

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-40410
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator ConocoPhillips Company		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 51810 Midland, TX 79710		7. Lease Name or Unit Agreement Name RED HILLS WEST 16 STATE
4. Well Location Unit Letter D : 180 feet from the NORTH line and 640 feet from the WEST line Section 16 Township 26S Range 32E NMPM County LEA		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3201		9. OGRID Number 217817
		10. Pool name or Wildcat JENNINGS; UPPER BONE SPRING SHALE

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input checked="" type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ConocoPhillips respectfully requests to temporarily abandon this well. Please see attached procedure.

Conditions of Approval :

Condition of Approval: notify

OCD Hobbs office 24 hours

prior of running MIT Test & Chart

Spud Date:

Rig Release Date:

AS PER PHONE CONVESATION W/CP
KASE BRAUN CUT 7" @ 4429'.
SET PKR @ 4400'. EST. RATE
SQZ W/ SUFFICIENT CMT TO COVER
7" STUB + 50'. TAG NO DEEPER
THAN 4379'. CHART / TEST TO
500# FOR 30 MINS. FOR
APPROVED T/A STATUS.
YMB

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

SIGNATURE Ashley Bergen TITLE Regulatory Specialist DATE 09/28/2015

Type or print name Ashley Bergen E-mail address: ashley.bergen@cop.com PHONE: (432)688-6938

For State Use Only

APPROVED BY: Mary Brown TITLE Dist. Supervisor DATE 10/6/2015

Conditions of Approval (if any):

OCT 08 2015

**Request for NMOCD
ConocoPhillips Company
Red Hills West 16 State 1H
API#:30-025-40410
Lea County, New Mexico**

Request:

ConocoPhillips Company respectfully requests approval to T&A the Red Hills West 16 State 1H in lieu of remediating the existing cement on the 7" casing as part of the Condition of Approval for the Red Hills West 16 SWD 1. Our intent for Temporarily Abandonment is to protect the well slot and consider re-entry to target other formation in the future. Provided that the 7" casing is cut and recovered, ConocoPhillips shall submit an NOI for approval for future actions to this well.

Summary:

- o This is a horizontal well.
- o The surface casing is 13-3/8", 54.5#, J-55, BTC set at 973' and cemented to surface.
- o The intermediate casing is 9-5/8" 36#, J-55, LTC set at 4,479 and cemented to surface.
- o The 7" 29#, P-110, BTC production casing was cemented on 09-Sept-2012 with partial returns. The shoe of the 7" string is at the heel of the lateral and is at 9,340' MD, 8,943' TVD.
- o A 4-1/2" 11.6#, P-110, BTC liner was ran with open hole swell packers and sleeves was run and set. The top of the 4-1/2" liner is at 8,805' MD, 8,686' TVD and the shoe of the lateral is set at 13,419' MD, 8,916' TVD.
- o A cement bond log run on 2/21/2013 found that the top of cement on the 7" production casing is at 5887' - and that the top of cement is therefore not lapped back into the 9-5/8" intermediate casing.
- o A circulation cement squeeze was attempted on 6/19/2013. Squeeze perforations were shot from 5,880-2'. Circulation was not able to be established and the following was pumped.
 - A 30 BBL gel spacer
 - 520 sxs of 10.5 ppg Tuned Lite (2.75 cuft/sx)
 - 100 sxs of 14.8 ppg Class C with Fluid Loss (1.34 cuft/sx).
- o A cement bond log ran 6/20/2013 showed no increase in the top of cement
- o Following the Drillout of the squeeze cement the squeeze perforations failed a pressure test.
- o An second cement squeeze was pumped on 7/13/2013 through the existing squeeze perforations without circulation that consisted of:
 - 10 BBL Freshwater
 - 100 SXS 14.8 ppg Class C with Fluid Loss (1.34 cuft/sx)
 - 200 SXS 15.6 ppg Class H with Accelerator (1.34 cuft/sx)
- o Following the drillout the squeeze perforations were pressure tested to 500 psi for 5 min.
- o Received permission from NMOCD to place well on production and monitor backside pressure
- o A casing patch was installed from 5,862-5,900'. The casing patch has ID of 5.390" and Drift ID of 5.265".

Proposed T&A Operation:

1. Check all annulus for pressure.
2. MIRU WSU.
3. TIH w/cement retainer to below liner top.
4. Set cement retainer, spot a Class C cement plug below retainer and leave cement plug on top of retainer.
5. MIRU WL. Run CBL on the 7" casing from 6,000' to Surface.
6. Set 7" CIBP above Casing Patch. Dump Bail cement on top of CIBP.
7. Free Point 7" Casing.
8. Cut and Recover 7" casing from above the free point.
9. Spot a Class C cement plug from CIBP to 300' above the 9-5/8" casing shoe.
10. Allow cement to set and tag top of cement plug to verify cement plug depth.
11. Install T&A wellhead.
12. RDMO all equipment.

