Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD
OCD-HOBBS
MAR 20 2012
RECEIVED

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. NMNM2512
	6. If Indian, Allottee or Tribe Name
	7. If Unit of CA/Agreement, Name and/or No. NMNM71041A
	8. Well Name and No. SEMU 43
2. Name of Operator ConocoPhillips Company	9. API Well No 30-025-06085
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 Skaggs; Grayburg
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)* UL; L, 1980' FSL & 660' FWL, Sec 13, 20S, 37E	11. Country or Parish, State LEA 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 cmt to surf on 5 1/2" prod csg
	☐ 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 proposed well work consists of cementing the 5-1/2" production casing annulus from approximately 700 ft to surface.

SEMU 43 is located 1320 feet north of the recently P&A'd SEMU 44 As a Condition of Approval to P&A SEMU 44, all wells within a ¼ mile radius were to be reviewed for:

"conditions similar to this one (SEMU 44) and take appropriate actions to stabilize".

SEMU 43 is the only well within a ¼ mile radius of SEMU 44 that the production casing has not been cemented to surface.

Attached is the procedures:

Contact HES @ 575-393-3612 prior to start

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

Rhonda Rogers — Title Staff Regulatory Technician

Signature — Date 02/28/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by James A. Amos — Title SEAS — Date 3-18-12

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 CFO

PETROLEUM ENGINEER
MAR 21 2012

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)

MAR 21 2012

SEMU 43
API # 30-025-06085
Skaggs (Grayburg) Field
Lea County, New Mexico

The proposed well work consists of cementing the 5-1/2" production casing annulus from approximately 700 ft to surface.

SEMU 43 is located 1320 feet north of the recently P&A'd SEMU 44. As a Condition of Approval to P&A SEMU 44, all wells within a ¼ mile radius were to be reviewed for

"conditions similar to this one (SEMU 44) and take appropriate actions to stabilize".

SEMU 43 is the only well within a ¼ mile radius of SEMU 44 that the production casing has not been cemented to surface.

PROCEDURE

1. MI & RU well service unit (last well service 02.2009) The following is a summary of current well configuration:

SEMU-43 (API: 30-025-06085)			
1980 FSL & 660 FWL, 13L-20S-37E			
Elev.: 3556 KB; 3546 GL (DF - GL. 10 ft.)	Depth. RKB		
	top	btm	
8-5/8", 24#, J-55 (12-1/4" hole)	surface	256	02.09.54. Cmt w/ 200 sx. Circulated cmt to surface
5-1/2", 14# & 15.5#, J-55 (7-7/8" hole)	surface	3769	02.22.54: Cmt w/ 1045 sx. Reported TOC: 930
			06.2006 Place approximately 10 sx behind 5-1/2" csg
			estimated cmt column: 717-752
Salt Interval	1442	2525	
Completion Interval			
Perforated Interval	3660	3730	02 13 09. Perforate Penrose @ 1 spf.
4-3/4" OH Interval	3769	3891	02.54
TD		3891	02.54

2. Unseat pump. POOH w/ rods & pump
3. Pump 40 barrels of 10# brine down tubing-casing annulus
4. NU hydril BOP.
5. POOH w/ 2-3/8" production tbg

6. PU & RIH w/ 4-3/4" bit & csg scraper (5-1/2", 15.5#) on 2-7/8", 6.5#, J-55 workstring to 3650 (5-1/2" csg perforations: 3660-3730; 5-1/2" csg shoe @ 3769). POOH w/ tbg, scraper & bit.

7. RIH w/ RBP (5-1/2", 15.5#) on 2-7/8 tbg. Set RBP @ 3600.

8. Circ well w/ 10# brine (well capacity w/ tbg: 58 bbl). Test casing to 300 psig. POOH.

9. RU Electric Line. RIH w/ CBL/csg inspection log. Log from CIBP to surface.

10. Based on CBL:

    a. Perforate (3 perfs: 120-degree phasing) 50 ft. above CBL-indicated TOC (per 06.2006 workover, estimated cement column behind 5-1/2" csg: 700-750). POOH. RD E-Line service provider.

    b. Close blind rams, open 5-1/2" x 8-5/8" annulus. Establish circulation down csg and up 5-1/2" x 8-5/8 annulus w/ 10# brine. Note & record volume of 10# brine pumped down csg w/ 10# brine to surface via 5-1/2" x 8-5/8" annulus.

       Based on a 10" average hole diameter below 8-5/8" shoe @ 256, estimated SEMU 43 annular volume:

       (Perforation depth-256) x 0.0678 bbl/ft + 9 bbl

       Note:
       Based on recent P&A of SEMU 44, average hole diameter below 8-5/8" shoe to 652 ft was 9.82"

    c. RIH w/ cement retainer on tbg and set cement retainer 150 ft. above perforations.

    d. Establish circulation to surface w/ 10 bbl fresh water spacer. Mix & pump Class C neat cmt volume equivalent to 7.5 sx (75% excess) per bbl of mud volume recovered (11 b.). Estimated annular volume to perforation depth @ 700 ft: 39 bbl (166 sx; 290 sx @ 75% excess).

Density:	14.8 ppg
Yield:	1.32 cu. ft. per sk
Water Requirement:	6.3 gal/sk.

       Displace cmt to retainer w/ fresh water (2-7/8" tbg capacity: 0.00579 bbl per ft). Close in 5-1/2" x 8-5/8" annulus.

    e. POOH with tubing. SDON.

11. RU reverse unit. RIH w/ 4-3/4" bit, 6· 3-1/2" DC and 2-7/8" tbg. Drill out cmt retainer and cmt. RIH to 3600 (RBP @ 3600) Circ well clean POOH & LD bit & DC

12. RIH w/ tbg and retrieve RBP @ 3600. POOH & LD 2-7/8" tbg..

13. RIH w/ 2-3/8" production tbg. ND BOP. NU well. RIH w/ pump & rods.

14 Return well to production.