Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.
NMLC068282B

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
GOLDEN SPUR 25 FBS 3H

2. Name of Operator
CONOCOPHILLIPS COMPANY
Contact: DONNA J WILLIAMS
E-Mail: Donna.J.Williams@Conocophillips.com

9. API Well No.
30-015-41230

3a. Address
P.O. BOX 51810
MIDLAND, TX 79710

3b. Phone No. (include area code)
Ph: 432-688-6943
Fx: 432-688-6017

10. Field and Pool, or Exploratory
WILDCAT BONE SPRING

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 25 T26S R31E Mer NMP SWSW 465FSL 530FWL

11. County or Parish, and State
EDDY 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 to Original APD
	☐ 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.)

Due to information from recently drilled wells in the area, ConocoPhillips Company respectfully request to amend the setting depth of the 9 5/8" casing as well as the cement program for both the 9 5/8" and 5 1/2" strings. It is our intent to set the 9 5/8" casing at a depth of ~6650, depending on gammar correlation. There are indications of depletion intervals from 4200-4600, numerous active shallow producers as well as 2 SWD wells within 1/4 mile of this well. With this depth change, the proposed cement program will amend as follows: The 9 5/8" cement job is planned in 2 stages (same sxs volume as previously approved). The plan is to set the DV tool + ECP packer around 4000'. In case of additional cement issues, there is the option for a backup DV tool + ECP for the 5 1/2" casing to be set 50' +/- below the 9 5/8" casing, or around 6700'. With the change in going to 2 stages, it is now our request to amend the cement program for the 5 1/2" to a lead/tail scenario. No change in sxs of cement to be used.

RECEIVED
JUL 26 2013
NMOCD ARTESIA

Not Approved For DV Tool

SEE ATTACHED FOR CONDITIONS OF APPROVAL

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

Electronic Submission #212741 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 07/12/2013 ()

Name *(Printed/Typed)* DONNA J WILLIAMS — Title SR. REGULATORY ADVISOR

Signature (Electronic Submission) — Date 07/08/2013

APPROVED
JUL 19 2013
/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

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.

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

Fluid Instructions

Stage 2

Fluid 1: Pump 20 bbl
Gel Spacer w/Red Dye — Fluid Volume: 20 bbl

2.5 lbm/bbl	WG-19 (Gelling Agent)
0.1 lbm/bbl	Rhodamine Red Dye No. 2 (Additive Material)

Fluid 2: Lead with 1660 sks
EconoCem - HLC

5 %	Salt (Salt)	Fluid Weight	12.90 lbm/gal
5 lbm/sk	Kol-Seal (Lost Circulation Additive)	Slurry Yield:	1.88 ft^3/sk
0.125 lbm/sk	Poly-E-Flake (Lost Circulation Additive)	Total Mixing Fluid:	9.59 Gal/sk
		Top of Fluid:	0 ft
		Calculated Fill:	3500 ft
		Volume:	554.17 bbl
		Calculated Sacks:	1656.79 sks
		Proposed Sacks:	1660 sks
Estimated Slurry Properties:		**Thickening Time:**	**04:34**
Compressive Strengths @ 114 °F		**12:40**	**500 psi**
		24:00	**852 psi**

Fluid 3: Tail-in with 415 sks
HalCem - C

Fluid Weight	14.80 lbm/gal
Slurry Yield:	1.33 ft^3/sk
Total Mixing Fluid:	6.34 Gal/sk
Top of Fluid:	3500 ft
Calculated Fill:	500 ft
Volume:	97.62 bbl
Calculated Sacks:	413.33 sks
Proposed Sacks:	415 sks

Install floating equipment, run casing to bottom, and circulate a minimum of 2-3 hole volumes prior to cementing as follows:

Fluid Instructions

Stage 1

Fluid 1: Pump 20 bbl
Gel Spacer w/Red Dye — Fluid Volume: 20 bbl

2.5 lbm/bbl	WG-19 (Gelling Agent)
0.1 lbm/bbl	Rhodamine Red Dye No. 2 (Additive Material)

Fluid 2: Lead with 735 sks
EconoCem - HLC

5 %	Salt (Salt)	Fluid Weight	12.90 lbm/gal
1 lbm/sk	Kol-Seal (Lost Circulation Additive)	Slurry Yield:	1.86 ft^3/sk
0.125 lbm/sk	Poly-E-Flake (Lost Circulation Additive)	Total Mixing Fluid:	9.78 Gal/sk
0.4 %	HR-800 (Retarder)	Top of Fluid:	4000 ft
		Calculated Fill:	2173 ft
		Volume:	242.42 bbl
		Calculated Sacks:	732.96 sks
		Proposed Sacks:	735 sks
Estimated Slurry Properties:		**Thickening Time:**	**04:34**
Compressive Strengths @ 114 °F		**12:40**	**500 psi**
		24:00	**852 psi**

