

Request for NMOCD
ConocoPhillips Company
Red Hills West 16 State W2 10H
API#:30-025-41708
Lea County, New Mexico

Request:

ConocoPhillips Company respectfully requests a variance to the regulatory requirements to obtain 300' of cement overlap with the Intermediate Casing Shoe. The fracture stimulation for this well has been performed and no pressure/communication was observed for all 28 stages. The well currently has 0 psi on the 7-5/8" x 5-1/2" annulus.

We propose to leave the top of cement on the production casing as it is and monitor the annular pressure during the production on a recurrent basis until if/when pressure builds on the annulus to report to the NMOCD and propose a course of action to address the problem.

The reasons of our proposal are as follows:

1. We have considered the possibility of pumping a bradenhead squeeze, but we feel it is unnecessary and could risk compromising isolations we currently have observed.
2. Also, further engagements to the annular could risk complicating any future remediations that might be needed.
3. Our previous 7-5/8" intermediate casing is seated and cemented in the Wolfcamp formation and we do not think that any damage or harm could occur from leaving top of cement where it is.

Summary:

- o This is a horizontal well.
- o The surface casing is 13-3/8", 54.5#, J-55, BTC set at 951' and cemented to surface.
- o The intermediate 1 casing is 9-5/8" 40#, L-80, BTC set at 4,671.5' and cemented to 450' by CBL ran on 1/5/15.
- o The intermediate 2 casing is 7-5/8" 33.7#, P-110, W523 set at 11,998' and cemented to 4,071' based on calculations.
- o The production casing is a tapered longstring consisting of 5-1/2" 23# P-110 Tenaris Blue x 4-1/2" 15.1# P-110 Tenaris Blue. The shoe on this string is positioned at the TD of the lateral and is at 17,249' MD / 12,663' TVD
- o The 5-1/2" x 4-1/2" Crossover is set at 12,188' MD / 12,181' TVD.
- o The Production Casing was cemented on 13-Feb-2015 with partial returns and the wiper dart was not bumped. Upon inspection of the cement head after the job the wiper dart was not launched and the wiper dart had hung up the cement head.
- o While waiting on cement, pressure on the 7-5/8" x 5-1/2" annulus was observed. 17 BBLs of 17.1 ppg, 35 BBLs of 17.0 ppg and 80 BBLs of 17.2 ppg of OBM was pumped down the 7-5/8" x 5-1/2" annulus to kill the well.
- o A cement bond log was run on 15-May-2015 to 12,270' and no cement was found.
- o A second cement bond log (memory) was ran on 25-May-2015 on Coiled Tubing with a 0 psi (down) and 1,000 psi pass (up) and it was found that the top of continuous cement on the 5-1/2" x 4-1/2" production casing is at approximately 13,960'. The log also shows that there is cement of various quality and bond throughout the well to a depth of 12,150'.
- o The well was successfully stimulated with 28 plug and perf stages and no pressure communication was observed.

Proposed Operations:

1. Monitor the 7-5/8" x 5-1/2" casing annulus for pressure.
2. If pressure on the 7-5/8" x 5-1/2" annulus is observed, attempt to bleed the pressure down to 0 psi.
3. After several attempts to bleed off the pressure, if the pressure rebuilds or is sustained over a period of time proceed with the remedial cement work approved on 7/29/2015.

AUG 24 2015