Form 3160-5 (March 2012)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2014

5. Lease Serial No. NMLC057210

6. If Indian, Allottee or Tribe Name

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.

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SUBMIT IN TRIPLICATE – Other instructions on page 2.					7. If Unit of CA/Agreement, Name and/or No.				
1. Type of Well									
Oil Well Gas W	efi X Other			·	8. Well Name and MCA Unit 48	No. 85			
2. Name of Operator ConocoPhillips Company					9. API Well No. 30-025-39403				
3a. Address 3b. Phone No. (include area co					(e) 10. Field and Pool or Exploratory Area				
P. O. Box 51810 Midland TX 79710 (432)688-9				Maljamar, Grayburg-San Andres					
4. Location of Well (Footage, Sec. T. UL K, 1860' FSL & 1330' F	R.M. or Survey Description) WL, Sec 28, 17S, 32E				11. County or Paris	h, State	NM	/	
12. CHEC	K THE APPROPRIATE BOX(I	ES) TO INDIC	ATE NATURE	OF NOTIC	CE, REPORT OR OT	THER DATA		_	
TYPE OF SUBMISSION TYPE OF ACT					TON				
X Notice of Intent	Acidize Alter Casing	Deepen Fracture	Treat		uction (Start/Resume) amation	Water S	Shut-Off tegrity		
Subsequent Report	Casing Repair	nstruction	Reco	mplete	X Other Failed MIT860'				
	Change Plans	Plug and	d Abandon	Temp	porarily Abandon	<u> </u>			
Final Abandonment Notice	Convert to Injection	Plug Ba	ck	☐ Wate	r Disposal				
	НОВЗЅ	OCD							
	JUN 1	7 2013		-					
	2014 I	LOID				,	•		
	RECE	IVED		,	SEE ATTAC CONDITION	CHED FOR NS OF APP	ROVAL		
14. I hereby certify that the foregoing is tr	ue and correct. Name (Printed/Ty	ped)							
Rhonda Rogers			Title Staff Regulatory Technician						
Signature 3	De Don	D	ate 02/22/20)13		APPR	OVED	7	
THIS SPACE FOR SEDERAL OR STATE OFF					ICE USE		0 0010		
Approved by						JUN 1	2 2013	1,	
•			Title			⊿/s/ Chri	s Walls		

Title 18 U.S.C. Section 1001 and Title 13 U.S.C. Section 1212, make it a crimo for any person knowingly and willfully to make to any department or agency of the United States any false,

(Instructions on page 2)

entitle the applicant to conduct operations thereon.

fictitious or fraudulent statements or re

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

BUREAU OF LAND MANAGEMENT. CARLSBAD FIELD OFFICE ConocoPhillips Company
MCA Unit 485
Injection Well
API #30-025-39403
Location: UL K, 1860' FSL & 1330' FWL,
Sec 28, 17S, 32E

Job proposal is to review JSA, RU wireline and TIH with plug and set in 1.875" XN profile nipple. RU pump truck to tubing and pressure test tubing to 5000 psi. If tubing fails, close valve on tubing, RU pump truck to casing and pressure test to 550 psi. Notify Production Specialist on findings of test. If tubing test fails, but casing test passes, leave plug set in profile nipple. RD wireline MO.

Notify the NMOCD & BLM that we will be RU on this well. MI rig, review JSA, RU WSU, NDWH, NUBOP. If the packer/casing test failed, release packer and COOH scanning tubing. MI and tally work string. TIH with bit, scrapper and tubing to 4061 PBD. TOOH with tubing, scrapper and bit. TIH with RBP, packer and tubing and set RBP @+/- 3750', pull up 1jt and set packer. RU pump truck to tubing and pressure test tubing/RBP to 550 psi, if tubing /RBP test passes, RU pump truck to casing and pressure test casing/packer to 550 psi. If test fails come up hole and isolate leak. Notify Engineer for possible change in job scope. If test passes, release packer, GIH and latch on to RBP and COOH laying down tubing, packer and RBP. MO workstring, MI injection tubing. If the packer/casing test passes, but the tubing failed, release on/off tool and COOH with tubing and upper section of on/off tool. Scan tubing COOH. Inspect on/off tool for damage or wash out, replace as needed. TIH with on/off tool and tubing, pressure test tubing GIH to 5000psi. Latch on to packer and pressure test to 3500 psi, if test passes, RU pump truck to casing and pressure test casing/packer to 550 psi. If test passes, get off on/off tool, circulate packer fluid, and get back on on/off tool. NDBOP, NUWH. Notify BLM & OCD of impending test. RU chart recorder and 1000 psi chart, pressure test casing to 550 psi for 30 mins. Get chart to regulatory to submit w/subsequent. MI wireline, RIH and fish plug out of XN nipple. COOH with plug. RD wireline and MO. RD WSU clean up location.

Conditions of Approval

HOBBS OCD

JUN 17 2013

RECEIVED

ConocoPhillips Company MCA Unit 485 API 3002539403, T17S-R32E, Sec 28

- 2. Surface disturbance beyond the existing pad shall have prior approval.
- 3. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
- 4. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
- 5. Functional H₂S monitoring equipment shall be on location.
- 6. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. A ram system including a blind ram and pipe ram(s) designed to close on all of the work string(s) used is required equipment. Manual BOP closure (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
- 7. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

CRW 061213

Well with a Packer - Operations

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
- 2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
- 3) Document the pressure test on a one hour full rotation calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
- 4) Make arrangements 24 hours before the test for BLM to witness. In Lea County phone 575-393-3612. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
- 5) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
- 6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
- 7) Submit the original subsequent sundry with three copies to BLM Carlsbad.
- 8) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
 - a) Approved injection pressure compliance is required.
 - b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
 - c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
- 9) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
- 10) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.

- 11) A "Best Management Practice" is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.
- 12) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
- 13) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
- 14) Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0psia. Notify the BLM's authorized officer ("Paul R. Swartz" <<u>pswartz@blm.gov</u>>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
- 15) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of installed equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry. List daily descriptions of any previously unreported wellbore workover(s) and reason(s) the well annular fluid was replaced.

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

 \S 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.