AT5-07-240

Form 3160-3
(April 2004)

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. LC-~~063458~~ 031670B

6. If Indian, Allotee or Tribe Name

1a. Type of work: [X] DRILL [X] ~~REENTER~~

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [ ] Single Zone [ ] Multiple Zone

8. Lease Name and Well No. (31488)
Warren Unit #323

2. Name of Operator
ConocoPhillips Company (217817)

9. API Well No.
30-025- 38512

3a. Address 3300 N. "A" Street, Bldg. 6 #247
Midland, TX 79705

3b. Phone No(include area code)
(432)688-6884

10. Field and Pool, or Exploratory
Warren; Drinkard/Warren;Blinebry-Tubb O&

4. Location of Well (Report location clearly and in accordance with any State requirements.*)
At surface 610' FSL & 1820' FEL LEA COUNTY CONTROLLED WATER BASIN
At proposed prod. zone 610' FSL & 1820' FEL Unit O

11. Sec., T. R. M. or Blk. and Survey or Area
UL "O", Sec. 21, T-20-S, R-38-E

14. Distance in miles and direction from nearest town or post office*
Approx. 9 miles NW from Eunice, 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)	710' FNL & 6100' FWL	16. No. of acres in lease	5120	17. Spacing Unit dedicated to this well	40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	1308' from #10	19. Proposed Depth	7350'	20. BLM/BIA Bond No. on file	ES0085
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	3546' GL	22. Approximate date work will start*	07/08/2007	23. Estimated duration	18 Days Followed by Completion

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall 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 shall 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 authorized officer.

25. Signature	Name(Printed/Typed)	Date
Celeste G. Dale	Celeste G. Dale	03/30/2007

Title
Regulatory Specialist

Approved by(Signature) /s/ James Stovall	Name(Printed/Typed)	Date APR 30 2007
Title ACTING 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 1 YEAR

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)

Subject to Like Approval By State

Conditions of Approval: Approval to recomplete & test new zone, but cannot produce Downhole commingle until DHC is approved in Hobbs District office according to R-11363.

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Received
Hobbs
OCD
MAY 1

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

COPY

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025- 38512	63080	Warren; Drinkard

Property Code	Property Name	Well Number
31488	WARREN UNIT	323

OGRID No.	Operator Name	Elevation
217817	CONOCOPHILLIPS COMPANY	3546'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	21	20 S	38 E		610	SOUTH	1820	EAST	LEA

Bottom Hole Location If Different From Surface

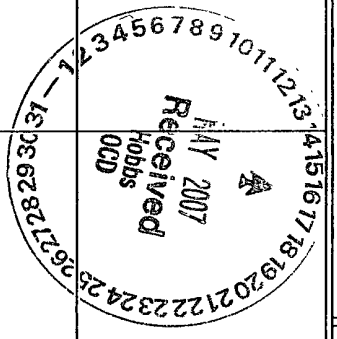
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

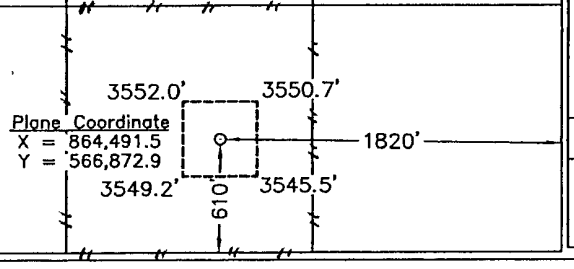
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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

NOTE:

1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.





OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Celeste G. Dale
Printed Name

Regulatory Specialist
Title

03/30/07
Date

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 supervison and that the same is true and correct to the best of my belief.

January 9, 2007
Date Surveyed KMT

Signature & Seal of Professional Surveyor

W.O. Num. 2007-0016

Certificate No. MACON McDONALD 12185

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

COPY

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UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	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

NOTE:

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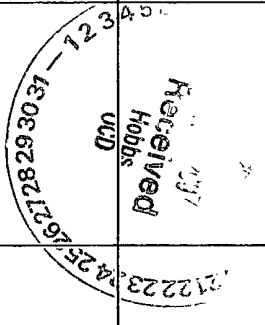
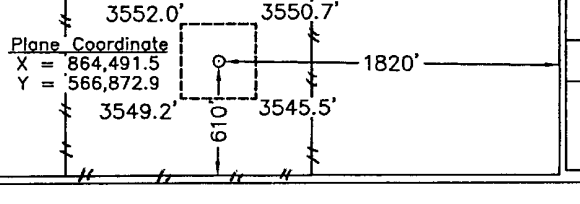




OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Celeste G. Dale
Printed Name

Regulatory Specialist
Title

03/30/07
Date

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 supervison and that the same is true and correct to the best of my belief.