Contact Information:

Request proposed 28 September 2015 by:

Kase Braun

Completions Engineer

ConocoPhillips Company

Phone (281) 206-5388

Cell (432) 385-5867

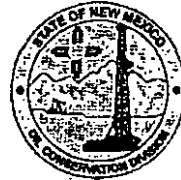
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order SWD-1514
December 17, 2014

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B, NMAC, ConocoPhillips Company (the "operator") seeks an administrative order for the proposed Red Hills West 16 SWD Well No. 1 with a location of 1226 feet from the North line and 893 feet from the West line, Unit letter D of Section 16, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified. One objection was received within the prescribed waiting period, but the applicant negotiated a resolution by contracting the injection interval originally proposed in the application (Mewbourne correspondence through counsel dated October 29, 2014). The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, ConocoPhillips Company (OGRID 217817), is hereby authorized to utilize its Red Hills West 16 SWD Well No. 1 (API 30-025-42174) with a location of 1226 feet from the North line and 893 feet from the West line, Unit letter D of Section 16, Township 26 South, Range 32 East, NMPM, Lea County, for disposal of oil field produced water (UIC Class II only) through open hole completion in the Bell Canyon and Cherry Canyon formations of the Delaware Mountain group from **4855 feet to 6275 feet**. Injection will occur through internally-coated, 3 ½-inch or smaller tubing and a packer set within 100 feet of the top of the open-hole interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application.

The operator shall supply the Division with a copy of a mudlog over the permitted disposal interval and an estimated insitu water salinity based on open-hole logs. If significant

hydrocarbon shows occur while drilling, the operator shall notify Division's District I and the operator shall be required to receive written permission prior to commencing injection.

The operator shall complete the listed corrective actions for two wells within the Area of Review prior to commencing disposal:

*1. **Red Hills West 16 State Well No. 1H (API 30-025-40410)***

Corrective Action: emplace a sufficient volume of cement in the annulus of 7-inch intermediate casing to tie the top of cement at 5887 feet with the 9 5/8-casing set at 4479 feet and, at a minimum, 300 feet above the 9 5/8-casing shoe.

*2. **Red Hills West 16 State Well No. 6H (API 30-025-40415)***

Corrective Action: emplace a sufficient volume of cement in the annulus of 7-inch intermediate casing to tie the top of cement at 5885 feet with the 9 5/8-casing set at 4553 feet and, at a minimum, 300 feet above the 9 5/8-casing shoe.

The operator shall prepare a cementing program for each well and submit the program to the Division's District I office for approval. Following completion of the corrective actions, the operator shall submit to the Division's District I office a cement bond log (or equivalent) for each well to verify the cement placement.

The operator shall run an injection survey (tracer/temperature or equivalent) of the entire injection interval within one (1) year after commencing disposal into this well. The operator shall supply both the Division's District I office and Santa Fe Bureau office with a copy of the survey log.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

*The wellhead injection pressure on the well shall be limited to **no more than 971 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.*

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District I office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected

and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District I office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection permit after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.


