFACE LOC: NWNE 25-T26S-R32E 349' FNL 2310' FEL | | API No.: | | Drilling Network No.: | |
| BH LOC: SENW 36-T26S-R32E 50' FSL 3300' FEL | | BLM Permit: | | Invoice Handler ID: VENNECP | |
| ELEVATIONS: | | WH Coord.: | | COST ESTIMATE | |
| GL | 3,134.0' | LAT | 32° 1' 11.43" N | DRILLING | |
| KB | +27.0' | LON | 103° 37' 36.51" W | COMPLETION | |
| | | | | FACILITIES | |
| | | | | TOTAL | |



| FORMATION TOP: | TVD | MD | SUBSEA | Notes |
|-----------------------|--------|--------|---------|---|
| Quaternary Fill | 0 | 0 | 0 | 1) Ensure proper notifications are made to BLM A) Spud Notice - 24 hours before spud B) Running / Cementing all strings of casing - 4 hours C) BOP Tests - 4 hours 2) BOP Tests to be completed according to Onshore Order 2. A) 10 min high/low tests 3) H2S equipment will be rigged up and functional, 500' before Delaware formation, if H2S is encountered, Onshore Order 6 along with ConocoPhillips H2S plan will be followed. |
| Base of Fresh Water | 300 | 300 | 300 | |
| Rustler | 567 | 567 | 2,594 | |
| Surface Casing | 775 | 775 | 2,387 | |
| Top of Salt / Salado | 982 | 982 | 2,179 | |
| Castile | 2,877 | 2,877 | 284 | |
| Delaware Base of Salt | 4,607 | 4,621 | (1,446) | |
| Ford Shale | 5,022 | 5,038 | (1,861) | |
| Cherry Canyon | 5,627 | 5,651 | (2,466) | |
| Brushy Canyon | 7,277 | 7,316 | (4,116) | |
| Bone Springs | 8,647 | 8,699 | (5,486) | |
| Bone Springs 2nd Carb | 10,061 | 10,130 | (6,900) | |
| Bone Springs 2nd Sand | 10,441 | 10,634 | (7,280) | |

| | | | | | |
|-------------------------|---------------------|---------------|--------|---------|-----------|
| 8 5/8 in. shoe 4788' MD | TARGET | 10,531 | 11,018 | (7,370) | Gas / Oil |
| 4737' TVD | Formation Dip Rate: | est > 90° dip | | | |
| | PBTD | 10,531 | 11,018 | (7,370) | Gas / Oil |

| | | Office | Cell |
|--|--|--------------|--------------|
| Drilling Engineer: Matt Smith | | 281-206-5199 | 432-269-6432 |
| Geologist: Josh Day | | 281-206-5620 | 423-512-0347 |
| Onsite Drilling Rep.: Greg Rivera | | 432-234-9399 | |
| Dennis Hously | | | |
| Drilling Supt.: Scott Nicholson | | 432-688-9065 | 432-230-8010 |

| DRILLING FLUID: | Type | Interval (MD) | Density (ppg) | Vis (sec/qt) | PV (cP) | YP (#/100R2) | pH | FL (mL) | LGS (% by vol) | NaCl (ppb sol) | Remarks |
|-----------------|-------------|----------------|---------------|--------------|---------|--------------|---------|---------|----------------|----------------|-----------------------|
| Surface: | Fresh Water | Surface - 775' | 8.6 | 28-50 | 1-5 | 2-6 | 7.5-8.5 | NC | < 5.0 | 10,000 | Rig Tanks/Closed Loop |
| Intermediate: | Brine | 775' - 4788' | 10 | 28-50 | 1-5 | 2-6 | 7.5-8.5 | NC | < 5.0 | 180,000 | Rig Tanks/Closed Loop |
| Production: | Cut Brine | 4788' - 17710' | 9.2 | 50-70 | 18-25 | 8-14 | 9.5-10 | < 8 | < 8.0 | 400 - 00 | Rig Tanks/Closed Loop |

| CASING: | Hole | TOP (MD) | BTM (MD) | Length | Size | Wt | Grade | Connection | BOP: |
|---------------|---------|----------|----------|---------|---------|-------|-------|------------|--|
| Surface: | 14 3/4" | 27' | 775' | 748' | 11 3/4" | 47.00 | J-55 | BTC | Minimum - COP Class 3 Well Control Requirements Rig - 13-5/8"x10M psi Rams / 4-1/16"x10M psi Manifold Stackup - Rotating Head, Annular Preventer, Pipe Ram, Blind Ram, Mud Cross (Choke & Kill Valves), Pipe Ram |
| Intermediate: | 10 5/8" | 27' | 4,788' | 4,761' | 8 5/8" | 32.00 | P-110 | BTC | |
| Production: | 7 7/8" | 27' | 17,710' | 17,683' | 5 1/2" | 23.00 | P-110 | TXP | |