January 9, 2007
Date Surveyed KMT

Signature & Seal of Professional Surveyor

W.O. Num. 2007-0016

Certificate No. MACON McDONALD 12185

DRILLING PROGRAM

ConocoPhillips Company
Warren Unit # 323

Section 21, T20S – R38E, 610' FSL & 1820' FEL
Lea County, New Mexico
Field: Warren
Objective: Warren Drinkard, Blinebry / Tubb

The following items supplement Form 3160-3 in accordance with instructions contained in Onshore Oil and Gas Orders # 1 and # 2, and all other applicable federal and state regulations.

1. Estimated tops of geological markers: (Datum is RKB 12' above Ground Level)

Rustler	1438'
Salado (Top salt)	1528'
Tansill	2548'
Yates	2703'
Seven Rivers	3013'
Queen	3593'
Penrose	3743'
Grayburg	3933'
San Andres	4163'
Glorieta	5493'
Blinebry Top	5788'
Tubb	6438'
Drinkard	6768'
Abo	7023'
TD	7275'

2. Estimated depths to water, oil, or gas formations:
   Fresh Water: Above 1438' (above top of Rustler formation)
   Oil, gas, or salt water: 2548' to TD

   Protection of fresh water will be accomplished by setting the surface casing into the Rustler formation and cementing the surface casing in accordance with the provisions of Onshore Oil and Gas Order No. 2 and New Mexico Oil Conservation Division Title 19.

3. Pressure Control Equipment: The blowout preventer equipment (BOP) will be installed after running and cementing the surface casing and will consist of a 5000 psi double ram and 5000 psi annular type preventer for drilling the production hole. A diagram of the BOPs and choke manifold is attached.

   A variance to the provisions of Onshore Order No. 2 is proposed to allow us to test our BOPs as follows:

   - We propose to test the ram type BOP's and choke and kill lines and valves to 250 psi (low pressure test) and to 2000 psi (high pressure test) instead of to the rated working pressure of the equipment.
   - We propose to test the annular type BOP to 250 psi (low pressure test) and to 2000 psi (high pressure test) instead of to 50% of the rated working pressure of the equipment.

   The Pressure Control Equipment tests will be performed with an independent BOP tester.

4. Proposed casing program:

Type	Hole Size	Interval	Casing Size	Weight	Grade	Joint
Conductor	17-1/2"	0-40' to 80'	13-3/8" or 14"			
Surface Casing	12-1/4"	0 – 1450' to 1500'	8-5/8"	24#	J-55	ST&C
Production Casing	7-7/8"	0 – 7215' to 7275'	5-1/2"	17#	J-55 or L-80	LT&C

We propose an **alternative option to run a stage tool** at 3800' to 5400' in the 5-1/2" production casing based on hole conditions if losses are observed to occur while drilling the 7-7/8" production hole.

Proposed wellhead program:
Casing Head: 8-5/8" Slip on and Weld x 11" 5M Casing Head installed on 8-5/8" surface casing
Tubing Head: 11" 5M x 7-1/6" 5M Tubing Head installed after setting 5-1/2" production casing

5. Proposed cementing program:

13-3/8" or 14" Conductor: Cemented with ready mix to surface

8-5/8" Surface Casing:

Lead Slurry: 600 sx
65% Class C
35% Poz
+ 6% bentonite
+ 3% salt
+ 0.125 lb/sx Poly-E-Flake
Mix Weight = 12.9 ppg,
Yield = 1.83 cuft/sx yield,
Mix Water = 9.78 gal/sx
Top of Lead Slurry at Surface

Tail Slurry:
200 sx Class C Cement
+ 2% calcium chloride
+ 0.125 lb/sx Poly-E-Flake
Mix Weight = 14.8 ppg,
Yield = 1.35 cuft/sx yield,
Mix Water = 6.35 gal/sx
Length of Tail Slurry: 300'
Top of Tail Slurry at 1150' - 1200' MD RKB

Proposed cementing program (continued)

