Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

5. Lease Serial No.
NM 14332 86710

6. If Indian, Allottee or Tribe Name

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

HOBBS OCD
DEC 09 2011
RECEIVED

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

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

8. Well Name and No.
Bilbrey 33 Federal 1

2. Name of Operator
ConocoPhillips Company

9. API Well No.
30-025-30781

3a. Address
3300 N "A" St Midland TX 79705

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

10. Field and Pool or Exploratory Area
Bilbrey; Morrow & Atoka

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
UL: C, 660' FNL & 1980' FWL, Sec 33, 21S, 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
	☐ 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.)

ConocoPhillips would like to abandon the Morrow zone by setting a CIBP over the perfs @ 8800+ - & dump bail 35' cmt.

Re-complete in the Brushy Canyon @ 8480-8495' & 8610-8660', then be sand frac'd following stimulation, the well will be placed on production & will utilize a pumping unit to produce.

Attached is the procedure:

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)*
Rhonda Rogers

Title Staff Regulatory Technician

Signature

Date 9/28/2011

APPROVED
DEC 7 2011
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
PETROLEUM ENGINEER
Title

DEC 15 2011
Office

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.

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)

DEC 15 2011

G. Recommended Procedure

IMPORTANT: ***USE THE MINIMUM AMOUNT OF 4% KCL NECESSARY TO KILL THE MORROW***

THE FOLLOWING WILL APPLY FOR THIS JOB:

TEST LINES (5 MIN): 7000 PSI **MAWP: 5500 PSI**

N2 POP-OFF: 4750 **PUMP TRIPS: 4650 PSI**

SHOWERS WILL BE ON LOCATION DURING ALL ACID WORK

1. Prior to moving in on location, set 640-305-144 Lufkin pumping unit (previously on State D 15 # 2) and ensure that unit is electrified. Notify Hobbs Anchor to test deadman. Replace any deadmen that do not pass inspection.

2. MIRU well service rig. MIRU pump truck. ND wellhead and NU shop tested, Class 2, Hydraulic BOP and environmental tray.

3. TOOH and SB 2 3/8", 4.7 lb/ft, N-80 tubing. Visually inspect tubing during trip. Replace bad joints as needed.

4. PU and TIH with bit & casing scrapper (for 5" liner) on 2 3/8" tubing to 13,600' +/-. TOOH with bit & scrapper.

5. PU and TIH with bit & casing scrapper (for 7" casing) on 2 3/8" tubing to 8,900' +/-. TOOH with bit & scrapper. LD 2 3/8" tubing and send into Tuboscope for inspection and placement into COP inventory. Haul in 8450'± of 3 ½", 9.3#, N-80 tubing (frac string), and 8800'± of 2 7/8", 6.5#, tubing (L or N-80 production string).

6. MIRU Schlumberger e-line services. RU 5000 psig lubricator. Run GR-CBL-CCL log from 9000' +/- to TOC (~2400' +/-). Correlate against **Compensated Z-Densilog, Compensated Neutron, Gamma Ray Log – Dated: 3/31/1990**. Contact the Production Engineer to confirm TOC. POOH and LD logging tools.

7. PU and RIH/set 5" CIBP on wireline at set depth of 13,580' +/-. POOH. PU and RIH with dump bailer to CIBP set depth, and dump bail / spot 35' of cement atop CIBP. POOH and LD bailer.

8. PU and RIH/set 7" CIBP on wireline at set depth of 8,800' +/-. POOH. PU and RIH with dump bailer to CIBP set depth, and dump bail / spot 35' of cement atop of CIBP. POOH and LD bailer.

Stage 1 - Brushy Canyon: 8610 – 8660'

9. PU perforating guns. RIH and perforate the 1st stage of the Brushy Canyon from 8610-60' at 4 SPF (200 holes) and 60° phasing using 4 ½" 4505 PowerJet perforating gun. POOH with perforating guns and confirm all shots fired. LD guns. RDMO wireline and lubricator.

G. Recommended Procedure (cont.)

10. MI-RU hydro-test services to test workstring while RIH.

11. PU 7" packer on the 3 ½" workstring and TIH to depth of 8450' +/- and set packer. Testing workstring to 7500 psi while TIH. All workstring testing will take place below rig floor. Once on bottom release hydro-test services.