Fluid 3: Tail-in with 250 sks
HalCem - C

	Fluid Weight	14.80 lbm/gal
	Slurry Yield:	1.33 ft^3/sk
	Total Mixing Fluid:	6.34 Gal/sk
	Top of Fluid:	6173 ft
	Calculated Fill:	500 ft
	Volume:	58.81 bbl
	Calculated Sacks:	249.03 sks
	Proposed Sacks:	250 sks
Estimated Slurry Properties:	**Thickening Time:**	**03:07**
Compressive Strengths @ 118 °F	**04:55**	**500 psi**
	24:00	**2158 psi**

DV Tool w/ECP @ 4000 ft (MD)

Intermediate Casing MAX LOAD CASES:

The maximum internal (burst) load on the Intermediate Casing occurs when the intermediate casing is tested to 2500 psi. We will pressure up to 2600 psi and let the pressure settle for 1 minute after shutting down the pump. Then we will begin the 30 minute test period. Therefore the maximum pressure that the surface casing will be exposed to will be 2600 psi.

Intermediate Casing Burst Design Factor
DF Burst = Burst Rating / Maximum Pressure During Casing Pressure Test = 5750 psi / 2600 psi = 2.2

The maximum collapse load on the intermediate casing occurs for the loss of circulation load case in which we assume that the fluid level drops to 1/3 of the TD of the hole section being drilled below the intermediate casing shoe. Also, for the purposes of this load case, it is assumed that the pressure on the outside of the casing is equal to the mud weight that was in the hole when the casing was run.

Fluid Level Drop = TD / 3
Fluid Level Drop = 9550' in the vertical pilot hole / 3
Fluid Level Drop = 3183'

The maximum collapse load would occur at the bottom of the string and is calculated as follows:
Collapse Load = (6650' x 9 ppg x .052) - [(6650' – 3183') x 9 x .052]
Collapse Load = 1489 psi 1490

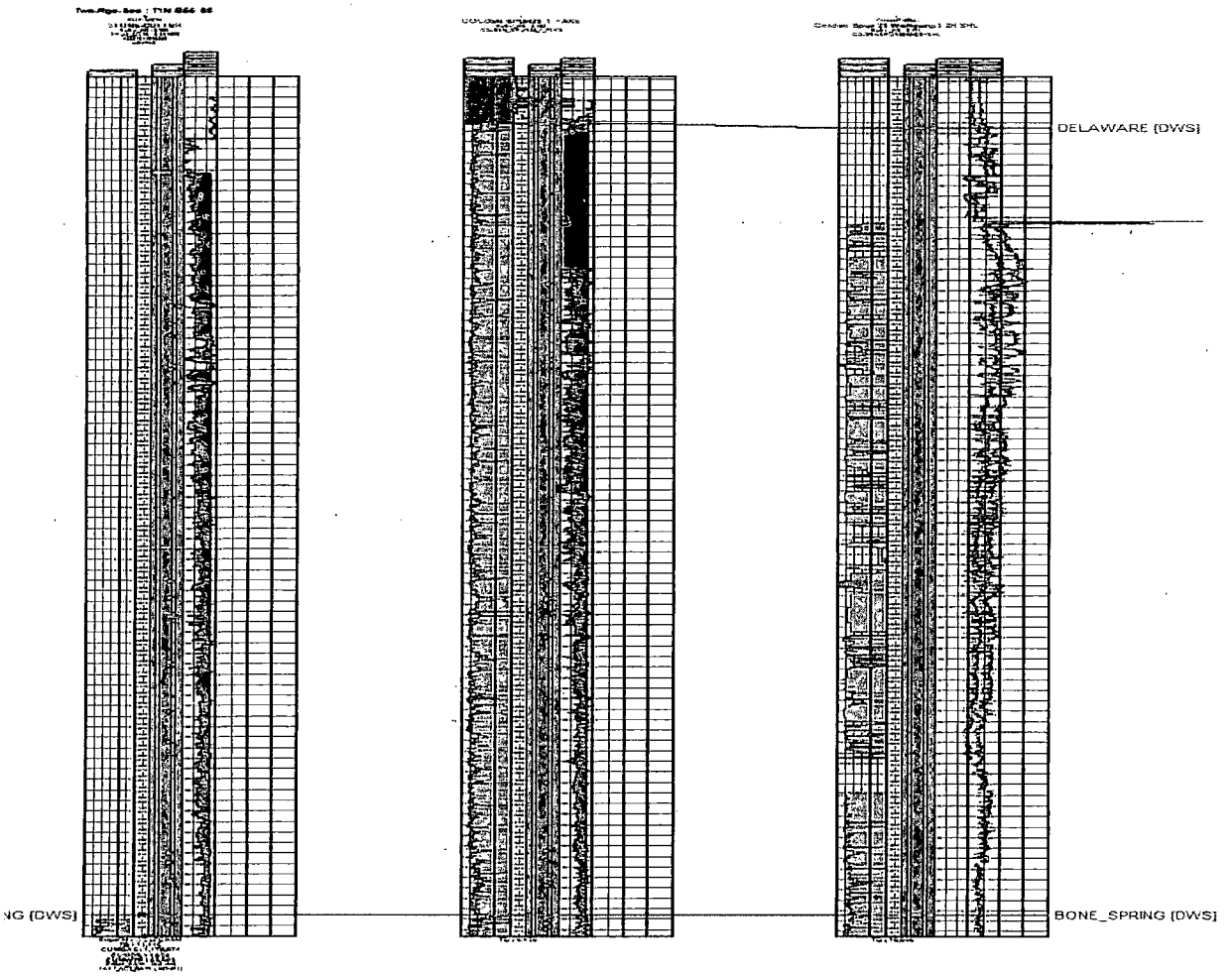
Intermediate Casing Collapse Design Factor
DF Collapse = Collapse Rating / Collapse Load
DF Collapse = 3090 psi / 1489
DF Collapse = 2.07