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

Lead Slurry: 700 sx
50% Class C
50% Poz
+ 10% bentonite
+ 8 lb/sx salt
+ 0.4% Fluid Loss Additive
+ 0.2% Dispersant
+ 0.125 pps Poly-E-Flake
+ 1% Well Life Loss Circulation Material if needed
Mix Weight = 11.8 ppg,
Yield = 2.53 cuft/sx yield,
Mix Water = 14.63 gal/sx
Top of Lead Slurry at Surface

Tail Slurry: 400 sx
50% Class H
50% Poz
+ 2% bentonite
+ 5% salt (bwow)
+ 0.4% Fluid Loss Additive
+ 0.2% dispersant
+ 1% Well Life Loss Circulation Material if needed
Mix Weight = 14.2 ppg,
Yield = 1.31 cuft/sx yield,
Mix Water = 6.11 gal/sx
Top of Tail Slurry at ~ 5400'

The volumes presented here are estimates and we propose to adjust the cement volumes based on caliper data if logs are available.

Proposed cementing program (continued)

5-1/2" Production Casing: Two-Stage Cementing Option

It is proposed to use Two-Stage Cementing if needed based on wellbore conditions and observations of any loss of circulations events or heavy seepage loses while drilling the 7-7/8" hole. In the event of the implementation of this option, the cementing program would be as follows:

- Stage 1 Cement: Will place cement from the 5-1/2" production casing shoe to the Stage Tool.
- Stage 2 Cement: Will place cement from the stage tool in the 5-1/2" production casing to Surface.

Stage 1:

Lead Slurry: This slurry is proposed as an option to be used if needed depending on the depth at which the Stage Tool is set.
50% Class C
50% Poz
+ 10% bentonite
+ 8 lb/sx salt
+ 0.4% Fluid Loss Additive
+ 0.2% Dispersant
+ 0.125 pps Poly-E-Flake
+ 1% Well Life Loss Circulation Material if needed
Mix Weight = 11.8 ppg,
Yield = 2.53 cuft/sx yield,
Mix Water = 14.63 gal/sx

Tail Slurry: 400 sx
50% Class H
50% Poz
+ 2% bentonite
+ 5% salt (bwow)
+ 0.4% Fluid Loss Additive
+ 0.2% dispersant
+ 1% Well Life Loss Circulation Material if needed
Mix Weight = 14.2 ppg,
Yield = 1.31 cuft/sx yield,
Mix Water = 6.11 gal/sx
Top of Tail Slurry ~ 5400' MD RKB

Proposed cementing program (continued)

5-1/2" Production Casing: Two-Stage Cementing Option (continued)

Stage 2:

Lead Slurry:
50% Class C
50% Poz
+ 10% bentonite
+ 8 lb/sx salt
+ 0.4% Fluid Loss Additive
+ 0.2% Dispersant
+ 0.125 pps Poly-E-Flake
+ 1% Well Life Loss Circulation Material if needed
Mix Weight = 11.8 ppg,
Yield = 2.53 cuft/sx yield,
Mix Water = 14.63 gal/sx
Top of Lead Slurry at Surface

Tail Slurry: 100 sx
Class C Neat
Mix Weight = 14.8 ppg,
Yield = 1.35 cuft/sx yield,
Mix Water = 6.37 gal/sx
Top of Stage 2 Tail Slurry at ~ 5000' - 5200' MD RKB

Note: The volumes presented here are estimates and we propose to adjust the cement volumes based on caliper data if logs are available.

6. Proposed Mud System

12-1/4" hole from surface to 1460 – 1510' MD RKB: The circulating media will be either a spud mud or fresh water with high viscosity sweeps. The mud components will be:

- Fresh Water
- Bentonite
- Lime
- Soda Ash
- Starch if needed
- Drilling Paper
- Other loss of circulation material if needed (nut plug or fiberous material)
- Soap sticks

7-7/8" hole from ~ 1450' to ~ 7275' (TD): The circulating media will be 10 ppg brine and will be converted to a mud with starch, attapulgite, and lime upon reaching Total Depth (TD).
The mud components will be:

- Brine (approximately 10 lb/gal density)
- Attapulgite
- Lime
- Starch
- Drilling Paper
- Other loss of circulation material if needed (nut plug, fiberous material, gilsonite, or asphalt)
- Soap Sticks if needed

7. Testing, Logging, and Coring
   - Mud logging (samples) 2000' to TD
   - Open hole electric line logs: (Gamma Ray, Neutron, Density, Resistivity, Spectral Gamma Ray, Sonic, Caliper)
   - Formation pressure data (XPT) on electric line
   - No whole cores are planned
   - No sidewall cores are planned
   - No drill stem tests will be done

8. Abnormal Pressures and Temperatures:

   - No abnormal pressure is anticipated. All pressures in the surface hole are expected to be 8.33 ppg equivalent mud weight or less. All pressures in the production hole are anticipated to be 9 ppg equivalent mud weight or less. The maximum bottom hole pressure should not exceed 3363 psi.

