Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs
HOBBS OCD

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

AUG 03 2011

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5 Lease Serial No.
NMLC057210

6. If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No
NMNM70987A

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

8 Well Name and No.
MCA UNIT 486

2. Name of Operator
CONOCOPHILLIPS COMPANY
Contact BRIAN MAIORINO
E-Mail: brian.d.maiorino@conocophillips.com

9. API Well No
30-025-39355-00-S1

3a. Address
400 PENBROOK SUITE 351
ODESSA, TX 79762

3b Phone No. (include area code)
Ph: 432-688-6913

10 Field and Pool, or Exploratory
MALJAMAR GB-SA

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 28 T17S R32E NESE 2580FSL 560FEL
32.805380 N Lat, 103.764688 W Lon

11 County or Parish, and State
LEA 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 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.)

11/08/10 MIRU
11/09/10 POOH with TBG scanning, ran in hole with tbg and bit scraper, tagged @4130, POOH w/tbg to top of perfs.
11/11/10 Spotted 500gal acid, pooh w/tbg. ran in hole with tbg, pkr, and pump out plug, set pkr @3805. circ w/110 bbls pkr fluid
01/05/11 attempt to pressure csg w/o success, unjay on/off tool
01/06/11 TIH w/new on/off tool and same tbg to 4796', pressure to 500psi, lost 60 psi in 30 min, release pkr TOH send in for redress
01/07/11 TIH w/on/off tool, redressed 5-1/2" pkr, 120 jts 2-3/8" tbg, set pkr @ 3820'
01/10/11 Pressure csg to 500psi for 30min w/chart, pressure held, RDMO

SEE ATTACHED FOR CONDITIONS OF APPROVAL
AFTER RECOMPLETION AND TESTING PLEASE SUBMIT 3160-4 COMPLETION REPORT FOR THE Injection INTERVAL(S) WITHIN 30 DAYS

FAILURE TO SUBMIT NOI prior to THIS Subsequent Report

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

Electronic Submission #113764 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 07/26/2011 (11DLM0604SE)

Name *(Printed/Typed)* BRIAN MAIORINO — Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission) — Date 07/25/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED — DUNCAN WHITLOCK, Title LEAD PET — Date 08/01/2011

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. 08-04-2011 — Office Hobbs

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

AUG 04 2011

Additional data for EC transaction #113764 that would not fit on the form

32. Additional remarks, continued

Packer set @ 3820'
Top perf @ 3830'

6 AM
NOON
6 PM
MIDNIGHT
Graphic Controls LLC
CHART NO. MC MP-1000
METER
TAKEN OFF
CHART PUT ON
LOCATION mca 486
REMARKS 1/10/2011

Scott Dutton

Calibrated = 1/1/10

Date = 1/10/11

Time = 10:55 am

MCA 486

API 300-25-39355

ConocoPhillips

ConocoPhillips

Schematic - Current

MCA 486

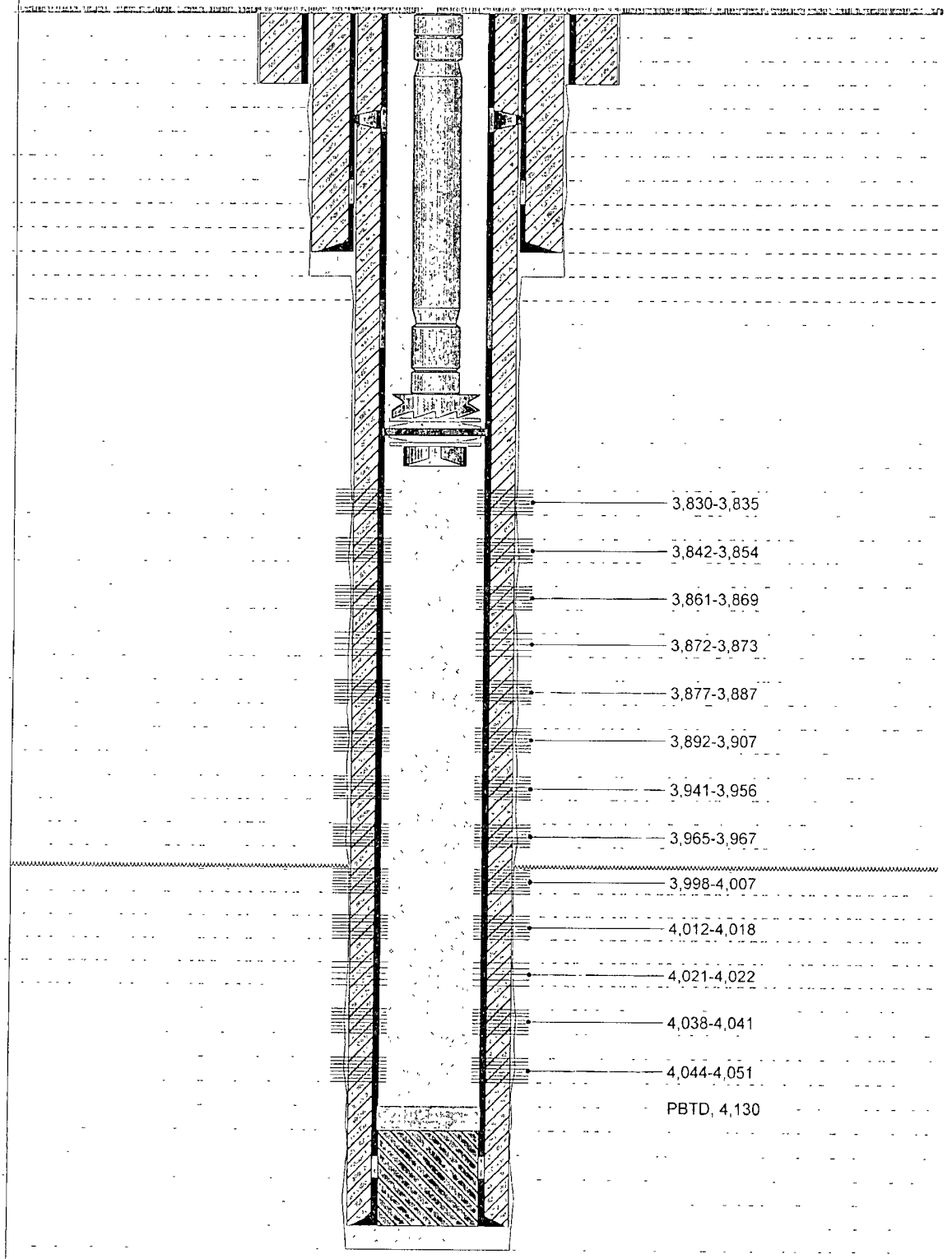
District	Field Name	API / UWI	County	State/Province
PERMIAN	MALJAMAR	3002539355	LEA	NEW MEXICO

