

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTHOBBS OCD
OCD HobbsFORM APPROVED
OMB NO. 1004-0135
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.

5. Lease Serial No.
NMLC060329

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side. RECEIVED

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No
EMERALD FEDERAL 12

2. Name of Operator

CONOCOPHILLIPS COMPANY

Contact: BRIAN MAIORINO

E-Mail: brian.d.maiorino@conocophillips.com

9. API Well No.
30-025-40358-00-X1

3a. Address

3300 N "A" ST BLDG 6
MIDLAND, TX 79705

3b. Phone No. (include area code)

Ph: 432-688-6913

10. Field and Pool, or Exploratory
MALJAMAR Yeso West

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

Sec 17 T17S R32E NESE 2381FSL 919FEL

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			
<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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 shall 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 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.)

ConocoPhillips Company respectfully request to drill to a depth of 7248' MD on the Emerald Federal #12.

Production Csg will be set @ 7193'-7238'

Production Cmt will be as follows

Lead: 1000 Sx 50:50 Poz C 5200'-surface, 11.8 ppg, 2640 cuFt, +10% Bentonite +8 lbs/sx Salt+ 0.4% Fluid loss additive + 0.125% LCM if needed, Excess = 220% or more if needed based on guage hole volume, Yield 2.64 cuft/sx

Tail: 650 sx Class H 7186'-7231' to 5200', 16.4 ppg, 696 cuft, + 0.2% Fluid loss additive + 0.3% dispersant + 0.15% retarder + 0.2 antifoam, excess = 100% or more if needed based on guage hole

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #130797 verified by the BLM Well Information System

For CONOCOPHILLIPS COMPANY, sent to the Hobbs

Committed to AFMSS for processing by DEBORAH MCKINNEY on 02/15/2012 (12DLM0269SE)

Name (Printed/Typed) BRIAN MAIORINO

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 02/14/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By TED MORGAN

Title PETROLEUM ENGINEER

Date 02/23/2012

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 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 **

FEB 28 2012

Additional data for EC transaction #130797 that would not fit on the form

32. Additional remarks, continued

volume, yield 1.07 cuft/sx

Everything else will stay the same according to the originally approved APD

Emerald Federal 12
ConocoPhillips Company
30-025-40358
February 23, 2012
Conditions of Approval

Summary of Current Status:

- Currently approved for TD at 7002' with TOC for 5-1/2" casing to surface.
- Operator estimates Top of Tubb at 6812', and states the deepest perforation is to be 10' above it.
- BLM estimates the Top Abo at 7545'

NOTE: The Field and Pool for the Ruby Federal is Maljamar: Yeso, West. The Yeso includes the Glorieta, Paddock, Blinbry, Tubb, and Drinkard. The Operator states it is necessary to drill deeper for the purpose of fully evaluating the Tubb formation. In the same phone call, the Operator also confirmed the well is still a vertical well.

Requests:

Sundry dated 2/14/2012 includes the following:

- Revise the planned TD of 7002' to now be at 7248'. ($\pm 297'$ above the Abo Top)
- Revise the depth range of the 5-1/2" shoe to be between 7193' – 7238' ($\pm 246'$ deeper, and approximately 307' above the estimated Abo top.)
- TOC for the 5-1/2" casing is still intended to be surface.

Conditions of Approval:

Terms of original APD COA and already approved sundries shall continue to be applicable for this well, with the following revisions to also apply:

Operator is to consider the Abo top when deepening the originally approved TD of the well. Bursts of high pressure may occur if the Abo is penetrated. Use of the mud logging unit (now approved as an option in the original APD) may benefit the Operator when drilling in the proximity of the Abo top.

TMM 02/23/2012