   - The expected bottom hole temperature is 113 degrees F

   - The estimated Hydrogen Sulfide concentrations in this well is 10-100 ppm H2S with a maximum estimated gas rate of 28 MCFPD. The 100 ppm H2S ROE = 0-3 feet. The 500 ppm ROE = 0-1 feet. ConocoPhillips will provide H2S monitoring and an H2S contingency plan. Monitoring equipment will be rigged up and tested prior to drilling out from surface casing. The Hydrogen Sulfide Contingency Plan will be posted at the wellsite.

9. Anticipated starting date and duration of operations:
   - It is estimated that drilling will commence about July 8, 2007 or August 25, 2007.
   - Drilling operations should be finished within 15 to 18 days and followed by completion operations.

Program prepared by:
Steven O. Moore, Drilling Engineer, ConocoPhillips Company
Phone 832 486 2459
Cell Phone 281 467 7596
Date: March 29, 2007

ConocoPhillips

Proposed Drilling Wellbore Schematic

Warren Unit # 323

Datum: RKB (12' above ground level)

11" 5M x 7 1/16" 5M Tubing Head

8-5/8" SOW x 11" 5M Casing Head

Conductor

13-3/8" conductor set at 40 - 80' BGL with rat hole machine

Surface Casing

[X] New
[ ] Used

Size 8 5/8 in
Wt. 24 ppf
Gtrade: J-55 ppf
Conn: STC ppf

Hole Size 12 1/4 in
Excess Cmt 100 %
T.O.C. SURFACE

Surface Casing Shoe set at 1450' - 1500' MD RKB
TD of 12-1/4" hole at 1460' - 1510' MD RKB

Surface Cement

Spacer: 20 bbls fresh water

Lead Slurry:
600 sx
Mix Weight = 12.9 ppg
Yield = 1.83 cuft/sx

Top of Lead Slurry at Surface

Tail Slurry:
200 sx
Mix Weight = 14.8 ppg
Yield = 1.35 cuft/sx

Length of Tail Slurry: 300'
Top of Tail Slurry: 1150 - 1200' MD RKB

Displacement: Fresh Water

Production Cement

Spacer: 20 bbls fresh water

Lead Slurry: 700 sx
Mix Weight = 11.8 ppg,
Yield = 2.53 cuft/sx yield,

Top of Lead Slurry at Surface

Tail Slurry: 400 sx
Mix Weight = 14.2 ppg
Yield = 1.31 cuft/sx

Top of Tail Slurry @ 5400' to 5500' MD RKB

Displacement: 2% KCL water

Production Casing:

[X] New
[ ] Used

Size 5 1/2 in
Wt. 17 ppf
Gtrade: J-55 or L-80 ppf
Conn: LTC ppf

Hole Size 7 7/8 in

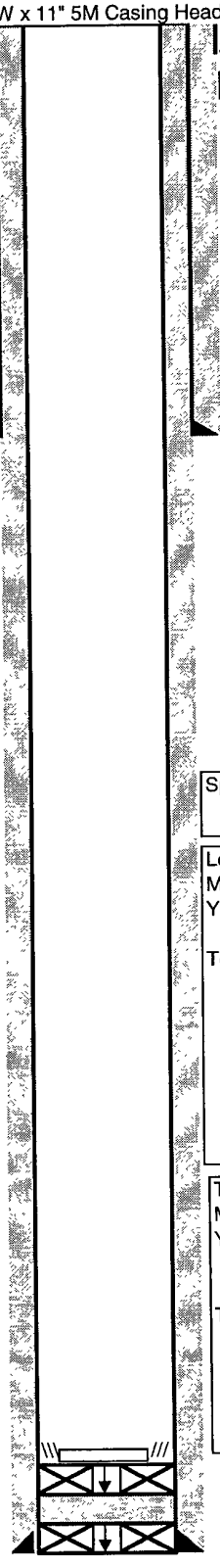
T.O.C. SURFACE

Cement volumes are estimates and will be adjusted based on the caliper log if available.

