30-025-39784

MASTER SURFACE USE PLAN OF OPERATIONS

CONOCOPHILLIPS COMPANY
MCA UNIT, LEA COUNTY, NM
November 26, 2007
Revised December 11, 2008

This plan is to be submitted with BLM Form 3160-3, Application for Permit to Drill. The purpose of this plan is to describe the location of the proposed wells, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations. This plan will allow a complete appraisal to be made of the environmental effects associated with the proposed operation.

ConocoPhillips requests that each 3160-3 serve as the application for Right-of-Way for the access, well pad, flow lines, power lines, and water hauling routes on Federal lands.

UNIT AREA: Leases in the following Sections, Townships and Ranges that ConocoPhillips Company operates. Lease numbers as follows, but not limited to:

MCA UNIT AREA

Lease	Sfx	Lessor	Twn	Rng	Sec	QQ
N/A		USA LC 061842	17	32	14	E2
N/A		Fee	17	32	14	W2
N/A		USA LC 059576	17	32	15	NE
088907	000	USA LC 054687	17	32	15	N2, SW, W2SE
269411	000	USA NM-080258	17	32	15	E2SE
N/A		State of New Mexico B-2366-16	17	32	16	NE, N2SE
N/A		State of New Mexico VO-3555	17	32	16	N2SW
109063	000	State of New Mexico B 155-5	17	32	16	S2SW
109063	000	State of New Mexico B 155-5	17	32	16	NW
088913	000	State of New Mexico B 2366-11	17	32	16	SWSE
088908	000	State of New Mexico B 4062-3	17	32	16	SESE
088912	000	USA LC 029405-B	17	32	17	W2
088912	000	USA LC 029405-B	17	32	17	W2E2
109069	000	USA NM LC 060329	17	32	17	E2E2
088912	000	USA LC 029405-B	17	32	18	E2
088912	000	USA LC 029405-B	17	32	18	E2W2
109069	000	USA NM LC 060329	17	32	18	NWNW
109069	000	USA NM LC 060329	17	32	18	SWSW
088911	000	USA LC 029405-A	17	32	19	N2
088912	000	USA LC 029405-B	17	32	19	S2
088911	000	USA LC 029405-A	17	32	20	N2
088912	000	USA LC 029405-B	17	32	20	S2
088909	000	USA LC 029509-A	17	32	21	N2, SW, N2SE
088910	000	USA LC 029509-B	17	32	21	S2SE
088909	000	USA LC 029509-A	17	32	22	W2NW
088910	000	USA LC 029509-B	17	32	22	NE
088910	000	USA LC 029509-B	17	32	22	E2NW
088910	000	USA LC 029509-B	17	32	22	NWSE
088910	000	USA LC 029509-B	17	32	22	SW
253943	000	USA LC 058395	17	32	22	E2SE
253943	000	USA LC 058395	17	32	22	SWSE
101798	000	USA LC 029400-A	17	32	23	NWSW
109067	000	USA LC 058697-A	17	32	23	S2SE

109066	000	USA LC 058698-A	17	32	23	N2SE
109066	000	USA LC 058698-A	17	32	23	NESW
109066	000	USA LC 058698-A	17	32	23	S2SW
109068	000	USA LC 058698-B	17	32	23	N2
N/A		USA LC 058697-B	17	32	25	All
262724	000	USA LC 058408-A	17	32	26	W2NE
262723	000	USA LC 058408-B	17	32	26	NESE, NWSE, S2SE
109066	000	USA LC 058698-A	17	32	26	S2NW
253944	000	USA LC 058699	17	32	26	SW
109062	000	USA LC 061841	17	32	26	N2NW
256034	000	USA NM 94188	17	32	26	E2NE
109065	000	USA LC 057210	17	32	27	NENE, SE, SWNE, W2
253947	000	USA LC 058396	17	32	27	NWNE, SENE
109065	000	USA LC 057210	17	32	28	All
256050	000	USA LC 029410-A	17	32	29	All
N/A		USA LC 029410-B	17	32	30	W2, SE, W2NE
253946	000	USA LC 060199-B	17	32	30	E2NE
N/A		USA LC 029410-B	17	32	31	E2SE, N2
N/A		USA LC 069105	17	32	31	E2SE
		USA NM 03428	17	32	31	SW
N/A		State of NM B-4109	17	32	32	NE, N2NW,
N/A		State of NM B-6768	17	32	32	SE, NESW
N/A		State of NM OG-5119	17	32	32	S2SW, NWSW, S2NW
109072	000	USA LC 029409-A	17	32	33	SW
109071	000	USA LC 059001-A	17	32	33	E2, N2NW, S2NW
109060	000	USA LC 058514	17	32	34	NE
109059	000	USA LC 058728	17	32	34	E2NW
109061	000	USA LC 059002	17	32	34	W2NW
N/A		USA LC 068140	17	32	34	SW
N/A		USA LC 060503	17	32	34	N2SE
N/A		USA NM 036852	17	32	34	S2SE
109068	000	USA LC 058698-B	17	32	35	W2
109068	000	USA LC 058407-B	17	32	35	NE
109068	000	USA LC 058409-B	17	32	35	SE
109070	000	USA LC 058697-B	17	33	30	W2

If drilling is proposed on additional leases, the BLM will be advised when they are proposed.

