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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
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 page 2.

1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other	5. Lease Serial No. NMLC068281B
	6. If Indian, Allottee or Tribe Name N/A
	7. If Unit of CA/Agreement, Name and/or No. N/A
	8. Well Name and No. Buck Federal 17 # 1H
2. Name of Operator ConocoPhillips Company	9. API Well No. 30-025-40281
3a. Address P.o Box 61810 Midland, Tx 79710 3b. Phone No. *(include area code)* 432-688-6943	10. Field and Pool or Exploratory Area Red Hill Bone Spring
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)* 330 FSL & 400 FEL SESE of Section 17-26S-32E	11. Country or Parish, State Lea County, NM

12. CHECK THE 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
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other Variance Related to BOP
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ 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 must 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 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.)

The 13 3/8" surface casing will be set at a depth of ~940 and a Wood Group Pressure Control (GE Oil & Gas) SH2 type wellhead will be installed on the 13 3/8 casing string. The SH2 type wellhead is a "multi-bowl" type wellhead system that allows the landing of multiple casing strings without having to remove the BOP to install additional wellhead components. This specific wellhead design consists of a 13 3/8" SOW X 13 5/8" 3M psi lower flange assembly with a 13 5/8" x 5M psi upper flange assembly. For the initial installation on the 13 3/8" surface casing, the maximum pressure application to the wellhead system is limited by the 3M psi flange rating. A planned intermediate casing string (9 5/8" 40# L80 BTC) is designed to be set at a depth of 4200 and isolated in the wellhead with a mandrel hanger and pack off seal system. Once installed, the 3M psi wellhead flange will be isolated and all subsequent BOPE pressure testing can be performed to 5000 psi, consistent with the requirements of a 5M system as set forth in Onshore Oil & Gas Order No. 2 and the APD Conditions of Approval. The SH2 wellhead schematic and proposed BOPe configuration is attached for reference.

Approval Subject to General Requirements & Special Stipulations Attached

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)* Donna Williams	Title Sr. Regulatory Advisor
Signature	Date 09/07/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Ted Mundy	Title PETROLEUM ENGINEER Date SEP 8 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.	Office BLM-CARLSBAD FIELD 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)

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Stage 2 — Install Split Speed Head With Riser Assembly

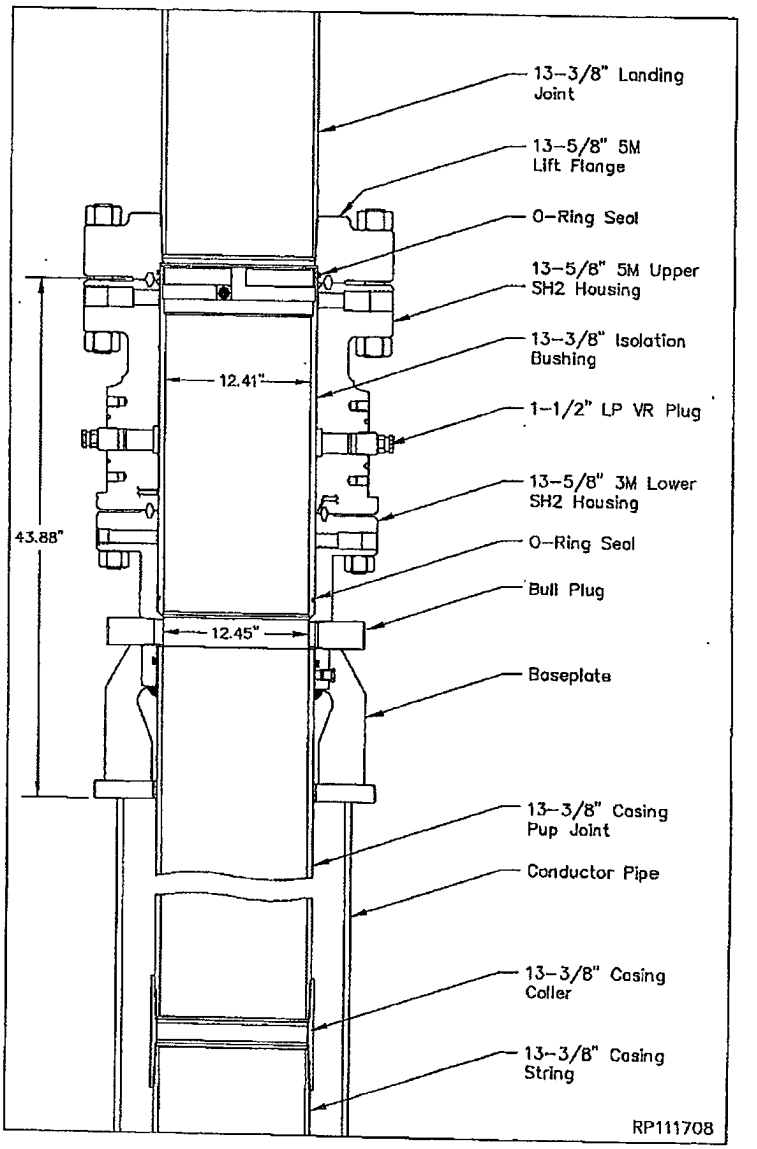
1. Drill and condition hole for surface casing.
2. Cut the conductor pipe off at the correct height above the cellar floor and grind stub level.