Top of Float Collar at 7170' - 7230' MD RKB

Production Casing Shoe 7215 - 7275' MD RKB
TD of 7-7/8" hole at 7225' - 7275' MD RKB

Schematic prepared by:
Steven O. Moore, Drilling Engineer
29-March-2007



ConocoPhillips

Proposed Alternative Drilling Wellbore Schematic

Warren Unit # 323

Datum: RKB (12' above ground level)

11" 5M x 7 1/16" 5M Tubing Head

8-5/8" SOW x 11" 5M Casing Head

Conductor

13-3/8" conductor set at 40 - 80' BGL with rat hole machine

Surface Casing

[X] New
[ ] Used

Size 8 5/8 in
Wt. 24 ppf
Gtrade: J-55 ppf
Conn: STC ppf

Hole Size 12 1/4 in
Excess Cmt 100 %
T.O.C. SURFACE

Surface Casing Shoe set at 1450' - 1500' MD RKB
TD of 12-1/4" hole at 1460' - 1510' MD RKB

Surface Cement

Spacer: 20 bbls fresh water

Lead Slurry:
600 sx
Mix Weight = 12.9 ppg
Yield = 1.83 cuft/sx

Top of Lead Slurry at Surface

Tail Slurry:
200 sx
Mix Weight = 14.8 ppg
Yield = 1.35 cuft/sx

Length of Tail Slurry: 300'
Top of Tail Slurry: 1150 - 1200' MD RKB

Displacement: Fresh Water

Production Cement

Stage 2
Lead Slurry:
Mix Weight = 11.8 ppg,
Yield = 2.53 cuft/sx yield
Top of cement at Surface

Stage 2
Tail Slurry: 100 sx Class C Neat
Mix Weight = 14.8 ppg
Yield = 1.35 cuft/sx

Production Casing:

[X] New
[ ] Used

Size 5 1/2 in
Wt. 17 ppf
Gtrade: J-55 or L-80 ppf
Conn: LTC ppf

Hole Size 7 7/8 in

T.O.C. SURFACE

Alternative Program: Stage Tool Placed at some depth between 3800' and 5400' depending on where losses may be observed.

Cement Volumes are estimates and will be adjusted based on the caliper log if available.

Stage 1
Lead Slurry: if needed depending on depth at which stage tool is placed

Mix Weight = 11.8 ppg,
Yield = 2.53 cuft/sx yield,

Stage 1
Tail Slurry: 400 sx
Mix Weight = 14.2 ppg
Yield = 1.31 cuft/sx

Top of Tail Slurry @ 5400' to 5500' MD RKB

Displacement: Mud or Fresh Water

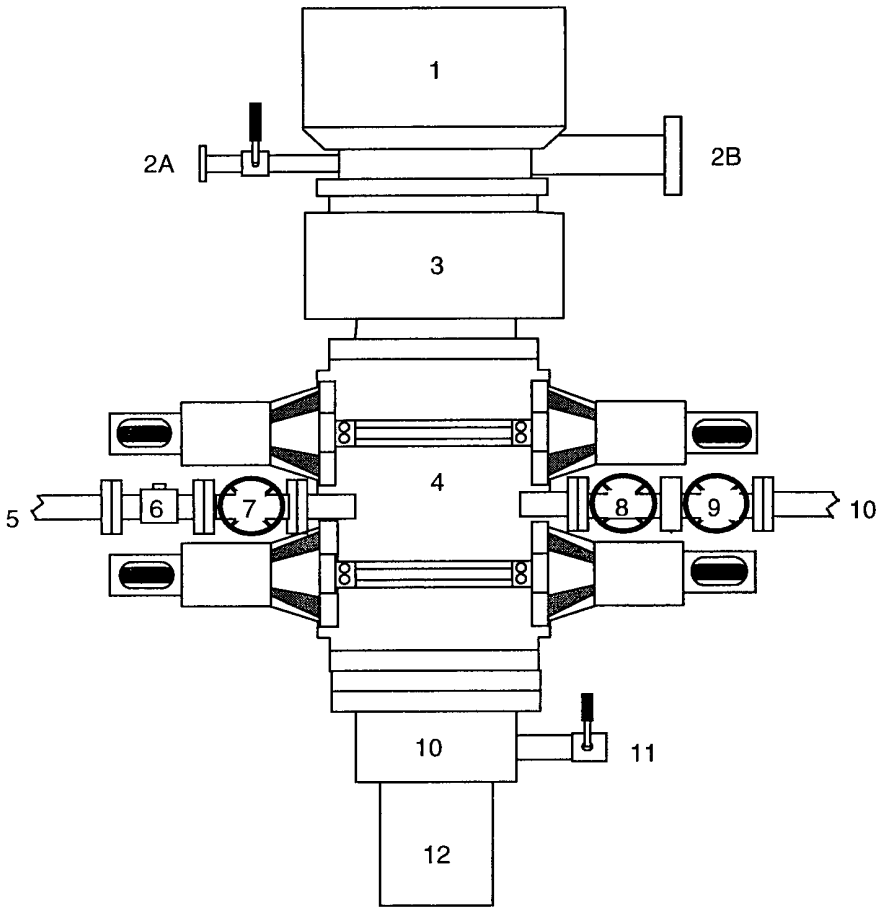
Top of Float Collar at 7170' - 7230' MD RKB

