State of New Mexico
Energy, Minerals and Natural Resources Department

June 16, 2017

Ms. Rhonda Rogers
ConocoPhillips Company
3300 N "A" Street
Midland, TX 79705

RE: **Packer Setting Depth Exception**
MCA Unit Well No. 419 (API 30-025-38987)
Unit M, Sec 27, T17S, R32E, NMPM, Lea County, New Mexico
Injection Authority: Administrative Order WFX-886 (dated April 18, 2011); Maljamar Cooperative Agreement (MCA) Unit Waterflood Project
Permitted Interval: Grayburg and San Andres formations (Unitized Formation per Division Order R-2403 (as amended)); perforations from 3955 feet to 4205 feet
Pool: Maljamar; Grayburg-San Andres Pool (Pool code: 43329)

Ms. Rogers:

Reference is made to your request on behalf of ConocoPhillips Company (OGRID 217817; "ConocoPhillips") received by the Division on June 15, 2017, for the above named well. ConocoPhillips applied for exception for setting the packer within 100 feet of the top perforation in the injection interval.

It is our understanding that ConocoPhillips maintained a previous packer setting depth of 3920 feet below surface or approximately 35 feet above the uppermost perforation of the injection well. Following repairs to the injection well, ConocoPhillips stated that the packer was set at 3677 feet below surface to obtain a proper seal for the tubing packer. As a result, ConocoPhillips requests an exception for the current packer depth at 3677 feet below surface. This location of the packer is approximately 278 feet above the shallowest perforation at 3955 feet, and is below the correlated upper limit of the Unitized Formation at 3626 feet below surface.

For the reasons stated in the application and because it appears that correlative rights are protected, waste will not occur and this modification will not endanger any fresh water aquifer or the environment, the exception is granted. The packer location within this well shall not be set higher than 278 feet above the current top perforation depth unless the operator receives written approval from the Division Director. Additionally, any future requests for resetting the packer above 3626 feet

(the upper contact of the Unitized Formation) shall not be considered by the Division and ConocoPhillips shall be required to conduct corrective actions on the well to allow for closer seating of the packer to the uppermost perforations.

The Division Director may rescind this exception if it becomes apparent that the injected fluid is not being confined to the permitted interval or is endangering any fresh water aquifer.

Sincerely,

David R. Catanach

DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Office
Administrate Order WFX-886
Well File API 30-025-38987

Goetze, Phillip, EMNRD

From: Rogers, Rhonda S <Rhonda.S.Rogers@conocophillips.com>
Sent: Wednesday, June 14, 2017 1:50 PM
To: Goetze, Phillip, EMNRD
Subject: exception of packer setting
Attachments: MCA 419 Schematic - Current 6-13-17.pdf

Phillip, ConocoPhillips Company has this injection well, the MCA Unit 419, that had a Bradenhead test failure. When we repaired the well the packer would not set within the 100' above the top perf at 3955'. We got it to set in the Grayburg formation but 278 feet about the top perf at 3677'. I am attaching a copy of a current schematic.
I called the BLM and talk to them about this issue and they advised me to go through the NMOCD, Maxey Brown. I talked to Maxey and he said he is authorized to only stay with the 100' above the top perf and any exception would need to be approved through Santa Fe, NMOCD.
At this point where the packer is set in the wellbore we feel the well will pass a Mechanical Integrity Test and a Bradenhead test because of pre-pressure test.
I am requesting a packer exception and that COPC be allowed to leave the packer at this depth in the interval and return this well to injection. We will conduct a witnessed MIT and a BH test and submit to the district office before returning to injection. This well is shut in.

Thank you for your consideration.

MCA Unit 419
API # 30-025-38987
Injection interval: Grayburg – San Andrea
Top perf @ 3955'
Packer set @ 3677'
We show top of Grayburg @ 3626'
R-2403-B / WFX-886

Sincerely

Rhonda Rogers
Staff Regulatory Technician
CONOCOPHILLIPS COMPANY/MCBU
3300 N "A" Street, Midland TX 79705
Phone #: 432-688-9174
Fax #: 432-688-6017
rogerrs@conocophillips.com