12. Spot five 500 bbls clean, lined frac tanks and fill tanks with 4% KCl. Add biocide to the first load in each tank.

Note: Consult Schlumberger to confirm tankage requirement.

13. MIRU Schlumberger sand frac'ing equipment. Test all lines to 7000 psi for 5 min and ensure pressure does not fall > 200 psi/5 min. Load backside to 300 psi and monitor during job.

14. Perform acid ballout with 2000 gals 15% HCl acid with 220 1.1 SG bio balls. When acid is on the perfs, increase the rate to 15-16 BPM. SI and obtain ISIP and 5 min pressure.

15. Surge the balls off the perforations three times and SD for 30 mins for balls to fall.

16. Pump frac job as indicated in attached pumping schedule (see Appendix A).

17. Following the job, obtain ISIP, 5, 10, and 15 minute shut-in pressures. Close Master Valve. RD Schlumberger.

18. Unseat 7" packer and reverse out any excess sand from tubing if flush volume was not achieved. TOOH and LD 7" packer and SB 3 ½" WS.

19. MIRU Schlumberger wireline. PU and RIH/set 7" CIBP on wireline at set depth of 8800'+/-. POOH. PU and RIH with dump bailer to CIBP set depth, and dump bail 20' of cement on top of CIBP. POOH and LD bailer.

Stage 2 - Brushy Canyon: 8480 – 8495'

20. PU perforating guns. RIH and perforate the 2nd stage of the Brushy Canyon from 8480-95' at 4 SPF (60 holes) and 60° phasing using 4 ½" 4505 PowerJet perforating gun. POOH with perforating guns and confirm all shots fired. LD guns. RDMO wireline and lubricator.

21. PU 7" packer on the 3 ½" workstring and TIH to depth of 8450' +/- and set packer. Test workstring to 7500 psi while TIH.

22. Spot five 500 bbls clean, lined frac tanks and fill tanks with 4% KCl. Add biocide to the first load in each tank.

G. Recommended Procedure (cont.)

23. MIRU Schlumberger sand frac'ing equipment. Test all lines to 7000 psi for 5 min and ensure pressure does not fall > 200 psi/5 min. Load backside to 300 psi and monitor during job.

24. Perform acid ballout with 2000 gals 15% HCl acid with 75 1.1 SG bio balls. When acid is on the perfs, increase the rate to 15-16 BPM. SI and obtain ISIP and 5 min pressure.

25. Surge the balls off the perforations three times and SD for 30 mins for balls to fall.

26. Pump frac job as indicated in attached pumping schedule (see Appendix B).

27. Following the job, obtain ISIP, 5, 10, and 15 minute shut-in pressures. Close Master Valve. RD Schlumberger.

28. Release treating packer. POOH. Laydown 3½" workstring and treating packer.

29. PU and TIH with bit (add DC's if necessary) on 2⅞" production tubing to cleanout wellbore to CIBP at 8780' +/-. Circulate out any excess sand. TOOH with and stand back production tubing. LD bit and drill collars (if used).

30. TIH with 2 7/8", 6.5 lb/ft, L-80 production string as per WellView design. Maintain a dynamic fluid column while running tubing.

31. ND BP and NU WH. RIH with rods and pump as per WellView design. Space and hang well on. Load tubing and check pump action.

32. RDMO all service equipment. Clean up location.

33. Turn the well over to Operations and place on production. Report well tests on morning report until production stabilizes. Once stabilized, place well test in Avocet. Contact chemical representative to place well on treatment program. Submit change of well status report.

ConocoPhillips
SENM/Hobbs West Asset
February 16, 2011 rev. (9-26-2011)

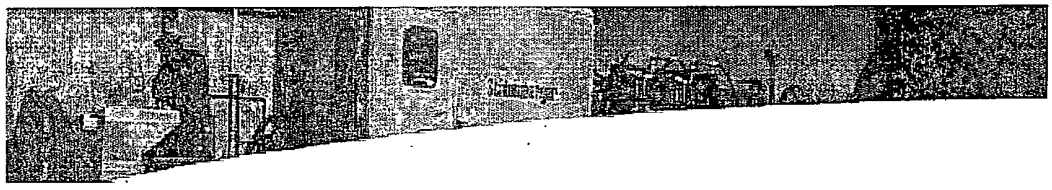
Project AFE/RFE # WA5.CHB.0111

Proposed Schematic:

