

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC060329
2. Name of Operator CONOCOPHILLIPS COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address 3300 N "A" ST BLDG 6 MIDLAND, TX 79705		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 432-688-6913		8. Well Name and No. EMERALD FEDERAL 9
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T17S R32E SWSE 420FSL 1340FEL 32.494281 N Lat, 103.470384 W Lon		9. API Well No. 30-025-41231-00-X1
		10. Field and Pool, or Exploratory MALJAMAR
		11. County or Parish, and State LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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"/> Fracture Treat	<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	Drilling Operations
	<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 recompleate horizontally, give subsurface locations and measured and true vertical inch production cement to surface). Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, and the operator has determined that the site is ready for final inspection.)

ConocoPhillips respectfully requests authorization to continue drilling operations on this well based on logs that were emailed to E. Fernandez.

The logs were run on July 26, 2013.

The objectives were to evaluate the cement isolation on the subject well from PBTD to surface and propose further actions, if needed, for this well. The CBL-USIT logged interval extends from 511' to surface, 0 psi pass per BLM requirements and a repeat 1,500 psi pass. The additional pass at 1,500 psi was made to account for a suspected micro-annulus due to expansion of the casing and set cement during the casing test on 7/19/13. The attached logs were run approximately 167 hours after the original 0 psi CBL (dated July 19th, 2013) allowing additional time for the cement to cure and develop compressive strength.

Essentially the original COA still applies (i.e. 5-1/2 inch production cement to surface). Operator to notify BLM when returning to well (Second Spud notice as per Original COA)

14. I hereby certify that the foregoing is true and correct. Electronic Submission #215326 verified by the BLM Well Information System For CONOCOPHILLIPS COMPANY, sent to the Hobbs Committed to AFMSS for processing by KURT SIMMONS on 07/31/2013 (13KMS2506SE)	
Name (Printed/Typed) SUSAN B MAUNDER	Title SR. REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 07/30/2013
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By EDWARD FERNANDEZ	Title PETROLEUM ENGINEER
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 Hobbs
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 4312, 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.	

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

AUG 07 2013

Additional data for EC transaction #215326 that would not fit on the form

32. Additional remarks, continued

Our interpretation of the CBL-USIT logs dated 7/26/13 indicates that there is good azimuthal isolation in the logged interval and ultimately the intended protection of groundwater. The logs also show that the original CBL dated 7/19/13 was impacted by a micro-annulus. This conclusion is drawn based on difference of the amplitude and VDL indicated on the logging run with zero pressure versus logging run with 1,500 psi pressure (composite curve-to-curve comparison of the 1,500 psi vs 0 psi is shown ?blue? vs ?bold blue? on the repeat pass of CBL log attached). Our calculations from the API sheath evaluation chart (API TR 10TR1 ? pg. 69 attached) estimate the approximate micro-annulus present is between 64 to 183 microns, and would not need remedial squeeze (average cement particle size is 30 microns).

The USIT indicates good azimuthal coverage and isolation from the 1,500 psi pass as follows:

- Good coverage and isolation from PBTD of 511? to 488?
- Excellent coverage and isolation from 488? to 230?.
- Good to moderate coverage and isolation from 200? to 165?
- Good coverage and isolation from 150? to 130?
- Moderate coverage from 130? to 116? and 90? to 80?
- Good coverage from 68? to surface.

Note: The USIT interpretations correlated with the CBL/VDL interpretations as presented on page 17 of the USIT log.

We do believe that there is sufficient cement bond to effectively protect and isolate the freshwater intervals, and ConocoPhillips respectfully requests approval to return to drill the 7-7/8? production hole section and complete the well as it is with no remediation at this time. Please note that we have obtained a satisfactory casing test prior to drilling out the casing shoe and an adequate formation integrity test on the casing shoe indicating good isolation in and around the shoe track on this well witness by BLM representative. With BLM?s approval, we will continue as per the approved program to drill production hole interval, run and set production casing & cement to surface, thereby providing additional isolation for groundwater protection.

Following approval, COP will notify BLM prior to resuming drilling operations.

When operations resume COP will adjust cement volumes proportionally to allow adequate cement to be circulated to surface with single stage cement job. BLM will be notified via Sundry Notice of Intent if COP decides to use a two-stage cementing procedure with external casing packers based on hole conditions.