Production Casing Shoe 7215 - 7275' MD RKB
TD of 7-7/8" hole at 7225' - 7275' MD RKB

Schematic prepared by:
Steven O. Moore, Drilling Engineer
29-March-2007

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling Production Hole and Setting 5.5 inch Casing



1. Rotating Head
2A. Fill-up Line & valve
2B. Flow Line
3. Annular BOP (11", 5000 psi)
4. Double Ram BOP (11", 5000 psi)
   (Blind Rams - Upper Set)
   (Pipe Rams - Lower Set)
5. Kill Line
6. Kill Line Check Valve
7. Kill Line Valve
8 Inner Choke Line Valve (3")
9. Outer Choke Line Valve (3")
10. Csg Head "A" Section (11", 5M)
11. Csg Head Valve (2", 3M)
12. 8 5/8" Casing

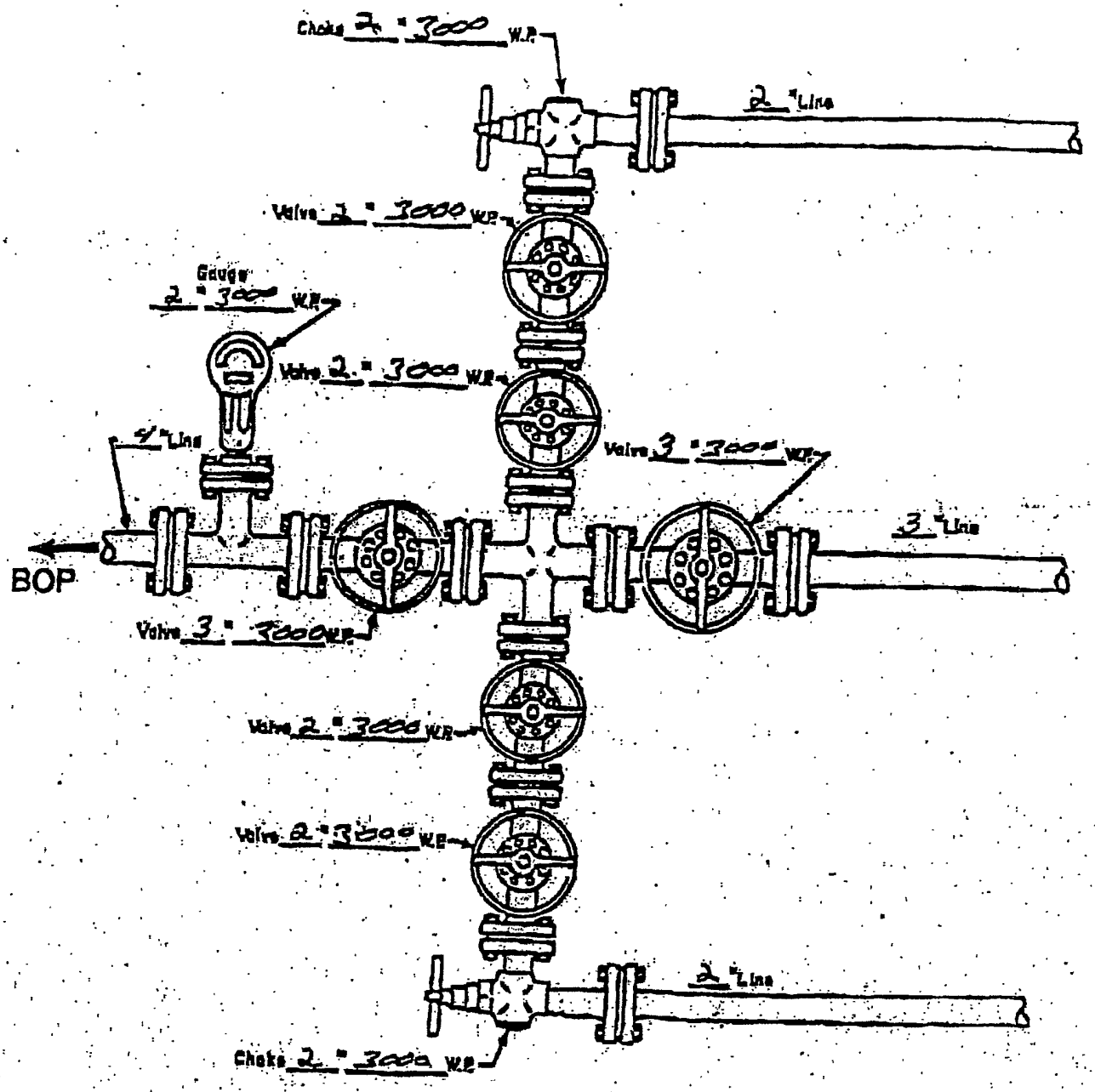
We propose a VARIANCE to Onshore Order No. 2 to allow us to test our BOPs as follows:
Test Pipe Rams and Blind Rams to 3000 psi instead of 5000 psi
Test Annular BOP to 2000 psi instead of 2500 psi
The reason for this request is that we feel that this is an adequate test and reduces wear and tear on the equipment.