| CEMENT: | Hole | MD | TVD | Spacer | Lead | Yield | COMMENTS |
|---------------|-----------------|---------|---------|-------------------|--|---|--|
| Surface: | 14-3/4"X11-3/4" | 775' | 775' | 20 bbl FW | 210 ex Class C + adds 12 ppg 2.414R3/sk | 420 ex Class C+ adds 14.8 ppg 1.33 ft3/sk | Cemented to surface w/ 200%XS Add FiberBlock |
| Intermediate: | 10-5/8"X8-5/8" | 4,788' | 4,737' | 40 bbl Spacer | 300 ex TXI Lite Weight + adds 11.5 ppg 4.038 ft3/sk | 340 ex Class C adds 14.8 ppg 1.328 ft3/sk | Cemented to surface w/ 70%L / 30%T XS calc'd on 10.625" hole Add FiberBlock |
| Production: | 7-7/8"X5-1/2" | 17,710' | 10,531' | 40 bbl OBM spacer | 242 ex TXI Lite Weight + adds 10.5 ppg 4.034R3/sk | 550.5145 ex Class C + adds 14.4 ppg 1.217R3/sk | Cemented 500' above Int Casing Depth 10% XS calc'd on 7.875" hole |

| DIRECTIONAL PLAN: | | | | | | | | | | | |
|----------------------|---------|-----------|-----------|----------|---------|---------|--------------|---------|--------------|-----------------------|-----------|
| Comments | MD (ft) | INC (deg) | AZI (deg) | TVD (ft) | NS (ft) | EW (ft) | DLS (°/100') | VS (ft) | SEC-T-R | Section Line Distance | |
| Build @ 1.5°/100' | 1,000' | 0 | 0 | 1,000' | 0 | 0 | 0 | 0 | 25-T26S-R32E | 349' FNL | 2310' FEL |
| End Build @ 7° | 1,489' | 7 | 286 | 1,488' | 9 | -30 | 1.5 | -9 | 25-T26S-R32E | 340' FNL | 2340' FEL |
| Intermediate Casing | 4,788' | 7 | 286 | 4,737' | 126 | -435 | 0.0 | -130 | 25-T26S-R32E | 223' FNL | 2745' FEL |
| KOP, Build @ 8°/100' | 9,879' | 0 | 0 | 9,813' | 288 | -992 | 0 | -296 | 25-T26S-R32E | 61' FNL | 3302' FEL |
| Landing Point | 11,003' | 90 | 180 | 10,531' | -427 | -987 | 8 | 421 | 25-T26S-R32E | 776' FNL | 3297' FEL |
| Toe Sleeve 2 | 17,380' | 90 | 180 | 10,531' | -6804 | -940 | 0 | 6,798 | 36-T26S-R32E | 380' FSL | 3300' FEL |
| FTP / Toe Sleeve 1 | 17,430' | 90 | 180 | 10,531' | -6854 | -940 | 0 | 6,848 | 36-T26S-R32E | 330' FSL | 3300' FEL |
| PBHLTD | 17,710' | 90 | 180 | 10,531' | -7134 | -940 | 0 | 7,128 | 36-T26S-R32E | 50' FSL | 3300' FEL |

| Reference Directional Plan | | |
|---|---|--|
| MWD Surveys will be taken at 90' interval below surface casing, 30' while building curve, and every 90° while drilling lateral. | | |
| FORMATION EVALUATION: | | |
| Mud Logging - One-Man: | First surface hole to TD, First intermediate hole to TD | |
| Mud Logging - Two-Man: | Intermediate Casing Point to TD | |
| Open Hole - PEX: | None | |
| Cased Hole - GR/CBL/USIT: | None | |
| MWD - GR: | Surface Casing Shoe to TD | |

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**PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL**

| | |
|------------------------------|--|
| OPERATOR'S NAME: | CONOCOPHILLIPS COMPANY |
| LEASE NO.: | NMLC069515 |
| WELL NAME & NO.: | ZIA HILLS 25E FED COM 401H |
| SURFACE HOLE FOOTAGE: | 250' FNL & 2310' FEL |
| BOTTOM HOLE FOOTAGE | 50' FSL & 330' FEL; Sec. 36 |
| LOCATION: | Section 25, T. 26 S., R 32 E., NMPM |
| COUNTY: | Eddy County, New Mexico |

COA

All previous COA still apply expect the following:

| | | | |
|----------------------|---|--|-------------------------------|
| H2S | <input checked="" type="radio"/> Yes | <input type="radio"/> No | |
| Potash | <input checked="" type="radio"/> None | <input type="radio"/> Secretary | <input type="radio"/> R-111-P |
| Cave/Karst Potential | <input checked="" type="radio"/> Low | <input type="radio"/> Medium | <input type="radio"/> High |
| Variance | <input type="radio"/> None | <input checked="" type="radio"/> Flex Hose | <input type="radio"/> Other |
| Wellhead | <input type="radio"/> Conventional | <input checked="" type="radio"/> Multibowl | <input type="radio"/> Both |
| Other | <input checked="" type="checkbox"/> 4 String Area | <input type="checkbox"/> Capitan Reef | <input type="checkbox"/> WIPP |

A. Hydrogen Sulfide

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the Delaware 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.

