

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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

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.

5. Lease Serial No.
NMLC028784B
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
ConocoPhillips Company

3a. Address
P. O. Box 51810 Midland TX 79710

3b. Phone No. (include area code)
(432)688-9174

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UL F, 1980' FNL & 1984' FWL, Sec 18, 17S, 30E

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

8. Well Name and No.
Grayburg Deep Unit 1

9. API Well No.
30-015-04187

10. Field and Pool or Exploratory Area
Blinebry

11. County or Parish, State
Eddy NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleate 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

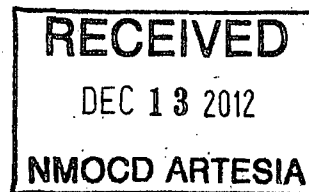
ConocoPhillips would like to plug back the Morror & recompleate into the Blinebry, Loco Hills Glorieta-Yeso (96718). Placing perf f/5081'-5461'.

Per attached procedures.

Accepted for record
NMOCD

12/14/2012

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Rhonda Rogers

Title Staff Regulatory Technician

Signature

Date 08/03/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

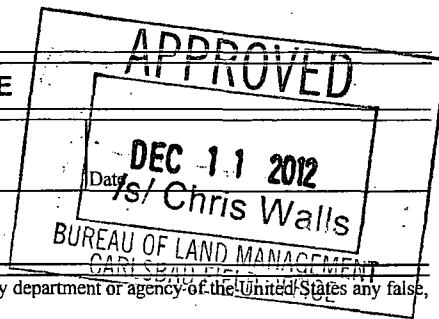
Title

Office

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.

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.

(Instructions on page 2)



GRAYBURG DEEP UNIT #1

RECOMPLETE PROCEDURE

API #: 30-015-04187

OBJECTIVE OF THIS WORK

Grayburg Deep Unit #1 well was drilled and completed in 1954, producing from the Morrow through 5½" casing. The well has a history of liquid loaded and formation blockage. It is recommended the well be recompleted to the Blinbry and returned to production.

Present status: Well is in-active producer

Well Control Information

ConocoPhillips is committed to operating in a safe and environmentally sound manner. Our goals include: ensuring the health of all ConocoPhillips and contractor personnel, as well as other persons in the vicinity of ConocoPhillips' operations; preserving the environment; and protecting the assets of the Company, contractors, and civilians. To further these goals ConocoPhillips has developed guidelines for well operations, especially when removing and installing well control equipment.

BOPE Class: 1 This well will require Class 1 BOPE or better since it is not capable of building up to 1000 psi.

Well Control Calculations and Considerations

	OD (in)	ID/Drift (in)	Weight (#/ft)	Grade	Yield (lbs)	Burst (psi)	Collapse (psi)	Volume (Bbls/Ft)
Intermediate Csg	9⅝"							
Production Csg	5½"	6.366	17	C-75		7,250	6,070	.0232
Production Tbg	2-⅞"	1.995	4.7	N-80	104,340	11,200	11,780	.00387
Annulus 5½ x 2 ⅞								.0313

Location: 1980' FNL & 1894' FWL, Sec. 18, T17S, R30, Eddy Co., NM

RKB: 3656'

GL: 3642'

Spud Date: 5/30/1954

PROCEDURE

1. Hold a safety meeting and review JSA prior to proceeding. Notify Champion before MIRU.
2. Confirm wellbore is static.

Hold tail-gate Safety meeting and review JSA prior to proceeding: (Ensure all sources of stray current are off including personal cell phones)

3. MI-RU Schlumberger cased hole logging services w\ a packoff (or 2000 psi shop tested lubricator, if required). PU RIH w\ a combination GR/CBL/CCL/USI tool from 8000'± to surface (correlate depth to Schlumberger GR-Neutron Log dated 8/20/58) to determine and record the new top of cement and condition of casing in the proposed recompletion area.

NOTE: Notify David McPherson with results of CBL and casing inspection log before proceeding.

