Form 3160-5 (June 2015)

OCD-HOBBS

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

| Lease Serial No. |
|------------------|
| NMI C031670A |

SUNDRY NOTICES AND REPORTS ON WELLS

| Do not use thi | e form for proposale to drill | or to re-enter an | | |
|--|--|--|--|-------------------------|
| abandoned wel | s form for proposals to drill II. Use form 3160-3 (APD) fo | r cuch proposale | 6. If Indian, Allottee | or Tribe Name |
| SUBMIT IN 1 | TRIPLICATE - Other instruct | ions on page 2 | 7. If Unit or CA/Agre | eement, Name and/or No. |
| 1. Type of Well | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 8. Well Name and No. | . / |
| 🗖 Oil Well 📘 Gas Well 🗷 Oth | er: INJECTION | RE | SEMU 250 | |
| Name of Operator CONOCOPHILLIPS COMPAN | Contact: RHC IY | JINDA NOOLING | 9. API Well No. 30-025-42021 | |
| 3a. Address P. O. BOX 51810 MIDLAND, TX 79710 | | Phone No. (include area code): 432-688-9174 | 10. Field and Pool or SKAGGS | Exploratory Area |
| 4. Location of Well (Footage, Sec., T. | , R., M., or Survey Description) | | 11. County or Parish, | State |
| Sec 19 T20S R38E Mer NMP | SENW 1371FNL 1786FWL | / | LEA COUNTY, | NM |
| 12. CHECK THE AF | PPROPRIATE BOX(ES) TO | INDICATE NATURE O | F NOTICE, REPORT, OR OT | HER DATA |
| TYPE OF SUBMISSION | | ТҮРЕ О | FACTION | |
| Notice of Intent | ☐ Acidize | □ Deepen | ☐ Production (Start/Resume) | ■ Water Shut-Off |
| | ☐ Alter Casing | ☐ Hydraulic Fracturing | □ Reclamation | ■ Well Integrity |
| ☐ Subsequent Report | □ Casing Repair | ■ New Construction | ☐ Recomplete | Other |
| ☐ Final Abandonment Notice | ☐ Change Plans | □ Plug and Abandon | ☐ Temporarily Abandon | |
| | ☐ Convert to Injection | ☐ Plug Back | ■ Water Disposal | |
| Procedure approved | inal inspection. erform a SRT per attached pr | ocedures. | ten Rate Test D | |
| 14. I hereby certify that the foregoing is | true and correct. Electronic Submission #3732 | 39 verified by the BLM Wel | Il Information System | |
| Name (Printed/Typed) RHONDA | | 107 | REGULATORY TECHNICIAN | |
| Signature (Electronic S | Submission) | Date 04/19/2 | %PPROVED | |
| | THIS SPACE FOR F | EDERAL OR STATE | | 3 |
| Approved By Conditions of approval, if any, are attache certify that the applicant holds legal or equivalent would entitle the applicant to conductive the applicant to c | d. Approval of this notice does not v | Title | MAY 15,2017 PR Swarp | Date |
| Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent | U.S.C. Section 1212, make it a crime statements or representations as to an | e for any person knowingly and ny matter within its jurisdiction. | Willfully to make to any department of CARLSBAD FIELD OFFICE | r agency of the United |
| | | | | |

(Instructions on page 2)

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

SEMU-250W API #30-025-42021 Step-Rate Test

| Injection Information | | |
|-----------------------|--------|--|
| Date | 4.2017 | |
| Rate: BWIPD | 130 | |
| Pressure: psig | 750 | |

| Perforations | | | |
|------------------------------|-----------|---------------|-------------------|
| Туре | Formation | Top (RKB): ft | Bottom (RKB): ft. |
| Open Perforations (04.10.17) | Grayburg | 3,818 | 4,020 |
| PBD | | 4,217 | |
| TD (8.29.14) | | | 4,276 |

Well Procedure:

PRE-STEP RATE TEST: Obtain Charted 48-Hour Surface Pressure Fall-Off

1) Obtain current WIC-sourced injection pressure & injection rate

a. current injection rate:

130 BWIPD; equivalent to: 0.0903 BPM

b. current injection pressure:

750 psig; equivalent to 0.1964 psi/ft to uppermost perforation @ 3818

2) Obtain injection water sample.

a. Report field-measured mud-balance determined density (ppg) of injection water.

3) SI well minimum 48-hrs. Conduct WIC-sourced surface pressure fall-off test.

a. Document the 48-hour fall-off test on a 7-day full rotation calibrated recorder chart registering within 25 to 85 per cent of full range (0-1000#). Digital fall-off data will also be captured by WIC.

b. Current Surface Injection Pressure:

750 psig

c. Current Permitted Surface Injection Pressure:

74 psig (0.20 psig/ft x uppermost perf depth: 3818)

NOTE: Post-48 hour surface SI pressure is to be less than the Permitted Surface Injection Pressure prior to conducting Step Rate Test (SRT).