B. CASING

1. The 11 3/4 inch surface casing shall be set at approximately 795 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 will be a minimum of 8 hours or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
 - 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 8 5/8 inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.

CONTINGENCY PLAN

Operator has proposed DV tool at depth but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification. **Additional cement maybe required. Excess calculates to -27%.**

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).
2. 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.**

GENERAL 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)

Chaves and Roosevelt Counties
Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
During office hours call (575) 627-0272.
After office hours call (575)

Eddy County
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

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

1. 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.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) 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.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. 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.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

7. 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.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. 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. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. 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. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
5. 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. In potash areas, 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. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug. The results of the test shall be reported to the appropriate BLM office.
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. 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.
- f. 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. This test shall be performed prior to the test at full stack pressure.
- g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. 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.

Waste Minimization Plan (WMP)

In the interest of resource development, submission of additional well gas capture development plan information is deferred but may be required by the BLM Authorized Officer at a later date.

ZS 061918

| 11 3/4 | surface csg in a | 14 3/4 | inch hole. | Design Factors | | | | SURFACE | |
|--|------------------|----------------|------------------|----------------|------------------|-----------------|-----------|------------|--------------------|
| Segment | #/ft | Grade | Coupling | Body | Collapse | Burst | Length | Weight | |
| "A" | 47.00 | J 55 | BUTT | 19.50 | 4.2 | 1.21 | 804 | 37,788 | |
| "B" | | | | | | | 0 | 0 | |
| w/8.4#/g mud, 30min Sfc Csg Test psig: 1,500 | | | | Tail Cmt | does | circ to sfc. | Totals: | 804 | 37,788 |
| Comparison of Proposed to Minimum Required Cement Volumes | | | | | | | | | |
| Hole Size | Annular Volume | 1 Stage Cmt Sx | 1 Stage CuFt Cmt | Min Cu Ft | 1 Stage % Excess | Drilling Mud Wt | Calc MASP | Req'd BOPE | Min Dist Hole-Cplg |
| 14 3/4 | 0.4336 | 640 | 1029 | 379 | 172 | 8.60 | 1467 | 2M | 1.00 |

| 8 5/8 | casing inside the | 11 3/4 | Design Factors | | | | INTERMEDIATE | | |
|---|-------------------|----------------|------------------|-----------|----------------------|-----------------|--------------|------------|--------------------|
| Segment | #/ft | Grade | Coupling | Joint | Collapse | Burst | Length | Weight | |
| "A" | 32.00 | P 110 | BTC | 6.42 | 1.34 | 1.66 | 4,900 | 156,800 | |
| "B" | | | | | | | 0 | 0 | |
| w/8.4#/g mud, 30min Sfc Csg Test psig: | | | | | | | Totals: | 4,900 | 156,800 |
| The cement volume(s) are intended to achieve a top of | | | | 0 | ft from surface or a | | 804 | overlap. | |
| Hole Size | Annular Volume | 1 Stage Cmt Sx | 1 Stage CuFt Cmt | Min Cu Ft | 1 Stage % Excess | Drilling Mud Wt | Calc MASP | Req'd BOPE | Min Dist Hole-Cplg |
| 10 5/8 | 0.2100 | 650 | 1705 | 1080 | 58 | 10.00 | 2562 | 3M | 0.50 |

| 5 1/2 | casing inside the | 8 5/8 | Design Factors | | | | PRODUCTION | | | |
|---|-------------------|----------------|------------------|-----------|----------------------|---------------------------------|------------|------------|--------------------|-------|
| Segment | #/ft | Grade | Coupling | Joint | Collapse | Burst | Length | Weight | | |
| "A" | 23.00 | P 110 | TXP | 3.19 | 3.22 | 3.06 | 9,435 | 217,005 | | |
| "B" | 23.00 | P 110 | TXP | 9.69 | 2.76 | 3.06 | 7,857 | 180,711 | | |
| w/8.4#/g mud, 30min Sfc Csg Test psig: 2,076 | | | | | | | Totals: | 17,292 | 397,716 | |
| B would be: | | | | 63.65 | 3.06 | if it were a vertical wellbore. | | | | |
| No Pilot Hole Planned | | | | MTD | Max VTD | Csg VD | Curve KOP | Dogleg° | Severity° | MEOC |
| | | | | 17292 | 9933 | 9933 | 9435 | 90 | 8 | 10560 |
| The cement volume(s) are intended to achieve a top of | | | | 4700 | ft from surface or a | | 200 | overlap. | | |
| Hole Size | Annular Volume | 1 Stage Cmt Sx | 1 Stage CuFt Cmt | Min Cu Ft | 1 Stage % Excess | Drilling Mud Wt | Calc MASP | Req'd BOPE | Min Dist Hole-Cplg | |
| 7 7/8 | 0.1733 | 760 | 1593 | 2188 | -27 | 9.20 | | | 0.84 | |

Class 'H' tail cmt yld > 1.20