P:\temp\WBS\Bilbrey
33 Fed 001 WBS.pdf

Adam J. Conch
Production Engineer

H. Appendix A – First Stage Frac Schedule



PUMPING SCHEDULE

Treatment 1

Stage Name	Pump Rate bbl/min	Fluid Name	Stage Volume gal	Proppant	Prop. Conc PPA
Load Hole	10.0	WF125	500		0.0
Acid	10.0	HCl 15	2000		0.0
Displace	20.0	WF125	3200		0.0
FET	30.0	WF125	4000		0.0
Pad	30.0	YF125ST+	28000		0.0
0.5 PPA	30.0	YF125ST+	4000	Jordan Unimin 20/40	0.5
1.0 PPA	30.0	YF125ST+	5000	Jordan Unimin 20/40	1.0
2.0 PPA	30.0	YF125ST+	8000	Jordan Unimin 20/40	2.0
3.0 PPA	30.0	YF125ST+	5500	Jordan Unimin 20/40	3.0
3.0 PPA	30.0	RCP YF125ST+	5500	16/30 SuperDC (SDC)	3.0
4.0 PPA	30.0	RCP YF125ST+	6000	16/30 SuperDC (SDC)	4.0
5.0 PPA	30.0	RCP YF125ST+	4000	16/30 SuperDC (SDC)	5.0
Flush	30.0	WF110	3215		0.0

Fluid Totals

WF125	7700 gal
HCl 15	2000 gal
YF125ST+	50500 gal
RCP YF125ST+	15500 gal
WF110	3215 gal

Proppant Totals

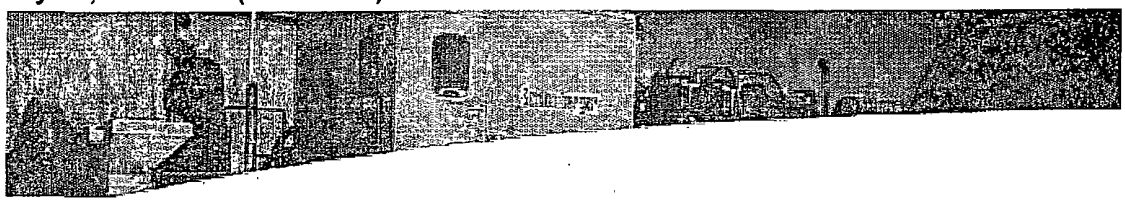
Jordan Unimin 20/40	39500 lb
16/30 SuperDC (SDC)	60500 lb

Treatment Execution

Stage Name	Stage Liquid Volume	Cum. Liquid Volume	Stage Prop. Mass	Cum. Prop. Mass	Stage Time	Cum. Time
	gal	gal	lb	lb	min	min
Load Hole	500	500	0	0	1.2	1.2
Acid	2000	2500	0	0	4.8	6
Displace	3200	5700	0	0	3.8	9.8
FET	4000	9700	0	0	3.2	13
Pad	28000	37700	0	0	22.2	35.2
0.5 PPA	4000	41700	2000	2000	3.2	38.4
1.0 PPA	5000	46700	5000	7000	4.1	42.5
2.0 PPA	8000	54700	16000	23000	6.9	49.4
3.0 PPA	5500	60200	16500	39500	5.0	54.4
3.0 PPA	5500	65700	16500	56000	5.0	59.4
4.0 PPA	6000	71700	24000	80000	5.7	65.1
5.0 PPA	4000	75700	20000	100000	3.9	69
Flush	3215	78915	0	100000	2.6	71.6

Schlumberger

H. Appendix A – First Stage Frac Schedule (cont.)



JOB SUMMARY

Operational Notes:

ConocoPhillips to Provide:

1. 5 Clean 500 bbl Frac Tanks
2. 77,000 gal Fresh Water
3. Flowback crew and equipment rigged up to flowback well after frac

Schlumberger to Provide:

1. 4 liquid pumps
2. 3294.3 hhp
3. All chemicals needed to mix the fluids shown on the Job Summary table
4. All proppant shown on the Job Summary table
5. N2 Pop-off valves and spring pop-off valve
6. Backside pump if needed

IMPORTANT.
The provided information needs to be confirmed prior to job by field coordinator or cell leader.