Note: The SH2 Riser Assembly is pre-assembled and tested prior to being shipped to location. The assembly is made up of a full length landing joint with flange, upper and lower SH2 housings, and a 10' long pup joint.

3. Examine the ***13-5/8" 5M x 13-3/8" SOW SH2 Speed Head/Riser Assembly (Items A1 & B1)***. Verify the following:
   - 10' pup joint is properly welded in place and casing threads are clean and in good condition
   - all outlet equipment has been removed including all studs and nuts, and valves
   - VR plugs are in place and tight
   - base plate is intact and properly welded to the casing head
   - isolation bushing is in place and properly retained with landing flange
   - landing flange with landing joint are in place and connection is properly made up

Note: Lockscrews are removed to clear 27-1/2" rotary.

4. Run the surface casing to the required depth and then set the last joint of casing run in the floor slips.
5. Pick up the SH2 Riser Assembly and make up the assembly in the casing string, tightening the thread connection to the thread manufacturers optimum make up torque.
6. Pick up the casing string and remove the floor slips and rotary bushings.
7. Slowly and carefully lower the assembly through the rotary table until the baseplate contacts the conductor pipe stub. Slack off all weight.
9. Remove the duct tape from the O.D. of both the upper and lower flanges of the assembly and lightly grease all threaded lockscrew holes.
10. Locate the (six) 1-1/4" and the (twelve) 1-1/2" lockscrew assemblies.



11. Install the 1-1/4" integral lockscrew assemblies in the upper flange and the 1-1/4" assemblies in the lower flange as indicated. (Ref. Dwg. RP111709)
12. Rig up the cement head and cement the surface casing string as per program, taking returns through the circulation ports in the baseplate.
13. After the cement job is completed, bleed off and remove the cement head.
14. Remove the landing flange with landing joint and set aside.

Buck Federal 17 #1H
ConocoPhillips
Lease No. NMLC068281B
September 8, 2011
Conditions of Approval

Summary of Current Status:

- Buck Federal 17 #1H is approved to be a horizontal well completed with 4-1/2" liner in the Red Hill Bone Spring.
- TVD is 9266' at 13,650' TD MD.
- Approved BOPE specification is 5M installed, used, maintained, and tested accordingly, with the minimum working pressure of the BOP and BOPE required for drilling below the surface casing shoe to be 5000 (5M) psi.

Requests:

1. To use the 5M BOP as a 3M system when it is installed on the 13-3/8" Surface Casing which is to be set at approximately 940'; and therefore subsequently delete the requirement for a pressure integrity test of the 13-3/8" shoe since Onshore Order 2.III.B.1.i would no longer be applicable for that casing shoe.
2. To use the 5M BOP as a 5M system when it is installed on the 9-5/8" Intermediate Casing which is to be set at 4200', as originally approved, including conducting of a pressure integrity test of the 9-5/8" shoe (Onshore Order 2.III.B.1.i).
3. To continue to use the 5M BOP system as a 5M system on subsequent 7" casing and 6-1/8" hole, as originally approved, including conducting of a pressure integrity test of the 7" shoe (Onshore Order 2.III.B.1.i).

Conditions of Approval:

a) The original COA is still applicable, with the following additions.
b) Casing shall be tested per Onshore Order 2.III.B.1.h.
c) Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling the 12-1/4" hole for 9-5/8" casing below the surface 13-3/8" casing shoe is agreed to be **3000 (3M)** psi. **Operator is therefore approved to install the 5M BOP on the 13-3/8" casing/SH2 Wellhead assembly and test and utilize it as a 3M BOPE system.**
d) Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9-5/8"** intermediate casing shoe shall continue to be **5000 (5M)** psi as originally approved. Item 3 above will apply.

TMM 09/08/2011