1. **Existing Roads:**

   A. The well site and elevation plat for each well will be provided with the 3160-3 when proposed.
   B. All roads to the location are shown with each individual location plat. The existing roads are illustrated and are adequate for travel during drilling and production operations. Upgrading of the roads prior to drilling will be done where necessary, or as determined during the Onsite inspections.
   C. Directions to location will be provided for each well application.
   D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on the lease.

2. **New or Reconstructed Access Roads:**
   A. The maximum width of the road will be fifteen (15) feet.
   B. It will be crowned and made of 6 inches of rolled and compacted caliche. Water will be diverted, as necessary, to avoid accumulation and prevent surface erosion.
   C. Surface material will be native caliche. This material will be obtained from a BLM-approved pit nearest in proximity to the location.
   D. The average grade will be approximately 1%.
   E. No cattle guards, grates, or fence cuts will be required.
   F. No turnouts are planned.

3. **Location of Existing Wells:**
   See 1-mile radius plat for each well with Form 3160-3 when proposed.

4. **Location of Existing and/or Proposed Production Facilities:**
   A. **On Well Pad**
      1. **Oil Producing Wells:** It is the intent to connect a 3" ANSI 150-rated fiberglass-reinforced pipe as flow line, above ground, from the well to an existing riser in the field, so the oil can be produced into the existing production infrastructure. This piping is to reduce the number of connections, thus minimize the number of potential leaks caused by internal & external corrosion. The piping is to be run on the surface alongside the roads, to facilitate leak detection by Operator.
      2. Any production facilities even on a temporary basis will be on-site.
      3. All above ground facilities will be painted per Carlsbad BLM office area guidelines, a color that blends with the surrounding area within six (6) months of well completion, unless approved otherwise.
      4. **Water Injection Wells:** Prior to injection, a line of either 2-3/8", 2-7/8", or 3-1/2" 2500# fiberglass tubing will be installed for the purpose of transporting water from the main water injection line to the individual wells. All necessary approvals from surface owners and/or governmental agencies will be obtained prior to construction.

   B. The planned facility diagram will be submitted with each Form 3160-3.
   C. New power lines will be 480 volt 3-phase power for each unit. Existing Company-owned lines in addition to some existing Lea County Electric lines will be utilized.

5. **Location & Types of Water Supply:**
   A. Some fresh water, for the surface section of the wells, may be recycled from the fresh water pit from the drilling of the previous well and, perhaps, combined or diluted with new fresh water, as necessary. Otherwise, new fresh water may be obtained from a licensed supply source.
   B. No water wells will be drilled at these locations.

6. **Construction Materials:**
   Construction materials will be obtained from a permitted source.

7. **Methods For Handling Waste:**

A. The drilling waste materials will be contained in a zero discharge system. The drilling waste materials include:

- Drill cuttings
- Excess drilling fluids, including fresh water, fresh water mud, brine, and brine based mud
- Any water that might flow from the well due to possible water flows that may be encountered during drilling operations
- Excess cement (cement returns) from cementing operations

No reserve pit will be built. The rig's steel pits along with cuttings boxes and frac tanks will be used for containment.

After drilling operations are concluded, any remaining free water (either brine water or fresh water) will be hauled to an approved disposal facility, or if in suitable condition, may be reused on the next well. Drill cuttings and cement returns circulated to surface will be hauled to an approved disposal facility.

The portion of the drilling pad to be used by the production equipment (pumping unit) will remain in use and will not be reclaimed.

B. A portable chemical toilet will be available on the location for human waste during the drilling operations.

C. Garbage, trash and waste paper produced during drilling operations will be collected in a contained trailer and disposed of at an approved landfill within 30 days after the well has been either completed or abandoned. All such waste material will be contained to prevent scattering by the wind.

D. In the event water is produced from a well during completion operations; the water will be disposed of into a steel tank. After placing the well on production through the production facilities; all water will be collected in tanks and injected into the water injection system. Produced oil will be separated into steel stock tanks until sold.

E. No toxic waste or hazardous chemicals will be generated by this operation.

8. **Ancillary Facilities:**
No ancillary facilities are planned.

9. **Well Site Layout:**
The drill pad layout will be included for each individual well on separate Forms 3160-3.

10. **Plans for Surface Reclamation:**

A. If a well is a producer, all site rehabilitation shall be completed as required. The unused portion of the site will be ripped prior to replacing the topsoil. The soil-banked material will be spread over the area. Reseeding will be utilizing a BLM-approved mixture. The prepared seed shall be broadcast or drill seeded with the approved seed mixture, as required by the soil and/or wildlife needs. If the

broadcast method is utilized, the seed mixture shall be doubled. There shall be no primary or secondary noxious weed seed in the native seed mixture.

