

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

3300 N "A" St Midland TX 79705

3b. Phone No. (include area code)

(432)688-9174

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

NM 70954A

8. Well Name and No.

Grayburg Deep Unit 1

9. API Well No.

30-015-04187

10. Field and Pool or Exploratory Area

Anderson; Penn

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

ULF, 1980' FNL & 1984' FWL, Sec 18, 17S, 30E

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 type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" 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 recompleat 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 recompleat 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 place this well in TA status.

Attached are the procedures:

Accepted for record

NMOCD RF

6/20/12

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED

JUN 16 2012

/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

Rhonda Rogers

Title Staff Regulatory Technician

Signature

Date 05/11/2012

RECEIVED

JUN 19 2012

NMOCD ARTESIA

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.

(Instructions on page 2)

Grayburg Deep Unit 1
API# 30-015-04187

Well Class 1. MPSP < 1000 psi. BOPE - one (1) Hydraulic Annular or 2 Mechanical Rams is recommended. **(A hydraulic BOP is acceptable)**

Recommended Procedure

Shut-in pressure for tubing – 0 psi & tubing - casing annulus(60 psi).

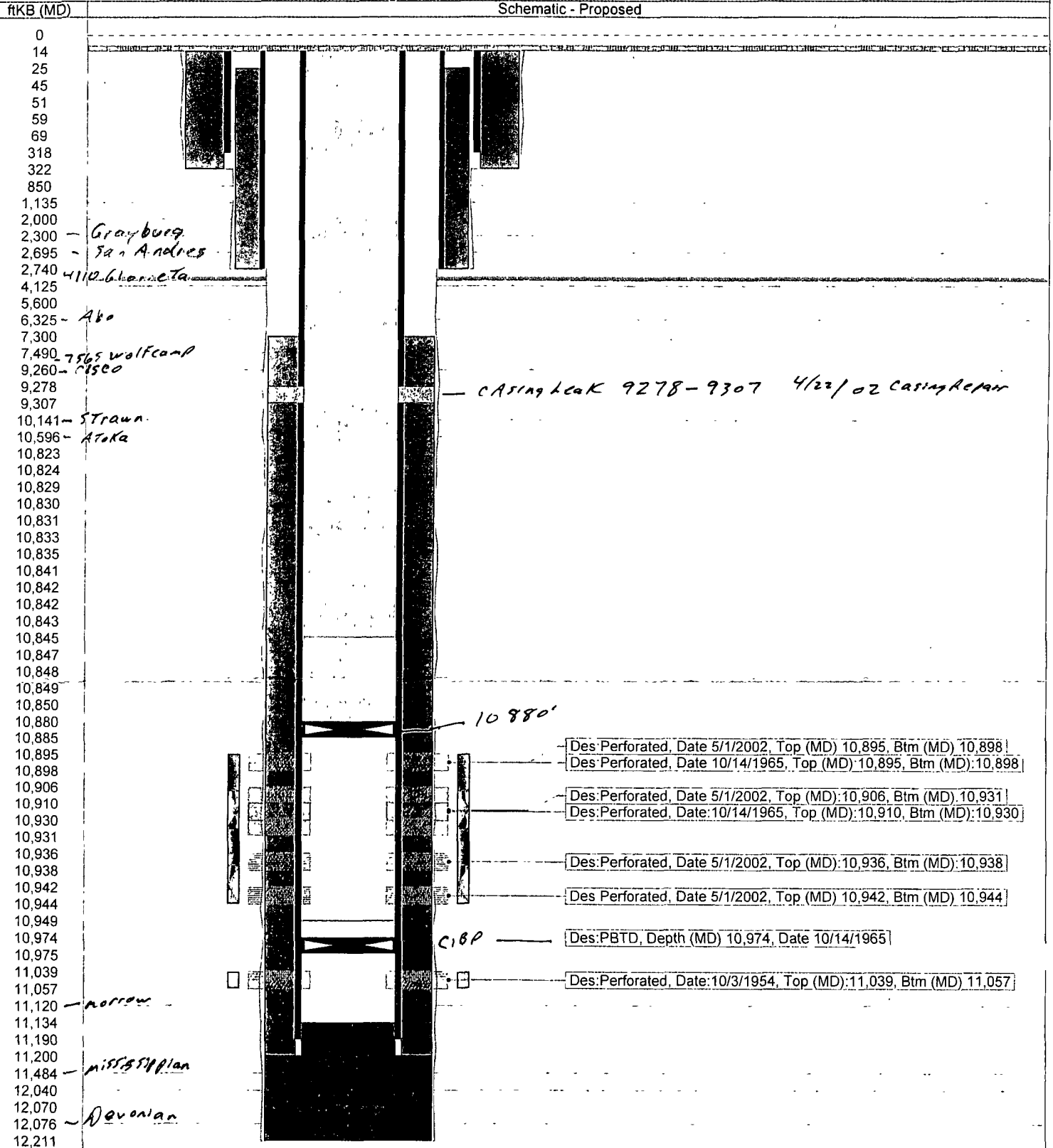
1. Confirm rig anchors are set and pull tested prior to MI-RU.
2. MI-RU well service rig. MI and set frac tank. Confirm wellbore is static. Use 2% KCL or 10# brine for well control.
3. ND WH - NU shop tested BOPE and environmental tray. **Production tubing will be used as workstring (WS).** Haul in enough 2-3/8", 4.7# (L/N-80) tubing to augment string and still be able to reach **10,880'**.
4. Unset packer and POOH. Visually inspect tubing. Stand back all good joints and laydown all bad joints (send to yard). Send packer to shop for R&R.
5. MI an e-line service. RU and pressure test lubricator to a minimum of 1000 psi above observed surface pressure.