Visit the new Lower 48 website:
www.conocophillipsuslower48.com

Schematic - Current

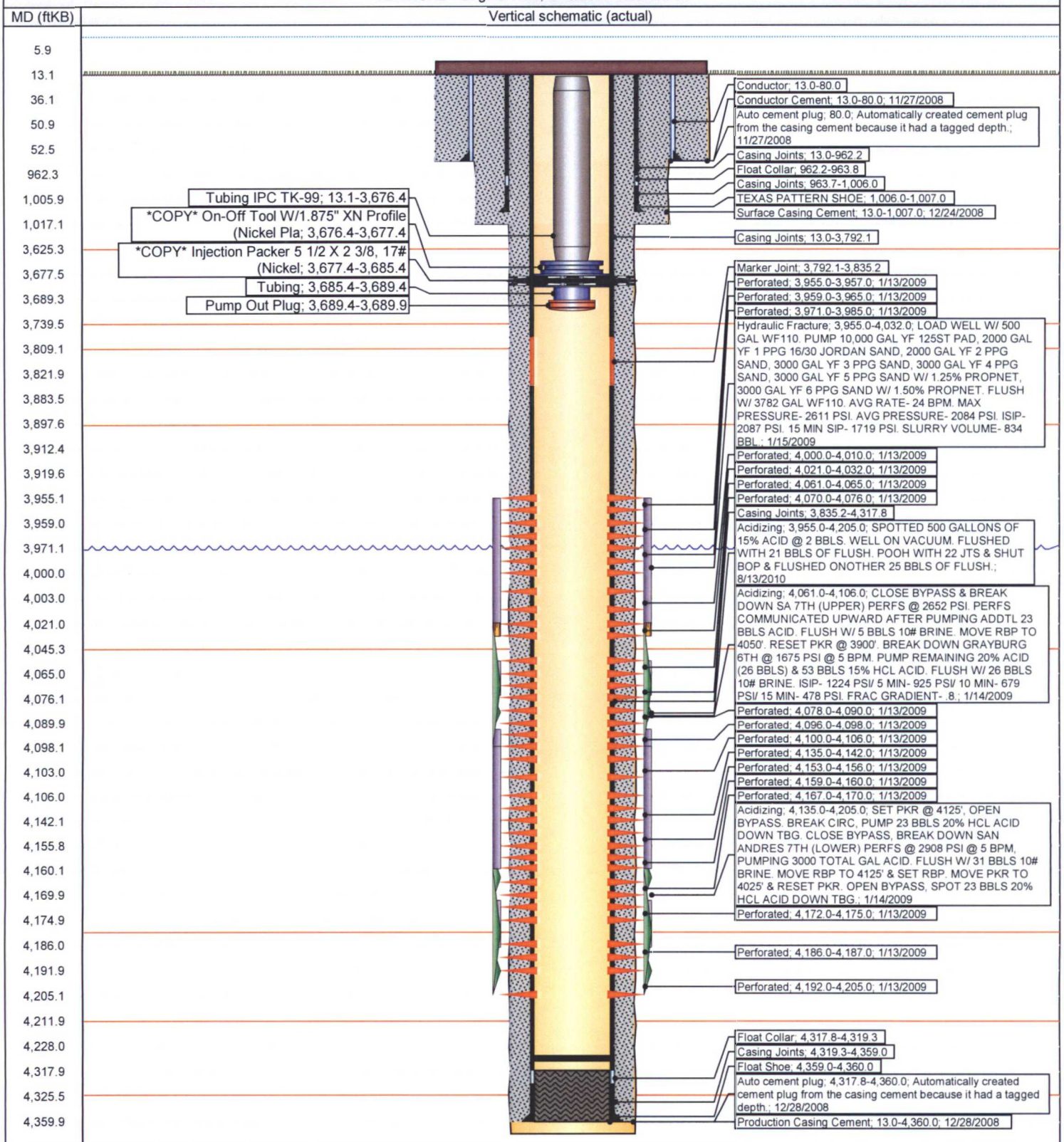
MCA 419

ConocoPhillips

District	Field Name	API / UWI	County	State/Province
PERMIAN CONVENTIONAL	MALJAMAR	3002538987	LEA	NEW MEXICO

Original Spud Date	Surface Legal Location	East/West Distance (ft)	East/West Reference	North/South Distance (ft)	North/South Reference
12/23/2008	Section 27, Township 17 S, Range 32 E	145.00	FWL	660.00	FSL

VERTICAL - Original Hole, 6/13/2017 4:26:43 PM



Report Printed: 6/13/2017

sake of convenience, percentages have been employed whether or not the interest as created is expressed in terms of percentage or as a fractional interest, and each party hereto commits the entire interest in fact owned by him to this agreement whether or not the percentage employed to indicate his interest is wholly correct. Operator, as such, is relieved of any responsibility for any defect in or failure of any title or interest hereunder. Exhibits "A" and "B" may be revised by the Operator as hereinafter provided whenever changes in the Participating Area renders such revisions necessary, or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor," or when requested by the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Commissioner," and not less than seven copies of the revised exhibits shall be filed with the Supervisor and one copy thereof shall be filed with the Commissioner and one copy with the New Mexico Oil Conservation Commission, hereinafter referred to as "Commission."

III

SUBSTANCES FULLY UNITIZED: All oil and gas produced from the Grayburg-San Andres formations underlying the Participating Area, as herein defined, are hereby fully unitized and are hereinafter referred to as "fully unitized substances."