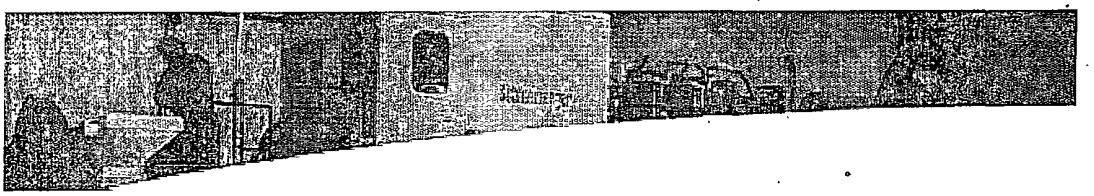
Expected Treating Pressure: 4482 psi

Treatment Pressure Limits:		**Annular Pressure Limits:**	
Max Pressure:	4482 psi	Hold Pressure:	psi
Line Popoffs:	4482 psi	Line Popoffs:	psi
Pump Trips:	< = 4482 psi or as needed	Test Lines:	psi
Test Lines:	psi		

1. Conduct appropriate lab testing with all fluids to be pumped at BHST including testing at anticipated breaker concentrations.
2. Contact Field Representative for scheduling pump time.

Schlumberger

I. Appendix B – Second Stage Frac Schedule



PUMPING SCHEDULE

Treatment 1					
Stage Name	Pump Rate bbl/min	Fluid Name	Stage Volume gal	Proppant	Prop. Conc PPA
Load Hole	6.0	WF125	500		0.0
Acid	10.0	HCl 15	2000		0.0
Displace	20.0	WF125	3200		0.0
FET	20.0	WF125	4000		0.0
Pad	30.0	YF125ST+	18000		0.0
0.5 PPA	30.0	YF125ST+	4000	Jordan Unimin 20/40	0.5
1.0 PPA	30.0	YF125ST+	4000	Jordan Unimin 20/40	1.0
2.0 PPA	30.0	YF125ST+	4000	Jordan Unimin 20/40	2.0
3.0 PPA	30.0	YF125ST+	2500	Jordan Unimin 20/40	3.0
3.0 PPA	30.0	ACP YF125ST+	2500	16/30 SuperDC (SDC)	3.0
4.0 PPA	30.0	ACP YF125ST+	4000	16/30 SuperDC (SDC)	4.0
5.0 PPA	30.0	ACP YF125ST+	3000	16/30 SuperDC (SDC)	5.0
Flush	30.0	WF110	3193		0.0

Fluid Totals	
WF125	7700 gal
HCl 15	2000 gal
YF125ST+	32500 gal
ACP YF125ST+	9500 gal
WF110	3193 gal

Proppant Totals	
Jordan Unimin 20/40	21500 lb
16/30 SuperDC (SDC)	35500 lb

Treatment Execution						
Stage Name	Stage Liquid Volume	Cum. Liquid Volume	Stage Prop. Mass	Cum. Prop. Mass	Stage Time	Cum. Time
	gal	gal	lb	lb	min	min
Load Hole	500	500	0	0	2.0	2
Acid	2000	2500	0	0	4.8	6.8
Displace	3200	5700	0	0	3.8	10.6
FET	4000	9700	0	0	4.8	15.4
Pad	18000	27700	0	0	14.3	29.7
0.5 PPA	4000	31700	2000	2000	3.2	32.9
1.0 PPA	4000	35700	4000	6000	3.3	36.2
2.0 PPA	4000	39700	8000	14000	3.5	39.7
3.0 PPA	2500	42200	7500	21500	2.3	42
3.0 PPA	2500	44700	7500	29000	2.3	44.3
4.0 PPA	4000	48700	16000	45000	3.8	48.1
5.0 PPA	3000	51700	15000	60000	2.9	51
Flush	3193	54893	0	60000	2.5	53.5

Schlumberger

I. Appendix B – Second Stage Frac Schedule (cont)

JOB SUMMARY

Operational Notes:

ConocoPhillips to Provide:

1. 4 Clean 500 bbl Frac Tanks
2. 55,000 gal Fresh Water
3. Flowback crew and equipment rigged up to flowback well after frac

Schlumberger to Provide:

1. 4 liquid pumps
2. 3331.3 hhp
3. All chemicals needed to mix the fluids shown on the Job Summary table
4. All proppant shown on the Job Summary table
5. N2 Pop-off valves and spring pop-off valve
6. Backside pump if needed

IMPORTANT:
The provided information needs to be confirmed prior to job by field coordinator or cell leader.