4. **PU-RIH w\ a CIBP and set CIBP @ 7,400'± then POOH**
5. PU-RIH w\ a dump bailer & spot 35' (~ 5 sacks) of class "H" cement atop CIBP. POOH.
6. Perforate squeeze perms from 5800-5802'; set cement retainer @ 5790'±. RD-MO cased hole logging services.
7. MI-RU WSU and ancillary equipment. Test anchors as necessary.
8. MI-RU a hydro-test services to test work string in while RIH.
9. TIH with 2 7/8", 6.5#/ft N-80 work string. Hydro-test tubing to 85% of burst (or 5,000 psi whichever is less) while RIH. All tubing testing will take place below surface. On on depth, release hydrotest services.
10. Sting into retainer at 5790'±. Hold 300-500 psi on back side while cementing. Monitor the annulus with a pressure gauge.
11. Pressure down tubing string w/ 10# brine or lease water in an attempt to establish circulation to the surface.
Note: it may take several hours to establish initial circulation due to dehydrated mud. It may also be necessary to hold pressure on tubing and shut-down for night to allow brine time to move up hole.
12. Once circulation is established. Circulate the wellbore a minimum of three bottoms up (or longer) if circulation is poor or shows signs of improving with continued circulation.
13. MI-RU cementing services. Rig up and pressure test surface lines.
Note: provide cementing services with a sample of mixing water prior to job
14. Establish circulate with cementing equipment then circulate cement to surface:
 - with ___ sx Class C lite weight cement. If can not circulate to surface, establish injection rate. Squeeze perms with 150 sxs Class C cement.
 - Catch several (~4) cement samples during the job and hold to confirm cement performance
15. RD-MO cement service provider.
16. Pull out of cement retainer and reverse out any excess cement. POOH with workstring.
17. Allow cement adequate time to set (based on cement service provider thickening times).
Note: allow a minimum of 48hours (or longer based on cementing services recommendation)
18. TIH with bit and scraper (for 5 1/2" 17# casing) on workstring and cleanout/circulate out wellbore to top of cement retainer at 5790'±. POOH laying down work string. RD-MO WSU.

19. RU cased hole logging tools. Re-run CBL log from retainer @ 5,790' to find top of cement.

NOTE: Notify David McPherson with results of CBL log before proceeding. Good cement must be above 5000'.

20. MI-RU cased hole perforating services w/ a packoff (or 2000 psi shop tested lubricator, if required). RIH w/ a Schlumberger 3-3/8" gun system loaded with 25 gm HMX charges (or equivalent). Stagger shots to accomplish 60° phasing and perforate @ as follows (correlate depth to GR/CBL/CCL log).

Formation	Top Perf	Bottom Perf	Feet	SPF	Total Shots
Blinebry	5081	5089	8	2	16
Blinebry	5170	5180	10	2	20
Blinebry	5262	5282	20	1	20
Blinebry	5375	5384	9	2	18
Blinebry	5451	5461	10	2	20

Total Shots 94

21. POOH. Confirm all shots fired.
22. RDMO e-line perforating services.
23. Set frac water tanks according to stimulation proposal.
24. MI-RU a hydro-test services to test work string in while RIH in preparation for fracture treatment.
25. PU-RIH with a treating packer on a 2 7/8", 6.5#/ft N-80 work string. Hydro-test work string to 5000 psi, note all testing will be performed below grade. Once on depth release hydro-test and set treating packer @ 4,800'± (or a minimum of 100' above top perforation).
26. MI-RU Halliburton stimulation services. RU frac valve directly onto 2 7/8" work string to frac the Blinebry @ 20± bpm as per attached procedure. Bring adequate horsepower to accomplish 20± bpm @ 3,500 psi. An acid ball-out will be part of the procedure, so a remote ball launcher and N₂ operated relief valve are required. Monitor the 2 7/8" x 5 1/2" annulus.
27. Prime pumps and lines back to the blender and verify flow meter agreement. Pressure test liquid lines against Frac Valve to 5,000 psi for a minimum of five (5) minutes. An acceptable test is 100 psi/min or 300 psi in 3 minutes.
28. Frac the Blinebry zone from 5081-5461' with ___ # 20/40 resin coated sand. Perform fracture treatment per the attached proposal @ 20± bpm @ 3,500 psi. Shut down and monitor the pressure decline for 15 minutes.