For the purpose of this agreement, the unitized formations (also referred to in this agreement as the Grayburg-San Andres Formations) are identified and limited to that part of the Grayburg and San Andres Formations from the top thereof (found at the stratigraphic equivalent of 3419 feet on the Gamma Ray-Neutron Log of the Baish "B" well No. 36 located 554 feet from the north and west lines of Section 28, T-17-S, R-32-E, N.M.P.M.) to a depth of -700 feet subsea.

Form 3160-4
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
OCD-HOBBS
APR 14 2009
HOBBSOCD

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. NMLC - 057210

1a. Type of Well [X] Oil Well [ ] Gas Well [ ] Dry [ ] Other
b. Type of Completion [X] New Well [ ] Work Over [ ] Deepen [ ] Plug Back [ ] Diff. Resvr,.
Other

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.

2. Name of Operator
ConocoPhillips Company

8. Lease Name and Well No.
MCA Unit 419

3. Address
3300 N. "A" St., Bldg. 6 Midland TX 79705

3.a Phone No. *(Include area code)*
(432)688-6813

9. API Well No.
30-025-38987

4. Location of Well *(Report location clearly and in accordance with Federal requirements)**

At Surface Sec 27, T17S, R32E, SWSW, UL "M", 660 FSL & 145 FWL

At top prod. interval reported below Sec 27, T17S, R32E, SWSW, UL "M", 660 FSL & 145 FWL

At total depth Sec 27, T17S, R32E, SWSW, UL "M", 660 FSL & 145 FWL

10. Field and Pool, or Exploratory
Malajamar; Grayburg-San Andres

11. Sec., T , R , M., on Block and Survey or Area Sec 27, T17S, R32E

12. County or Parish LEA

13. State NM

14. Date Spudded	15. Date T.D. Reached	16. Date Completed [ ] D & A [X] Ready to Prod.	17. Elevations (DF, RKB, RT, GL)*
12/23/2008	12/27/2008	01/08/2009	3959' GR

18. Total Depth: MD 4375' TVD	19 Plug Back T.D.: MD 4318' TVD	20. Depth Bridge Plug Set: MD TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
PE/TDLD/CN/GR ; PE/HRLA/MCFL/GR ; CL

22. Was well cored? [X] No [ ] Yes (Submit analysis)
Was DST run? [X] No [ ] Yes (Submit analysis)
Directional Survey? [X] No [ ] Yes (Submit copy)

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8"	24#	Surface	1007'		570 sx C			
7-7/8"	5-1/2"	17#	Surface	4360'		715 sx C			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	4228							

25. Producing Intervals

Formation	Top	Bottom
A) Grayburg-San Andres	3955'	4205'
B)		
C)		
D)		

26. Perforation Record

Perforated Interval	Size	No. Holes	Perf. Status
4135' - 4205'		3 spf	open
4061' - 4106'		3 spf	open
3955 - 4032'		3 spf	open

27. Acid, Fracture, Treatment, Cement Sqeeze, Etc.

Depth Interval	Amount and Type of Material
4135' - 4205'	Acdz w/ 3000 gals 20% HCL & 31 bbls 10# Brine, spot 23 bbls 20% HCL
4061' - 4106'	Acdz w/ 26 bbls 20% HCL & 53 bbls 15% HCL, flush 26 bbls 10# Brine
3955 - 4032'	Frac w/ 26,000 gals YF 125ST & 60,000# 16/30 Jordan Sand, flush 4282 gals WF110

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
1/20/09	2/24/09	24	→	57	26	286	39.7		pumping

Choke Size	Tbg Press. Flwg SI	Csg Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status
	250	300	→				456.14	producing

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg Press Flwg SI	Csg. Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status
			→					

ACCEPTED FOR RECORD
APR 12 2009
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

(See Instructions and spaces for additional data on page 2)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method

Choke Size	Tbg Press Flwg SI	Csg. Press	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*

flared

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porsity and contents thereof: Cored intervals and all drill-stem tests, inlcuding depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				Rustler	940
				Salado	1125
				Tansill	2129
				Yates	2281
				Seven Rivers	2635
				Queen	3256
				Grayburg	3625
				San Andres	4045

32. Additional remarks (include plugging procedure).

33. Indicate which itmes have been attached by placing a check in the appropriate boxes:

☒ Electrical/Mechanical Logs (1 full set req'd.) ☐ Geological Report ☐ DST Report ☐ Directional Survey

☐ Sundry Notice for plugging and cement verification ☐ Core Analysis ☐ Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name *(please print)* Jalyn N. Fiske Title Regulatory Specialist

Signature Jalyn N. Fiske Date 03/24/2009

Title 18 U.S.C. Section 101 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 and false, fictitious or fradulent statements or representations as to any matter within its jurisdiction.