B. At such time the well location is abandoned, ConocoPhillips Company will contact the BLM for development of the final rehabilitation plan. Upon abandonment, an erect dry hole marker welded to the surface casing four feet below ground level will be installed. It will contain the same information as the well sign as directed by 43 CFR 3162.6 (30 CFR 221.22). The dry hole marker sealing the casing will have a 1/8" to 1/4" weep hole which will allow pressure to dissipate and make detection of any fluid seepage easier.

C. Weeds will be controlled on disturbed areas within the exterior limits of the well pad. The control methods will be in accordance with guidelines established by EPA, BLM, state and local authorities.

11. **Surface Ownership:**

The surface ownership for most of the well locations is the Bureau of Land Management. Private surface owners will be identified on separate Forms 3160-3. Additionally, those surface owners will be provided a copy of the respective Surface Use Plan.

12. **Other Information:**

A. The area that would be impacted by the well site and access road has been, or will be, surveyed for cultural resources.

B. ConocoPhillips will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts.

If historic or archaeological materials are uncovered; ConocoPhillips Company will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer, Bureau of Land Management.

Within five (5) working days the Authorized Officer will inform ConocoPhillips Company as to whether the materials appear eligible for the National Register of Historic Places; the mitigation measures the Operator will likely have to undertake before the site can be used (assuming in site preservation is not necessary); and time frame for the Authorized officer to complete an expedited review under 36 CFR 800.11 for confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

C. ConocoPhillips Company will protect, in place, all public land survey monuments, private property corner, and Forest Service boundary markers. In the event that any such land markers or monuments are destroyed in the exercise of their rights, depending on the type of monument destroyed, the Operator shall see that they are reestablished or referenced in accordance with (1) the procedures outlined in the "Manual of Instructions for the Survey of the Public Land of the United States", (2) the specifications of the county surveyor, or (3) the specifications of the BLM.

D. A cultural resource survey will be performed by Lone Mountain Archaeological Services, Inc. and forwarded to the Carlsbad, NM BLM office.

13. Lessee's and Operator's Representatives:

The ConocoPhillips Company representatives responsible for assuring compliance of the Surface Use Plan include:

David Cook
Manager, Permian Operations
4001 Penbrook Street
Odessa, TX 79762
Office: 432-368-1100/Cell: 432-978-9804

Eileen D. Dey
3300 N. "A" St., Bldg. 6
Midland, TX 79705
Office: 432-688-9042/Cell: 432-889-8161

Tommy E. Brooks
SENM Operations Superintendent
1410 NW County Rd.
Hobbs, NM 88240
Office/Cell: 575-390-3275

Rudy R. Quiroz
Production Supervisor
HC 60 Box 66
Lovington, NM 88260
Office: 575-391-3147/Cell: 575-390-1445

Larry E. Deen
Projects Supervisor
HC 60 Box 66
Lovington, NM 88260
Office: 575-391-3186/Cell: 575-390-3421

Dennis E. Ross
Production Foreman
HC-60 Box 66
Lovington, NM 88260
Office: 575-391-5595/Cell: 575-390-3424

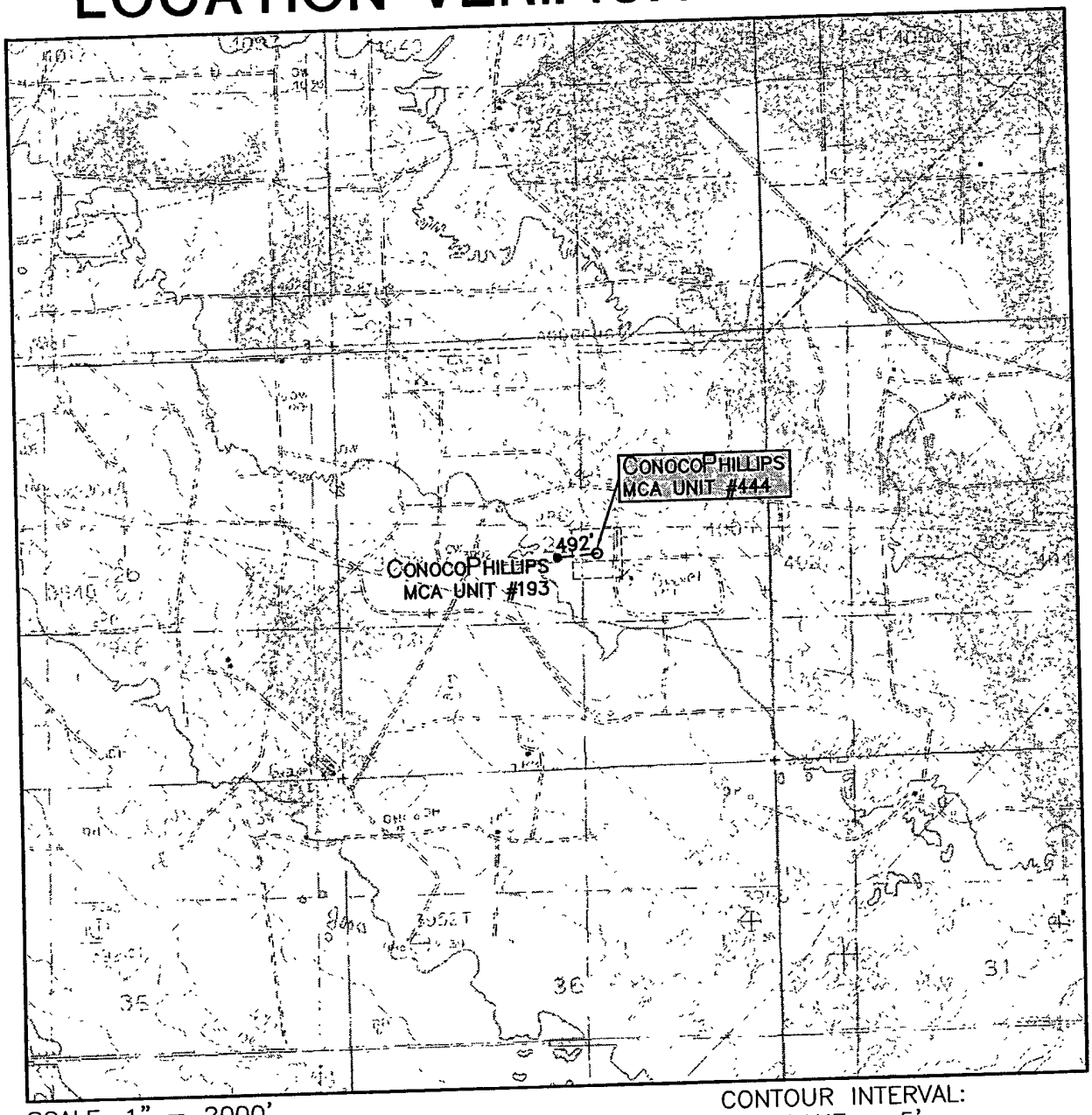
Jalyn N. Fiske
Regulatory Specialist
3300 N. "A" St., Bldg. 6
Midland, TX 79705
Office: 432-688-6813