Expected Treating Pressure: 4532 psi

Treatment Pressure Limits:		**Annular Pressure Limits:**	
Max Pressure:	4532 psi	Hold Pressure:	psi
Line Popoffs:	4532 psi	Line Popoffs:	psi
Pump Trips:	< = 4532 psi or as needed	Test Lines:	psi

Test Lines: psi

1. Conduct appropriate lab testing with all fluids to be pumped at BHST including testing at anticipated breaker concentrations.
2. Contact Field Representative for scheduling pump time.

Schlumberger

ConocoPhillips

Schematic - Current

BILBREY 33 FEDERAL 001

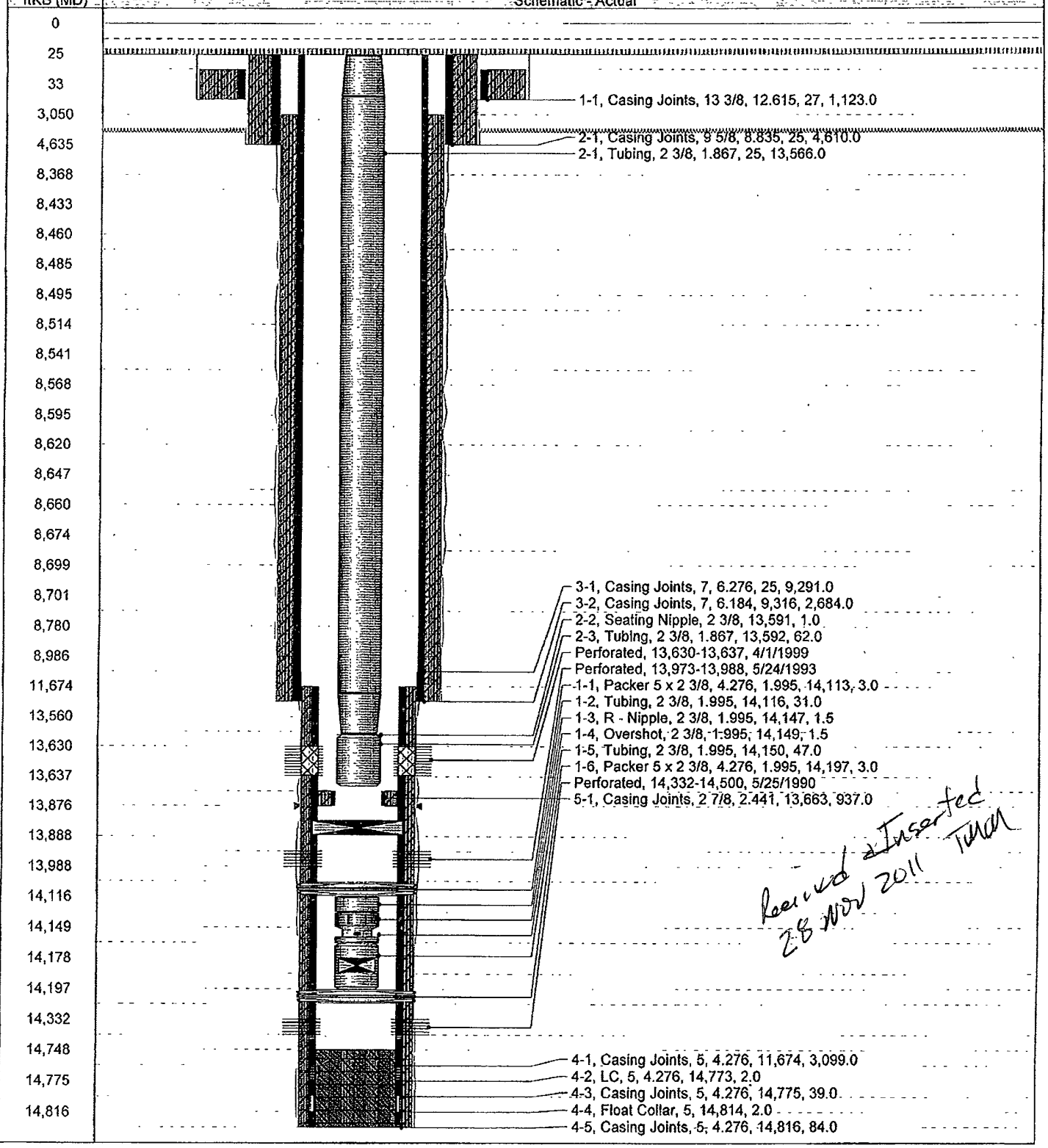
Most Recent Job

Jobs

Job Category	Primary Job Type	Secondary Job Type	Actual Start Date	End Date
WELL INTERVENTION	MAINTENANCE-CHEMICAL		12/7/2009	12/10/2009

Well Config: Vertical - MAIN HOLE, 11/28/2011 11:12:15 AM

Schematic - Actual



Received & Inserted
28 NOV 2011 TMAC

Report Printed: 11/28/2011

Bilbrey 33 Federal 1
ConocoPhillips Company
30-025-30781
12/07/2011
Conditions of Approval

Summary of Current Status:

- Secretary's Potash
- Existing casing program:
  - 13-3/8" casing at 1150'. TOC surface, circ 200 sx
  - 9-5/8" casing at 4635'. TOC surface, circ 100 sx
  - 7" casing at 12000'. TOC at 3050' confirmed by temperature survey
  - 5" liner from 11674' – 13891' sqzed TOL
  - sidetrack window at 13891'
  - 2-7/8" liner 13664' – 14599' Drilled 548' of cement on top of liner
- Open perforations 13991' – 14505' (Morrow, selective)

Current Sundry Request:
To abandon the Morrow in the sidetrack hole.
To recomplete and frac the Brushy Canyon 8840 – 8660' selective.
To place on production using a pumping unit.

Conditions of Approval
The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

a. Casing Integrity Tests
b. Tags of plugs to isolate the Morrow and Wolfcamp Formations
c. Tags of plugs to correspond to previous casing shoe depths and new PBTD
d. BOPE tests

☒ **Lea County**
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612

1. **STEP 1 – Although Hydrogen Sulfide has not been reported in this section, it is always a possible hazard. It has been reported in nearby sections. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.**