STEP RATE TEST:

NOTE: BLM to be notified 24-hours before beginning SRT at 575-200-7902. If no answer, call:

575-361-2822 (Eddy County) 575-393-3612 (Lea County)

If no answer, leave a voice mail or e-mail with:

API Number

Workover Purpose

Call-back Phone Number

Note the contact, time & date in the subsequent report

Operator is required to have the BLM approved NOI procedure with applicable Conditions of Approval (COA) on location for this workover operation

SEMU-250W API #30-025-42021 Step-Rate Test

- 4) RU Cardinal Surveys.
 - a. Record SITP.
 - b. NU lubricator. Test @ 2000# (SEMU injection system line pressure: 1850 psig).
 - c. RIH w/ downhole pressure transmitting tool. Obtain static fluid gradient survey while running in hole making 2-minute gradient stops at 500 ft. intervals:
 - i. 500
 - ii. 1000
 - iii. 1500
 - iv. 2000
 - v. 3000
 - vi. 3500
 - vii. 3818 (uppermost perforation: 3818; PKR: 3796-3804; PBD: 42117)
 - d. Position downhole pressure transmitting tool at approximately 3815. Record static BHP for 15 minutes (The bottom-hole pressure measurement to be recorded just above the open perforations).
 - e. RU pumping services
 - f. Perform Step Rate Test (SRT) w/ a minimum of 7 isochronal* steps:
 - i. Calculate seven injection rates by multiplying the Targeted Maximum Injection Rate (BPM) by: SEMU-250 Targeted Maximum Injection Rate: 1000 BWIPD (0.6944 BPM)
 - Step Rate-1*: 0.20 x 1000 BWIPD/1440 min/D 0.139 BPM (200 BPD)
 - Step Rate-2: 0.30 x 1000 BWIPD/1440 min/D 0.208 BPM (300 BPD)
 - Step Rate-3: 0.40 x 1000 BWIPD/1440 min/D 0.278 BPM (400 BPD)
 - Step Rate-4: 0.50 x 1000 BWIPD/1440 min/D 0.347 BPM (500 BPD)
 - Step Rate-4. 0.30 x 1000 Bw Ir D/1440 IIIII/D 0.347 Brivi (300 BrD)
 - Step Rate-5: 0.60 x 1000 BWIPD/1440 min/D
 Step Rate-6: 0.80 x 1000 BWIPD/1440 min/D
 0.417 BPM (600 BPD)
 0.556 BPM (800 BPD)
 - Step Rate-7: 1.00 x 1000 BWIPD/1440 min/D 0.694 BPM (1000 BPD)
 - ii. Record following @ 5 minute intervals (minimum 30 minutes):
 - Surface pressure: psig until pressure stabilizes*
 - Bottom-Hole pressure: psig until pressure stabilizes*
 - Injection Rate: BPM (+0.1 BPM)

NOTE:

Stabilized pressure: defined as +15 psig for 10 minutes

Step rate time period: minimum 30 minutes

limited to + 1 minute variance of previous time period

Step Rate-1:

limited to surface pressure less than 764 psig

C. D. 2

1' '- 1 - C 1 - 1 - 764

Step Rate-2: limited to surface pressure less than 764 psig

(756 psig: 0.20 psig/ft. x uppermost perforation depth @ 3818)

NOTE: Calibration Requirements

Surface Pressure:

to be within + 10 psig

Downhole Pressure:

to be within +10 psig

Surface Rate:

to be within + 0.1 BPM

SEMU-250W API #30-025-42021

Step-Rate Test

| | | | | | | | - | | | | | | | |
|------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|
| Time | Rate 1 | 0.139 | Rate 2 | 0.208 | Rate 3 | 0.278 | Rate 4 | 0.347 | Rate 5 | 0.417 | Rate 6 | 0.556 | Rate 7 | 0.694 |
| | | BPM |
| min | P(surf) | BHP |
| | (psig) | (psig) |
| 5 | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | |
| 20 | | | | | | | | | | | | | | |
| 25 | | | | | | | | | | | | | | |
| 30 | | | | | | | | | | | | | | |
| 35 | | | | | | | | | | | | | | |
| 40 | | | | | | | | | | | | | | |
| 45 | | | | | | | | | | | | | | |
| 50 | | | | | | | | | | | | | | |
| 55 | | | | | | | | | | | | | | |
| 60 | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |

iii. After completion of SRT, SI well. Record: ISIP, 5 min, 10 min & 15 min shut-in pressure.

| Time min | P(surf) (psig) | BHP (psig) |
|-------------|-------------------|------------|
| 0 (ISIP) | | |
| 5 | | |
| 10 | | |
| 15 | | |

- iv. RD Lubricator
- v. RD Cardinal
- vi. RD pumping services
- 5) Return well to injection service at a WIC-controlled surface injection pressure of 764 psig.
 - vii. Current Permitted Surface Injection Pressure: perforation depth: 3818)

764 psig (0.20 psig/ft. x uppermost