Original Spud Date	Surface Legal Location	East/West Distance (ft)	East/West Reference	North/South Distance (ft)	North/South Reference
6/27/2009	Section 28, Township 17 S, Range 32 E	560 00	FEL	2,580 00	FSL

Well Config: VERTICAL - Original Hole, 7/25/2011 3:43:09 PM

ftKB (MD)	Incl
12	
44	
57	
90	
772	0 2
813	0 3
844	0 3
872	0 3
874	0 3
916	0 4
917	0 4
927	0 4
3,707	1 8
3,739	1 8
3,746	1 8
3,749	1 8
3,811	1 7
3,812	1 7
3,820	1 7
3,821	1 7
3,830	1 7
3,835	1 7
3,842	1 7
3,854	1 7
3,861	1 7
3,869	1 7
3,872	1 7
3,873	1 7
3,877	1 7
3,887	1 7
3,892	1 7
3,907	1 7
3,941	1 6
3,956	1 6
3,965	1.6
3,967	1 6
3,998	1 6
4,007	1.6
4,012	1 6
4,018	1 6
4,021	1 6
4,022	1 6
4,038	1 6
4,041	1 6
4,044	1 6
4,051	1 6
4,130	1 5
4,142	1 5
4,152	1 5
4,153	1 5
4,193	1 5
4,194	1 5
4,206	

Schematic - Actual



Conditions of Approval: Wells with Packers*

ConocoPhillips Company

MCA Unit - 486

July 27, 2011

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.
    a. The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with 200 psig differentials 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.
    b. Document the pressure test on a 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.
    c. Notify Paul R. Swartz at 575-234-5985 and/or 575-200-7902 at least 24 hours before the test. If there is no response, notify the BLM on call drilling phone, 575-361-2822.
    d. Submit a subsequent Sundry Form 3160-5 relating the MIT activity. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
    e. Use of tubing internal protection, on/off tubing equipment just above the packer, and a profile nipple installation is required. 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 work.
    f. **Submit the original subsequent sundry with three copies to BLM Carlsbad.**

2. 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.
    i. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
    e. Other unexplained significant variations of rate or pressure to be reported within 5 days of notice.

3. The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity.
    a. The annulus is to be maintained full of packer fluid at atmospheric pressure. Installation of equipment that will display on site, continuous open to the air fluid level is required. A BLM inspector may request verification of this fluid level at any time.
    b. **Submit a subsequent report (Sundry Form 3160-5)** describing the installation of packer fluid level monitoring equipment within 30 days of this approval.
    c. The operator shall keep monthly records documenting that the casing annulus is fluid filled. A suggested format for these records is available from the BLM Carlsbad Field Office. Copies of those records shall be furnished at the request of a BLM authorized officer.
    d. Loss of packer fluid above five barrels per month requires notification of the BLM authorized officer within 5 days.
    e. 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 at 575-200-7902). If there is no response, notify the BLM on call drilling phone, 575-361-2822.
    f. Also submit to this office a (Sundry Form 3160-5) Notice of Intent (NOI) for approval by BLM and NMOCD with a detailed plan for correction and the anticipated date of correction. Verbal approval for the plan may be given by a BLM authorized officer, with the NOI filed within five business days.
    g. After the repairs submit a (Sundry Form 3160-5) Subsequent report, describing the repair(s) and Mechanical Integrity Test as per item 1 above.

*COA's prepared by Paul R Swartz