We propose a VARIANCE to Order # 2 to allow us to pressure test the Surface Casing to 1000 psi instead of to 1500 psi. Per Onshore Order # 2 the test would be performed for a minimum of 30 minutes with less than 10% pressure decline in the 30 minute test period. The reason for this is that we feel this is an adequate test pressure and will allow us to use the rig pump for the test instead of a testing unit pump and will reduce wear and tear on the equipment.

Drawn by: Steven O. Moore, Drilling Engineer, 20-Feb-2007

Revision Date: February 20, 2007

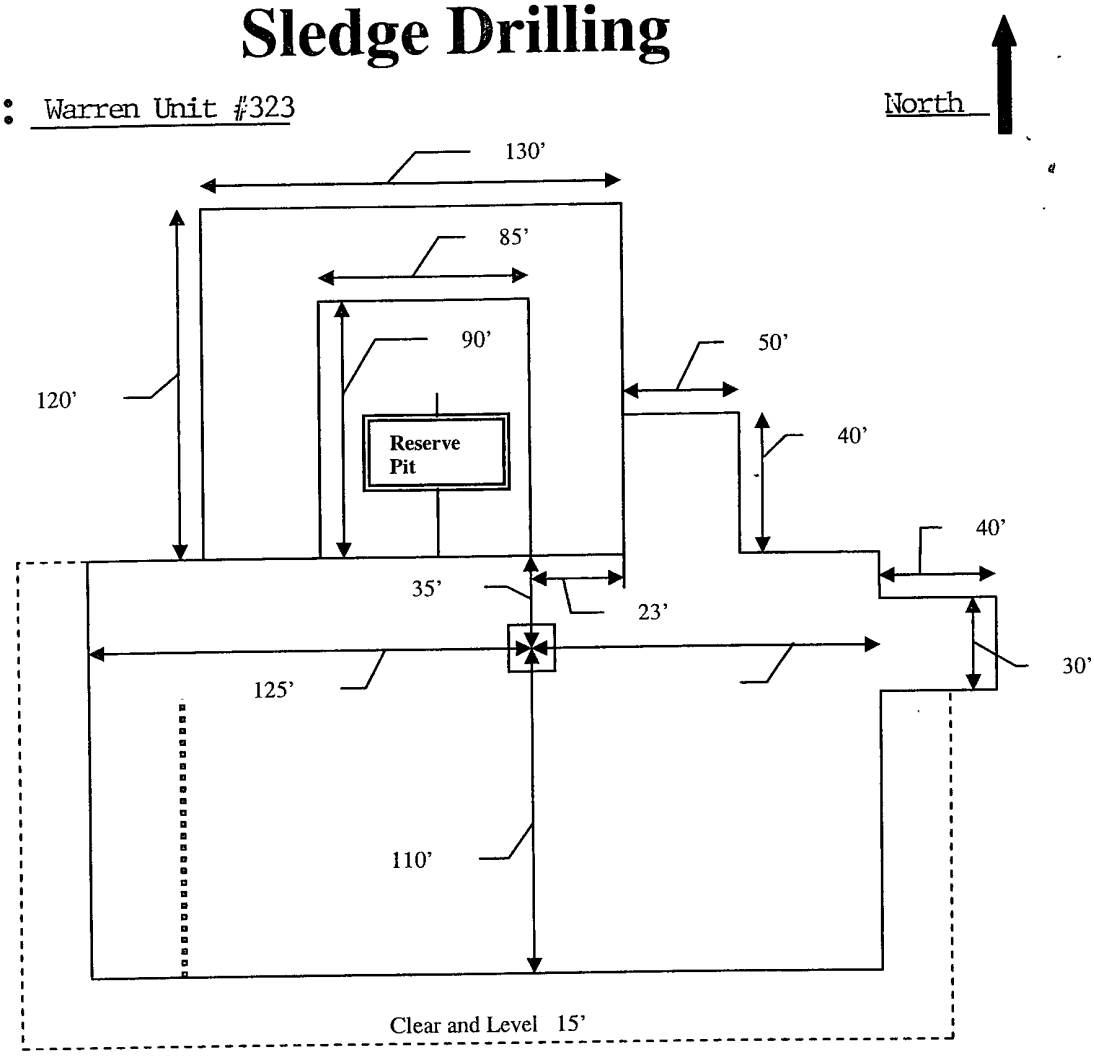
CHOKE MANIFOLD DIAGRAM



ConocoPhillips

Sledge Drilling

Well: Warren Unit #323



PVC Conduit

- 100' Left of center line of cellar
- 50' Back of berm wall or 15' back of center line of cellar
- -------- Conduit

Sledge Drilling Rig # 5 & Rig # 10

Location dimensions

Revised 12-18-06

H2S DRILLING OPERATIONS PLAN

ConocoPhillips, Inc. will comply with Onshore Order No. 2 and No. 6 for working in an H2S environment or a potential H2S environment.

I. Hydrogen Sulfide Training

All contractors and subcontractors employed by ConocoPhillips will receive or have received training from a qualified instructor within the last twelve months in the following areas prior to commencing drilling operations on this well.

1. The hazards and characteristics of hydrogen sulfide (H2S)
2. Safety precautions.
3. Operations of safety equipment and life support systems.

In addition, contractor supervisory personnel will be trained or prepared in the following areas:

1. The effect of H2S on metal components in the system, especially where high tensile strength tubulars are to be used.