6. PU a combination gauge ring and scrapper.
7. RIH with gauge ring-scrapper combination to 10,890'± to confirm wellbore is full gauge and clear. POOH. Laydown gauge ring – scrapper tool.
8. PU-RIH w/ cement dump bailer. Tag up on CIBP @ 10,974' and spot 35' (~5 - *see COAs* sacks) Class "H" cement. POOH.
9. PU-RIH w/ a CIBP on e-line. Set CIBP @ 10,880'. POOH. Laydown gauge and scrapper.
10. PU-RIH w/ cement dump bailer. Tag up on CIBP @ 10,880' and spot 35' (~5 - *see COAs* sacks) Class "H" cement. POOH.
11. RD-MO e-line service provider.
12. RIH with open-ended tubing to 10,845'± (TOC). Circulate/load wellbore with lease water or 2% KCL containing Champion biocide.
13. POOH. Laydown tubing string and truck to yard for inspection.

Schematic - Current
GRAYBURG DEEP UNIT 01

District PERMIAN	Field Name ANDERSON	API / UWI 300150418700	County EDDY	State/Province NEW MEXICO
Original Spud Date 5/30/1954	Surface Legal Location 18-17S-30E	East/West Distance (ft) 1,894.00	East/West Reference W	North/South Distance (ft) 1,980.00
				North/South Reference N

Well Config: VERTICAL - MAIN HOLE, 6/14/2012 4:10:18 PM

Schematic - Proposed



BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. CIBP must be capped with minimum 25 sacks cement, **placed with tubing**.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. **Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...**

Wells that successfully pass the casing integrity test **may** be approved for Temporary Abandonment (TA) status provided that the operator:

1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval **with well bore diagram with all perforations and CIBP's and tops of cement on CIBP's.**
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

Grayburg Deep Unit #1

1. Well may be approved to be TA/SI for a period of 90 days or until 9/20/2012 after successful MIT and subsequent report is submitted.
2. This will be the last TA approval for this well.
3. Must submit NOI to recomple or a NOI to P&A. Must be submitted by 8/20/2012.
4. Contact BLM 24 Hrs. prior to setting of CIBP and Cement so as it may be witnessed.