OPERATOR CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 10th day of February, 2010.

Name: Jalyn N. Fiske Jalyn N. Fiske
Position: Regulatory Specialist
Address: 3300 N. "A" St., Midland, Bldg. 6, Midland, TX 79705
Telephone: 432-688-6813
Field Representative: (if not above signatory): Rudy Quiroz
Address (if different from above): HC 60 Box 66, Lovington, NM
Telephone (if different from above): 575-391-3147
E-mail(optional): Rudy.R.Quiroz@conocophillips.com

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
DOG LAKE – 5'

SEC. 25 TWP. 17–S RGE. 32–E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2630' FSL & 2130' FEL

ELEVATION 4005'

OPERATOR CONOCOPHILLIPS

LEASE MCA UNIT

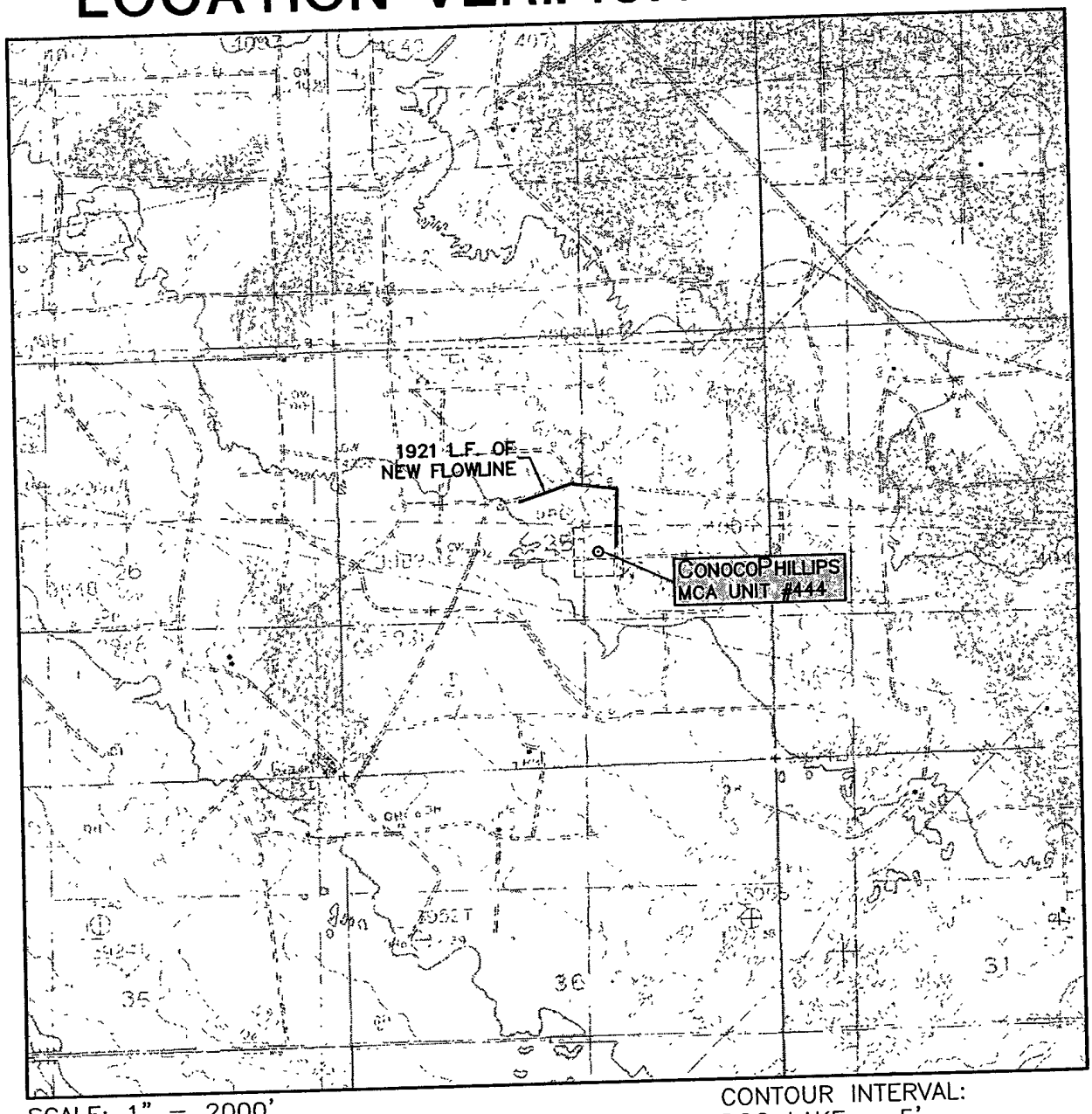
U.S.G.S. TOPOGRAPHIC MAP
DOG LAKE

NORTH

WEST COMPANY of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687–0865 – (432) 687–0868 FAX

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
DOG LAKE – 5'

SEC. 25 TWP. 17–S RGE. 32–E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2630' FSL & 2130' FEL

ELEVATION 4005'