TREATING LINE TEST PRESSURE: A minimum 500 psig over MAWP. Acceptable test will be no more than 300 psi leak off in 5 minutes, with no more than 1% leak off in last minute, AND NO VISIBLE LEAKS).	5000	PSIG
MAXIMUM ALLOWABLE WORKING PRESSURE: Based on	4 090	PSIG

weakest component in system (85% of 15.5# J-55 casing burst)		
NITROGEN POP-OFF SETTING: <i>the valve is to be tested prior to pumping, and must pop within 500 psi of set pressure.</i>	4,000	PSIG
TRUCK KILL SETTING	4,000	PSIG
MAXIMUM ALLOWABLE TREATING PRESSURE: If reached, human action required.	3,500	PSIG
MAXIMUM ANTICIPATED TREATING PRESSURE: Based on frac design	3,500	PSIG

29. Obtain ISIP. Continue monitoring and recording for 20 minutes following shut-in (every 5 minutes).
30. RD-MO stimulation equipment.
31. Shut-in well overnight to allow Resin to cure (or as directed by stimulation company representative).
32. Open well and begin flowing /unloading the well. Flow well until it loads up / dies. POOH with work string.
33. TIH with bit for 5½" 17# casing. Clean out to Cement retainer at 5790'±. Do not drill up retainer. Circulate hole clean and spot biocide treatment per Champion's instructions. POOH laying down work string.
34. Change out BOP rams for 2¾" production tubing. Test BOP according to the ConocoPhillips Well Control Manual.
35. PU-RIH w/ 2¾" production tubing and land EOT @ 5465'±.
36. ND BOPE and NU WH according to standard ConocoPhillips policy (well falls under Category 1 blanket exception).
37. PU-RIH w/ pump and rod string as per Rodstar design (see in Wellview).
38. Long stroke to confirm good pump action. Hang well off.
39. RDMO WSU and ancillary equipment.
40. Clean- up location, remove trash, dispose of produced fluids, and release any remaining ancillary equipment.
41. Record all well work performed in WellView.
42. Contact Production Specialist before turning well over to operations. Place on production, report production rates, and fluid levels in Avocet.

Conditions of Approval

Grayburg Deep Unit 1

30-015-04187

ConocoPhillips Company

1. **Contact BLM 575-361-2822 a minimum of 24 hours prior to performing operations.**
2. **Tag PBTD and spot 25 sx class H cement on top of existing plug at approximately 10790'. This was required in previous TA sundry and operator did not comply with Conditions of Approval.**
3. **Pump a minimum of 25sx class H cement from 9357-9162'. WOC and tag at 9162' or higher. (Covers casing leak)**
4. **Submit a Copy of the CBL to the BLM Carlsbad Field office.**
5. **Amend steps 4 and 5 – Depending on TOC determined by CBL the operator will have two options for the Wolfcamp plug:**
 - a. **If top of cement is above this plug then operator can pump a minimum of 25sx class H cement from 7615-7435'. (Covers top of Wolfcamp)**
 - b. **If top of cement is below 7615' then the operator must perforate casing and squeeze a class H cement from 7615-7435' WOC and Tag at 7435' or higher.**
6. **Depending on TOC determined by CBL the operator will have two options for the Abo plug:**
 - a. **If top of cement is above this plug then operator can pump a minimum of 25sx class H cement from 6375-6165'. (Covers top of Abo)**
 - b. **If top of cement is below 6375' then the operator must perforate casing and squeeze a class H cement from 6375-6165' WOC and Tag at 6165' or higher.**
7. **Surface disturbance beyond the originally approved pad must have prior approval..**
8. **Closed loop system required.**
9. **3000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram.**
10. **Operator to have H2S monitoring equipment on location as H2S has been reported from wells in the area.**

11. Completion report and subsequent sundry with well test and wellbore schematic required.
12. Plug back operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent.
13. The proposed well is not within a participating area. A commercial well determination must be submitted to the BLM Carlsbad Office.

CRW 121112