Form 3160-5 (March 2012)

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

DEC 2 0 2012

OCD Hobbs

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

| DEI  | AKTMENT OF THE  | INTERIOR  |  | LX CX  | pires. October 31, 2014  |
|--|---|---|--|--|--|
| BUR  | EAU OF LAND MAN   | AGEMENT   | RECE   | Lease Serial No.<br>NM LC 029405B  |  |
| Do not use this f  |   | ORTS ON WELLS<br>to drill or to re-enter a<br>PD) for such proposa  | in I   | 5. If Indian, Allottee of N/A  | r Tribe Name   |
|  | TIN TRIPLICATE - Other  | instructions on page 2.   | ſ  | 7. If Unit of CA/Agree   | ment, Name and/or No.  |
| 1. Type of Well  |   |   |  | B. Well Name and No.   |  |
| Oil Well Gas W   | Vell Other  |   | [1   | Ruby Federal #57   | / /  |
| 2. Name of Operator<br>ConocoPhillips Company  |   |   |  | ). API Well No.<br>30-025-40657  | /  |
| 3a. Address<br>P.O. Box 51810  | 3b. Phone No. (include area c   |   | 10. Field and Pool or Exploratory Area         |  |  |
| Midland, Texas 79710-1810  | D.)(  | 432-688-6913  |  | Maljamar; Yeso Wes   |  |
| 4. Location of Well (Footage, Sec., T., Surface Location = UL N, Sec. 18, T17S, R32E; Producing Zone Location = UL O, Sec. 18, T17S  | R., M., or Survey Description<br>330' FSL and 2652' FWL<br>5, R32E; 422' FSL and 2209' FEL  |   |  | 1. County or Parish, S<br>Lea County, New Mo                                 |  |
| 12. CHEC   | CK THE APPROPRIATE BO   | X(ES) TO INDICATE NATUR   | RE OF NOTICE                                   | E, REPORT OR OTHE  | ER DATA  |
| TYPE OF SUBMISSION   |   | Т   | YPE OF ACTION                                  | ON   |  |
| Notice of Intent   | Acidize Alter Casing  | Deepen Fracture Treat   | Produc   | ction (Start/Resume)   | ☐ Water Shut-Off ☐ Well Integrity  |
| Subsequent Report  | Casing Repair   | New Construction  | Recom  | plete  | Other additional cement  |
|  | Change Plans  | Plug and Abandon  |  | rarily Abandon   | option   |
| Final Abandonment Notice   | Convert to Injection  | Plug Back   | Water  | Disposal   |  |
| 13. Describe Proposed or Completed Of<br>the proposal is to deepen directions<br>Attach the Bond under which the w<br>following completion of the involv<br>testing has been completed. Final<br>determined that the site is ready for | ally or recomplete horizontal<br>work will be performed or project operations. If the operations had operated by the operation of the control of | ly, give subsurface locations and<br>ovide the Bond No. on file with<br>on results in a multiple completi | d measured and BLM/BIA. Re-<br>ion or recomple | true vertical depths of<br>quired subsequent rep-<br>tion in a new interval, | f all pertinent markers and zones.<br>orts must be filed within 30 days<br>a Form 3160-4 must be filed once  |
| ConocoPhillips Company respectful encountered during drilling. Enclose   |   |   |  | well. The cement u   | sed will depend on hole conditions   |
| This well is scheduled to spud as ea   | orly as May 15, 2013.   | \$ =  |  |  |  |
|  |   |   |  |  |  |
|  |   |   |  |  | State exico  ER DATA  Water Shut-Off Well Integrity Other additional cement option  c and approximate duration thereof. If fall pertinent markers and zones. Forts must be filed within 30 days, a Form 3160-4 must be filed once completed and the operator has |
|  |   |   |  |  |  |
|  |   |   |  |  |  |
|  |   |   |  |  |  |
|  |   |   |  |  |  |

| Origional COASILL Stands   |   |
|--|---|
| 14. I hereby certify that the foregoing is true and correct. Name ( <i>Printed/Typed</i> ) Susan B. Maunder  | Title Senior Regulatory Specialist  |
|  | This come regulatory operation  |
| Signature Sulan B. Maunder   | Date 12/05/2012 ADDDOVED  |
| THIS SDACE FOR FEDE  | RAL OR STATE OFFICE USE   |
| THIS SPACE FOR PLDE  | TAL ON STATE OFFICE USE   |
| Approved by  | Title DEC 1.8 2012  |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or c that the applicant holds legal or equitable title to those rights in the subject lease which we entitle the applicant to conduct operations thereon. | ould Office  BUREAU OF LAND MANAGEMENT  |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any in   | CARL SBAD FIELD OFFICE are soon knowingly and willfully to make to any department or agency of the United States any false. |

(Instructions on page 2)

fictitious or fraudulent statements or representations as to any matter within its jurisdiction

MW/OCD 12-21-2012

JAN 10 8 2013

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#### GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

#### **SPECIFIC INSTRUCTIONS**

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

### **NOTICES**

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and grantingapproval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

# Cement Option 2 Insert to Sundry Notice/Notice of Intent to Change Plans

ConocoPhillips respectfully requests an additional option to our cementing program. The intention of this alternative is to accommodate additional isolation of the Grayburg-San Andres formation with cement.

# Alternate 5-1/2" Production Casing & Cementing Program – TXI/LW Option for Grayburg-San Andres:

The intention for cementing of the Production Casing is to:

- Place the Tail Slurry from the casing shoe to the top of the Grayburg-San Andres formation,
- Bring the Lead Slurry to surface.

Spacer: 20 bbls Fresh Water

|      | Siurry      |         | rvals<br>MD   | Weight ppg | Sx   | Vol<br>Cuft | Additives  | Yield<br>ft³/sx |
|------|-------------|---------|---------------|------------|------|-------------|--|-----------------|
| Lead | 50:50 Poz/C | Surface | 3000,         | 11.8       | 500  | 1300        | 10% Bentonite 8 lbs/sx Salt 0.2%-0.4% Fluid loss additive 0.125 lb/sx LCM if needed Excess = 200% or more if needed based on gauge hole volume | 2.6             |
| Tail | TXI/LW      | 3000'   | 6800' – 7000' | 13.2       | 1300 | 1820        | 0.5% Fluid loss additive 0.10% Retarder 0.2% Antifoam 0.125 lb/sx LCM if needed Excess = 150% or more if needed based on gauge hole volume     | 1.40            |

Displacement: Fresh Water with approximately 250 ppm gluteraldehyde biocide.

## **Proposal for Option to Adjust Production Casing Cement Volumes:**

The production casing cement volume for each alternative presented above are estimates based on gauge 7-7/8" hole. We will adjust these volumes based on the caliper log data for each well and our trends for amount of cement returns to surface. Also, if no caliper log is available for any particular well, we would propose an option to possibly increase the production casing cement volume to account for any uncertainty in regard to the hole volume.

# **Contact Information:**

Request proposed 5 December 2012 by: James Chen Drilling Engineer, ConocoPhillips Company Phone (832) 486-2184 Cell (832) 768-1647