OPERATOR CONOCOPHILLIPS

LEASE MCA UNIT

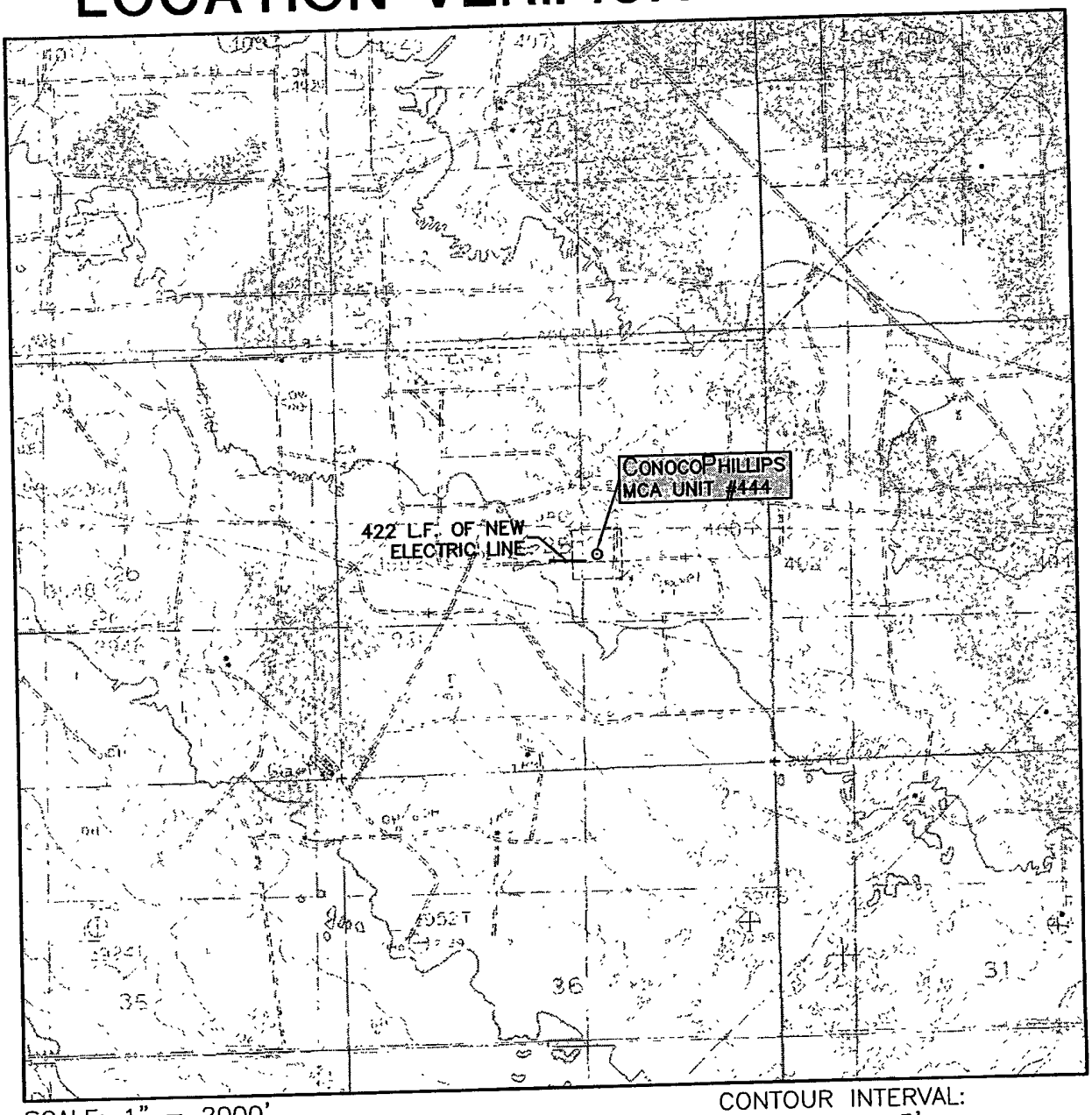
U.S.G.S. TOPOGRAPHIC MAP
DOG LAKE

NORTH

WEST COMPANY of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687–0865 – (432) 687–0868 FAX

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
DOG LAKE – 5'

SEC. 25 TWP. 17–S RGE. 32–E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2630' FSL & 2130' FEL

ELEVATION 4005'

OPERATOR CONOCOPHILLIPS