2. Corrective action and shutdown procedures when drilling or reworking a well, blowout prevention and well control procedures, if the nature of work performed involves these items.
3. The contents and requirements of the contingency plan when such plan is required.

II. H2S EQUIPMENT AND SYSTEMS

1. Safety Equipment

The following minimum safety equipment will be on location:

A. Wind direction indicators placed near rig floor/mud return lines and at points along the perimeter of the location to allow visibility of at least one indicator from any point on location.
B. Automatic H2S detection alarm equipment (both audio and visual)
C. Clearly visible warning signs. Signs will use the words "POISON GAS" and "CAUTION" with a strong color contrast.
D. Protective breathing equipment will be located in the doghouse and at briefing areas on location.

2. Well Control Systems

A. Blowout Prevention Equipment

Equipment includes but is not limited to:

1. Pipe rams to accommodate all pipe sizes
2. Blind rams
3. Choke manifold
4. Closing Unit
5. Flare line and means of ignition

B. Communication

The rig contractor will be required to have two-way communication capability. ConocoPhillips will have either land-line, satellite phone, microwave phone, or mobile (cellular) telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe drilling practices and the use of H2S scavengers when appropriate will minimize hazards when penetrating H2S bearing zones.

D. Drill Stem Tests

Any planned drill stem test will be cancelled if H2S is detected prior to such test. In the event that H2S is detected during testing, the test will be terminated immediately.