2. **STEP 2 - 5000 (5M)** 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. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (5M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2. **5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.**

3. **STEPS 3 to 5** - OK.

4. **STEP 6** – A copy of the CBL-Neutron Density correlation log shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The top of cement is to be recorded on the Subsequent Sundry report.

5. **STEP 7** - Set **2-7/8"** CIBP at the revised depth of approximately **13940'** to isolate and abandon the Morrow perforations and the Top Morrow formation. Place 25 sx of Class H cement on the CIBP. Notify BLM for witnessing the tag. Tag must be 240' or more above the CIBP. NOTE: BLM guidelines require that the cement plug volume be at least 25 sx minimum.

6. **Step 8a** – Set a **5**" cement plug at the revised depth of **12050'- 11624'** to isolate the Top Wolfcamp formation, the top of the 5" liner, and across the 7" shoe depth of 12000'. Notify BLM for witnessing the tag.

7. **Step 8b** – OPTIONAL. OK to set a **5**" CIBP at approximately 8800' to establish the new PBTD at the proposed depth. Place 35' of cement on the CIBP, using a dump bailer. Notify BLM for witnessing the tag.

8. **Steps 9 to 32** – OK

9. In the event that an Annuli Survey is done, the measured pressures (if any) and the observed effluents (if any) of each annulus, should be reported to the BLM, along with the amounts of any H2S or CO2 also reported.

10. **Surface disturbance beyond the existing pad must have prior approval.** If the move-in of any subsequently required stimulation equipment and related tanks will cause the originally approved footprint for the location to be changed, it will then be necessary to obtain a revised impact evaluation from the BLM. An updated Sundry request for any recompletion and testing must be submitted, if that work is intended. **Note that a closed loop system is required for all work on location.**

11. **WASTE MATERIAL AND FLUIDS** - All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

    Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

12. **Step 33** - Operator also to provide BLM with copy of logs run including digital format if available, Subsequent Operations Report, and Completion Report.

TMM 12/07/2011