LEASE MCA UNIT

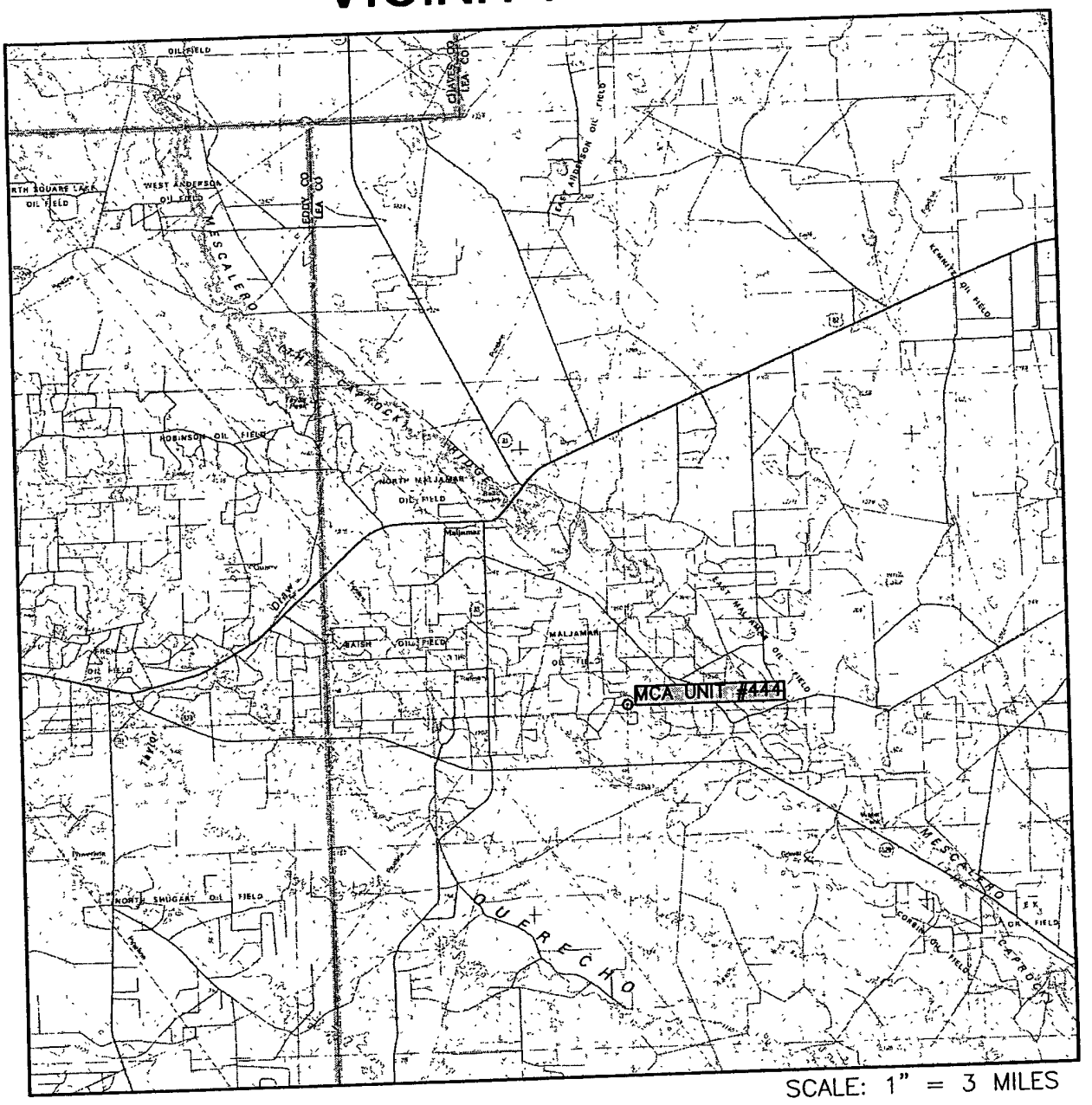
U.S.G.S. TOPOGRAPHIC MAP
DOG LAKE

NORTH

WEST COMPANY of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687–0865 – (432) 687–0868 FAX

VICINITY MAP



SCALE: 1" = 3 MILES

SEC. 25 TWP. 17-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2630' FSL & 2130' FEL

ELEVATION 4005'

OPERATOR CONOCOPHILLIPS

LEASE MCA UNIT

NORTH

WEST COMPANY of Midland, Inc.