The maximum axial load would occur if we were to get the casing stuck and pull on it to try to get it unstuck.

Casing Axial (Tension) Maximum Allowable Hook Load Case:
Maximum Allowable Hookload = Joint Strength Rating / Axial Design Factor
Maximum Allowable Hookload = 916,000 / 1.67
Maxium Allowable Hookload = 548,503

Overpull Margin = Maximum Allowable Hook Load - Air Wt of the String
Overpull Margin = 548,503 lbs - (6650' x 40 lb/ft)
Overpull Margin = 282,503 lbs

- Planning to set DV Tool + ECP Packer around 4000ft +/-200ft
- 9 5/8" CSG Cementing Job will be performed in two stages. Stage #1: PFS Ultra Polymer Spacer with LCM + 12.9ppg Lead Spacer with 100% Excess + 600ft of 14.8ppg Tail with 50% Excess. Set packer, Open DV Tool, circulate excess of the tool. Proceed with the Stage #2: PFS Polymer Spacer (no LCM) + 12.9ppg Lead Spacer with 300% Excess with KolSeal LCM + 300ft of 14.9ppg Tail with 50% Excess. Cement to surface. Fluid Caliper will be utilized to estimate hole volume and cement excess required. In that case cement volumes will be adjusted + 35% excess.
- Optional- backup DV Tool + ECP for the 5 ½" CSG long string to be set 50ft below the 9 5/8" CSG around 6700ft.
- 5 ½" CSG Cementing Job is planned to be pumped in one stage with 500ft into previous 9 5/8" CSG. If any losses occur while drilling PFS Polymer Spacer with LCM will be pumped to help healing natural fractures, pores. Planning to Pump Lead 9.5ppg Tune Light Slurry with KolSeal LCM (from KOP to 500ft inside previous CSG) with 70% excess + Tail 15.0ppg (lateral and curve) with 35% excess. Fluid Caliper will be utilized to estimate hole volume and required cement excess. In that case cement volumes will be adjusted + 25% excess.



Casing Design (Safety) Factors – BLM Criteria:

Joint Strength Design (Safety) Factors – BLM Criteria

Intermediate Casing:
SFj Dry = 916,000 lbs / (6650 ft x 40 lb/ft) = 3.44 Dry
SFj Bouyant = 916,000 lbs / (6650 ft x 40 lb/ft) [1-(10/65.5)] = 2.9 Buoyant

Collapse Design (Safety) Factors – BLM Criteria

Intermediate Casing:
SFc = 3090 psi / (9 ppg x .052 x 6650 ft) = 3090 psi / 2776 = ~~1.0~~ 3112 0.99

Burst Design (Safety) Factors – BLM Criteria

Intermediate Casing:
SFb = 5750 psi / (9 ppg x .052 x 9550 ft TVD of lateral) = 1.29

Casing Design (Safety) Factors – Additional ConocoPhillips Criteria:

ConocoPhillips casing design policy establishes Corporate Minimum Design Factors (see table below) and requires that service life load cases be considered and provided for in the casing design.

ConocoPhillips Corporate Criteria for Minimum Design Factors

	Burst	Collapse	Axial
Casing Design Factors	1.15	1.05	1.91 for J-55 1.67 for L-80 1.59 for P-110

Conditions of Approval

Casing to be kept fluid filled while running into hole to meet BLM minimum collapse requirements.

1. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

   a. First stage to DV tool:

   ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

   b. Second stage above DV tool:

   ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Not approved for DV tool on Production casing.