OCD Hobbs

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.

5. Lease Serial No.
NMLC058395

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
8920003410

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
MCA UNIT 325

2. Name of Operator
CONOCOPHILLIPS COMPANY
Contact: RHONDA ROGERS
E-Mail: rogerrs@conocophillips.com

9. API Well No.
30-025-24236-00-S1

3a. Address
MIDLAND, TX 79710

3b. Phone No. (include area code)
Ph: 432-688-9174

HOBBS OCD

10. Field and Pool, or Exploratory
MALJAMAR

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 22 T17S R32E NESE 1345FSL 1295FEL

MAR 09 2015

RECEIVED

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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

ConocoPhillips would like to add pay to the upper Grayburg per attached procedures.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #250817 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Hobbs
Committed to AFMSS for processing by LINDA JIMENEZ on 10/08/2014 (15LJ0009SE)

Name *(Printed/Typed)* RHONDA ROGERS — Title STAFF REGULATORY TECHNICIAN

Signature (Electronic Submission) — Date 06/25/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
MAR 3 2015
/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved By — Title

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

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.

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

MAR 10 2015

ConocoPhillips

MCA 325
API#30-025-24236
OBJECTIVE OF THIS WORK

The purpose of this project is to bring new production to the field in the UPPER GRAYBURG

Current Well Category: Category 1 This well is incapable of flowing at rates greater than 500 MCFD. The barrier requirements are: ***one untested barrier.***

BOPE Class: Class 2 The well will require Class 2 BOP or better, preferably Hydraulic

		internal yield psi		internal Diameter (inches)	Capacity
	properties	100%	80%	Nom	bbl/ft
Tubing	2-7/8", 6.5#, J55	5808	4646	2.441	0.00579
Casing	5-1/2", 14 lb/ft. J55	4270	3416	5.012	0.0244

Procedure: upper grayburg add pay

1. Before the arrival of the rig, kill the well with fresh water.(turn off BPU)
2. Before the frac date, spot 14 clean 500 bbl frac tanks
3. Make sure project supervisor has casing collar log on location
4. Conduct safety meeting with JSA with all personnel and contractors on location
5. Move in Rig up pulling unit.
6. Pull out of hole with rods & pump, inspect rods for wear and replace as necessary.
   send rods to TRC for inspection & pump to Don nan. Inspection report to be sent to engineer.
7. Nipple down well head, Nipple up BOP, & pull out of hole with production tubing, laying down tubing on tubing racks.
   Send tubing to tuboscope for inspection. Inspection report to be sent to engineer
8. Pick up & Run in Hole with 121 joints of 2-7/8", N-80, 6.5 lb/ft work string and 10K CBP set CBP at 3750 ft., (uppermost grayburg perforation is at 3803ft). Pressure test the work string to 6500psi. **check casing collar log to make sure we do not set plug on a collar**
9. Close pipe rams and Test Bridge plug to 2000psi surface pressure (3600 psi BHP). If it holds then proceed, if it doesn't reset 10K CBP (check casing collar log to make sure we are not on a collar)

10. Raise work string to 3720ft (120 joints), spot 500 gals of 15% NE Fe HCL, acid column (3220ft-3720ft) perforations (3539ft-3713ft)

11. Pull out of hole laying down the work string

12. Rig up perforating Services

13. Perforate at the below depths. **Perforate at the uppermost perfs first**

Perforating gun required: ***4 titan gun Super Deep penetrating EXP-4539-324T (charge size: 40g, hole size 0.52 & hole length: 52.13)***

Zone	Top perf (ftMD)	Base perf (ftMD)	ft	SPF	shots	phase angle
Z3	3539	3542	3	2	7	120
	3558	3563	5	2	11	120
	3577	3582	5	2	11	120
Z4	3627	3632	5	2	10	120
	3667	3671	4	2	7	120
Z5	3696	3699	3	2	6	120
	3708	3713	4	2	9	120

Rig down perforating services. Rig up Frac Provider

14. Nipple up 10k Frac stack and Frac service provider
    - Set treating lines pop off 6500psi
    - Set pump trips 4300 psi
    - Test surface lines 7000psi

STAGE 1

- Run in hole with 120 joints of 3-1/2", L-80 , 9.3lb/ft work string, RBP and treating packer
- Set RBP at 3730 ft, set treating packer at 3685 ft
- Test work string to 6500 psi running in the hole
- Use the pump schedule below to prop frac grayburg zone 5 (3696 ft-3713ft) down work string with treating packer

15. Record ISIP,5 min, 10 min and 15 mins in well view

STAGE 2

- Release RBP and packer
- Reset RBP at 3680 ft and treating packer at 3600ft
- Use the pump schedule below to prop frac grayburg 4 (3627ft – 3671ft) down work string and treating packer.

STAGE 3

- Release RBP and packer
- Reset RBP at 3600 ft and treating packer at 3520 ft
- Use the pump schedule below to prop frac grayburg 3 (3539 ft – 3582 ft) down work string and packer

16. Record ISIP,5 min, 10 min and 15 mins in well view

17. Pull out of hole with work string and packer
18. Rig down CUDD energy services

19. Let resin coated sand sit for 24 hours unit we flow back

20. Rig down & Release rig (till flow back is over). **FYI MCA 508 which was completed in this zone flowed back for 2 weeks.**

21. Flow back the well till its dead

22. Move in with Rig and Rig up

23. Pick up & run in hole with 2-7/8", N-80, 6.5lb/ft work string, 6 Drill collars (28 lb/ft) & 4-3/4" bit and Tag for Fill. PBD=3750ft. if we lose weight on string before PBD, note depth in well view

24. Drill out 10K CBP at 3750 ft with 10 ppg brine. PE will use ISIP information in well view after Frac to recommend how many Drill collars and the fluid weight needed to drill out CBP.

25. **Project lead should contact production engineer for specific recommendations to drill out CBP.**

CBP Depth: ft.	Pressure: psi		Force Across CBP: lbs			Buoyant String Wt: lbs	String Wt Less Differential: lbs
	surface	BHP	Below	Above	Differential		**If negative: Do Not Drl Out CBP**
3750	1,000	2,624	49,316	36,638	12,677	23,953	11,276

Figure 1: just an example

26. Once plugs are drilled out, clean out the well at PBD=4011 ft for two hours. i.e until we have clean returns to surface

27. Pull out of hole with work string & bit.

28. Pick up & Run in hole with **New 2-7/8 J-55 production tubing**, test production tubing to 5000 psi. Pump 5 gal of corrosion inhibitor **(champion-Corton R-2525; SG 0.91)**

29. Nipple down BOP, Run in hole with New Rods and Pump. (see pre-pull attached on the next page)

30. Space out pump, hang well on, Turn on BPU & Test pump action; wait for tubing to pressure up then shut down pump. **Rig down & Release rig**

31. Shut in well for 48 hours.

32. Place well on test.

33. Please obtain static fluid level.

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Production Zone Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. **Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612**

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. Subsequent Plug back Reporting: Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.