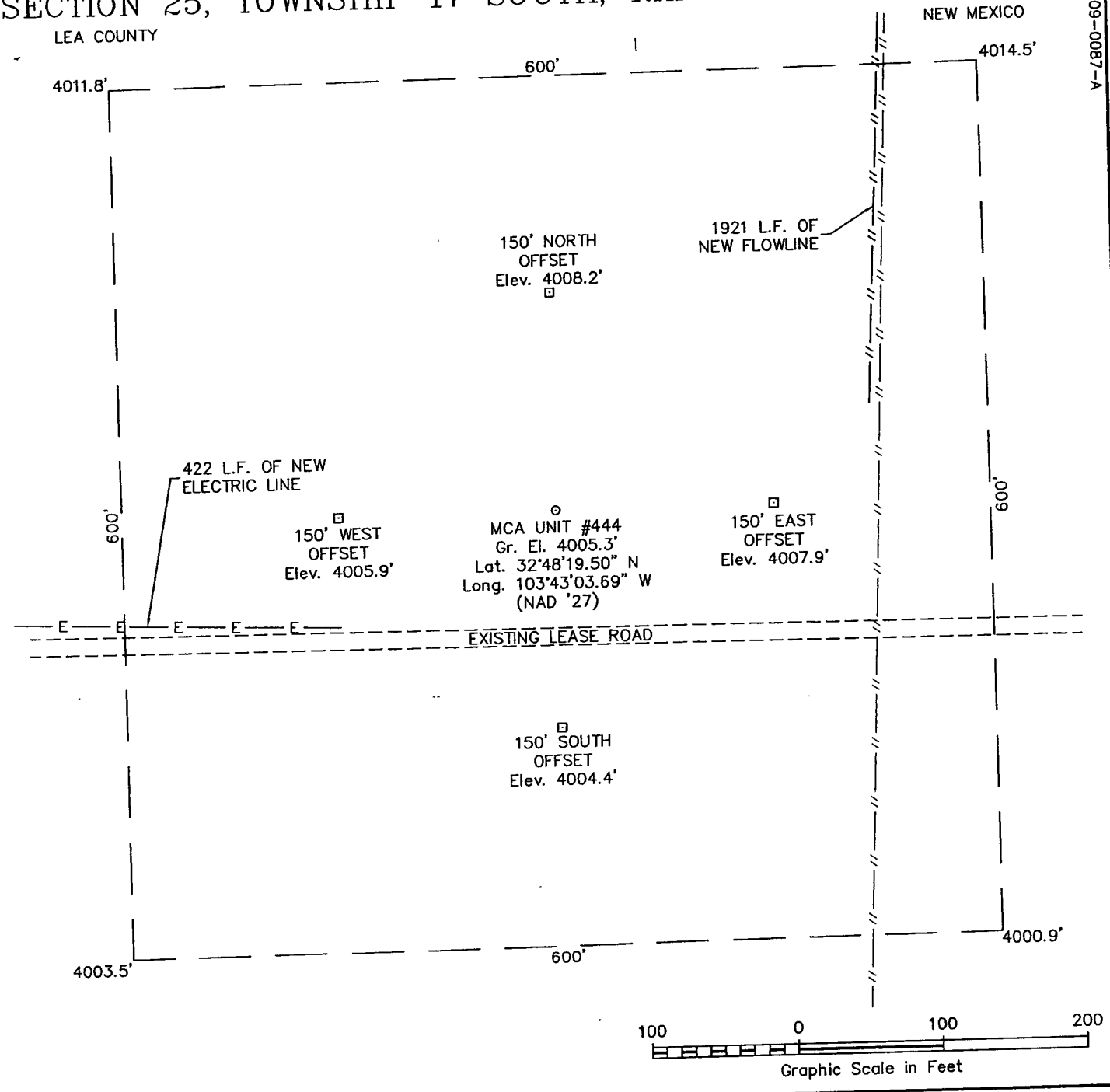
110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

SECTION 25, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.

LEA COUNTY

NEW MEXICO

L-2009-0087-A



DRIVING DIRECTIONS

FROM THE INTERSECTION OF STATE HIGHWAY 529 AND STATE HIGHWAY 33 (MALJAMAR ROAD) APPROXIMATELY 5 MILES SOUTH OF MALJAMAR, NM GO NORTH ON SAID STATE HIGHWAY 33 1.6 MILES TO A LEASE ROAD ON EAST (RIGHT) SIDE OF ROAD, THEN GO EAST 2.1 MILES TO ANOTHER LEASE ROAD ON THE SOUTH (RIGHT) SIDE OF ROAD, THEN GO SOUTH 0.4 MILE TO ANOTHER LEASE ROAD ON EAST (LEFT) SIDE OF ROAD, THEN GO EAST 0.4 MILE TO ANOTHER LEASE ROAD ON SOUTH (RIGHT) SIDE OF ROAD, THEN GO SOUTH 0.1 MILE TO A POINT BEING APPROXIMATELY 200 FEET EAST OF THE PROPOSED LOCATION.