JAMI BAILEY
Director

JB/prg

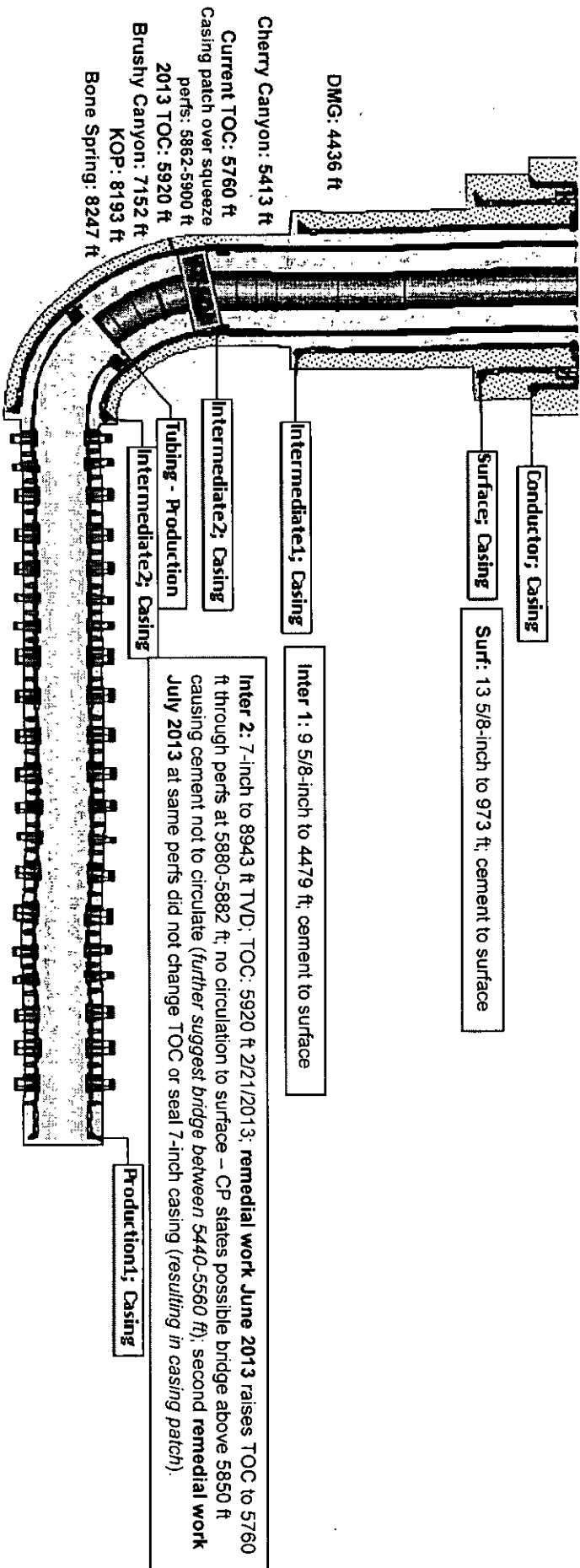
cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas and Minerals Division

ConocoPhillips

Schematic - Current

RED HILLS WEST 16 STATE 1H

Most Recent Job	Primary Job Type	Secondary Job Type	Actual Start Date	End Date
Job Category FACILITIES	INSTALL FACILITIES (NEW)		1/14/2014	1/14/2014



Brown, Maxey G, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Wednesday, September 30, 2015 3:06 PM
To: Bergen, Ashley (Ashley.Bergen@conocophillips.com); Kase Braun
Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; Jones, William V, EMNRD
Subject: C-103 for TA: Red Hills West 16 State 1H (30-025-40410)
Attachments: Red Hills West State 16 1H.pdf

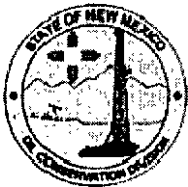
Ashley and Kase:

Maxey and I reviewed CP's NOI sundry to TA the State 1H. The proposed cutting of the 7-inch casing above the bridge plug (set above the casing patch) presents a potential risk for the successful placement of the plug based on the history of the remedial actions performed on this well. The concern is ability to place a proper plug in the open hole to 300 feet above the shoe of the 9 5/8-casing. The area has reported flow in the upper Delaware Mountain group which might account for the unsuccessful remedial attempts. Approved of the sundry, as provided, would come with stipulations which would include a requirement for CP to complete the cement plug regardless of downhole conditions – knowing that if the plug was not successfully placed that the SWD order would not be satisfied.

Maxey has suggested an alternative approach that would offer a better opportunity for a TA. He has suggested retaining the 7-inch casing into 9 5/8-inch string and cut/pull the remaining portion of the 7-inch. This would provide better control than the open-hole approach and any attempt to place a plug (including annulus seal) would be supported by the remaining 7-inch casing. This would also facilitate an easier re-entry at a later date should CP decide to complete in other Bone Spring intervals. Please consider this suggestion and see if this alternative would provide a better solution. Thanks. PRG

Phillip R. Goetze, PG

Engineering and Geological Services Bureau
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505
Direct: 505.476.3466
e-mail: phillip.goetze@state.nm.us



From: Brown, Maxey G, EMNRD
Sent: Wednesday, September 30, 2015 9:34 AM
To: Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>
Subject: FW: Red Hills West 16 State 1H (30-025-40410)

fyi

From: Bergen, Ashley [<mailto:Ashley.Bergen@conocophillips.com>]

Sent: Tuesday, September 29, 2015 7:29 AM

To: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD

Subject: Red Hills West 16 State 1H (30-025-40410)

Good Morning,

I have attached a proposal for the Red Hills West 16 State 1H (30-025-40410) to TA this well. We have spoken to the NMOCD in Santa Fe about this well since it is part of the conditions of approval for the SWD order 1514 and they said we needed district approval. Please let me know if you have any questions. I appreciate your time as always.

Thanks,

Ashley Bergen

Regulatory Specialist - MCBU

ConocoPhillips Lower 48

3300 North A St.- Bldg 6 Midland, TX 79705-5406

T: 432.688.6938 | M: 432.640.7012 | ashley.bergen@conocophillips.com