WEST COMPANY of Midland, Inc.

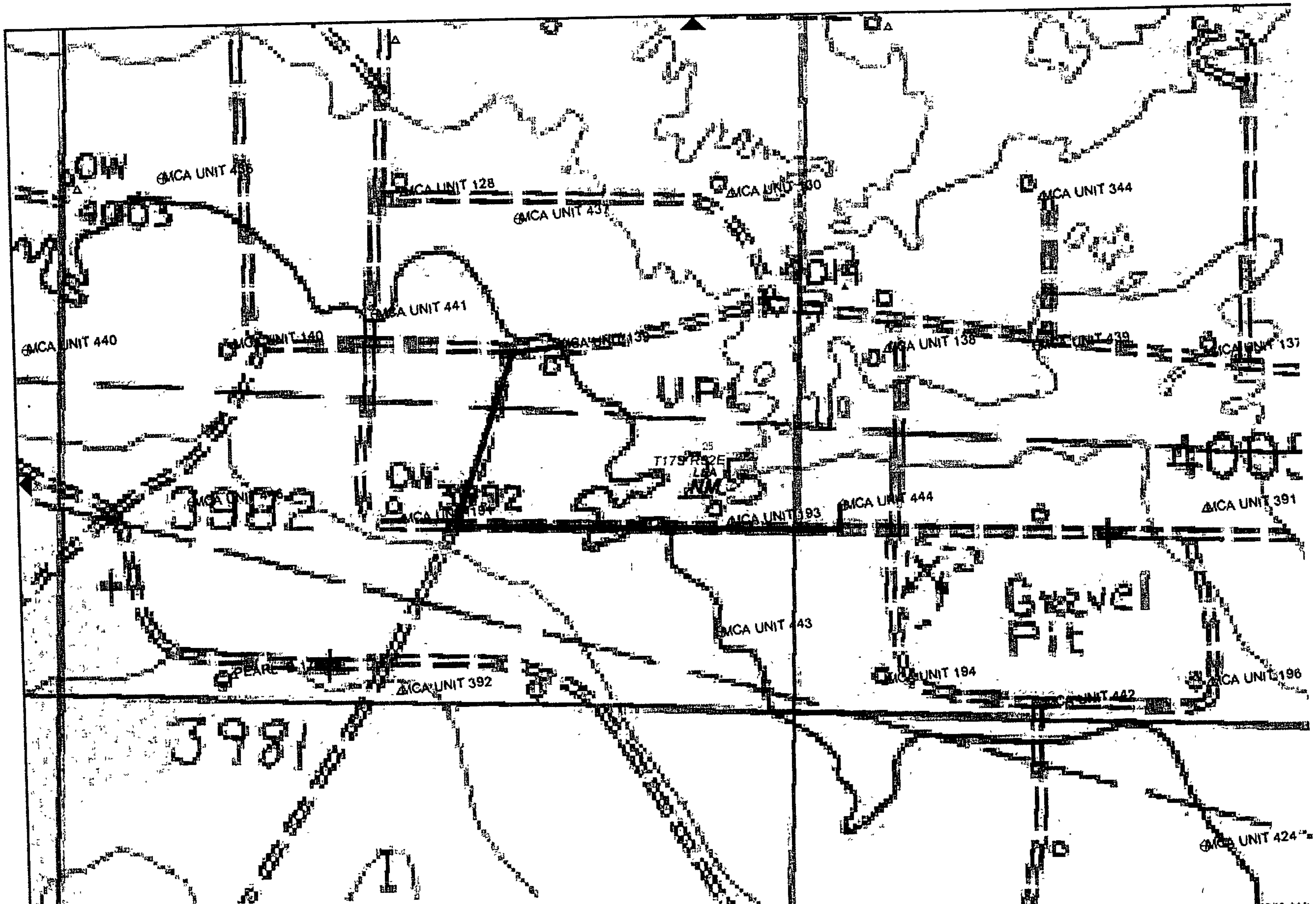
110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 – (432) 687-0868 FAX

CONOCOPHILLIPS

MCA UNIT #444

Located 2630' FSL & 2130' FEL, Section 25 Township 17 South, Range 32 East, N.M.P.M. Lea County, New Mexico

Drawn By: LVA	Date: March 12, 2009
Scale: 1"=100'	Field Book: 453 / 3-14
Revision Date:	Quadrangle: Dog Lake
W.O. No: 2009-0087	Dwg. No.: L-2009-0087-A



Map and data are proprietary to ConocoPhillips, Inc. for internal use only. Other uses require supervisor approval.