

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OGD
Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

JUN 13 2012

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well

☐ Gas Well

☒ Other

SWD

2. Name of Operator
ConocoPhillips Company

3a. Address
P O Box 51810
Midland, Tx 79710

3b. Phone No. (include area code)
432-688-6943

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2284 FNL & 1950 FWL
UL: F of 17-26S-32E

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 SWD Federal 17 # 1

9. API Well No.
30-025-40482

10. Field and Pool or Exploratory Area
SWD; Bell Canyon

11. County 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			
<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	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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.)

As per the Conditions of Approval, ConocoPhillips Company respectfully submits the attached information related to confirmation that the proposed disposal interval is not capable of producing hydrocarbons in paying quantities.

Conditions of Approval

Subject to like approve by the State

Operated will be required To Amend the
current Administrative Order SWD-1316
to include the proposed injection interval
from 5686' to 5932'



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

Title Sr. Regulatory Advisor

Signature

Date 05/31/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Title

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.

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)

JUN 18 2012

Williams, Donna J

From: Vick, Harvey
Sent: Tuesday, May 22, 2012 10:00 PM
To: Williams, Donna J
Cc: Ruddick, Barry A; Reno, J R; Moore, Steven O.
Subject: RE: Tops Picks (Buck Federal 17 1SWD)

Hello Donna:

Below are the corrected tops.

Well Name.....: Buck Federal 17 1SWD

UWI (API No).....: 30025404820000
Operator.....: ConocoPhillips
Symbol Code.....: INJ (Injection Well)
Datum Elevation...: 3189.0 (Kelly Bushing Elevation) FT
Total Depth.....: 6278.0 FT

LOCATION

Location:
 TWN: 26 S RGE: 32 E SEC: 17
Surface Longitude: -103.699046
 Latitude: 32.043812
Lea, NM

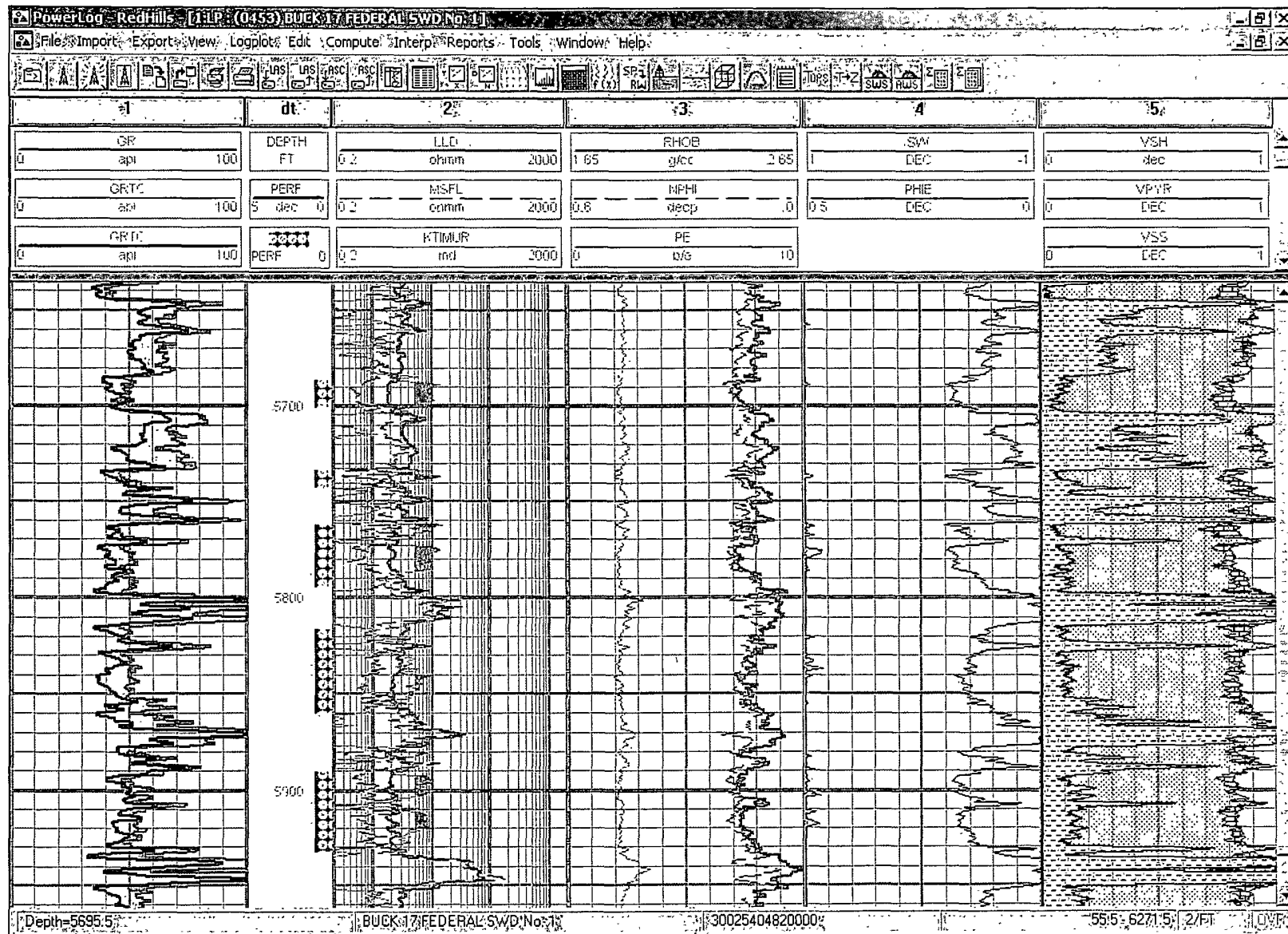
FORMATION TOPS	MD
RUSTLER	1028
SALADO TOP	1412
SALADO BASE	2385
CASTILE TOP	2385
DELAWARE	4326
BELL CANYON	4326
RAMSEY	4360 Oil & Gas
FORD_SH	4420
OLDS_TOP	4432 Oil & Gas
OLDS_BASE	4495
CHERRY_CANYON TOP	5272
CHERRY_CANYON_SWDZ_1_TOP	5684
CHERRY_CANYON_SWDZ_1_BASE	5705
CHERRY_CANYON_SWDZ_2_TOP	5734
CHERRY_CANYON_SWDZ_2_BASE	5798
CHERRY_CANYON_SWDZ_3_TOP	5812
CHERRY_CANYON_SWDZ_3_BASE	5862
CHERRY_CANYON_SWDZ_4_TOP	5877
CHERRY_CANYON_SWDZ_4_BASE	5935
CHERRY_CANYON_LOWER	6142 Oil & Gas

Harvey O. Vick III, P.G.

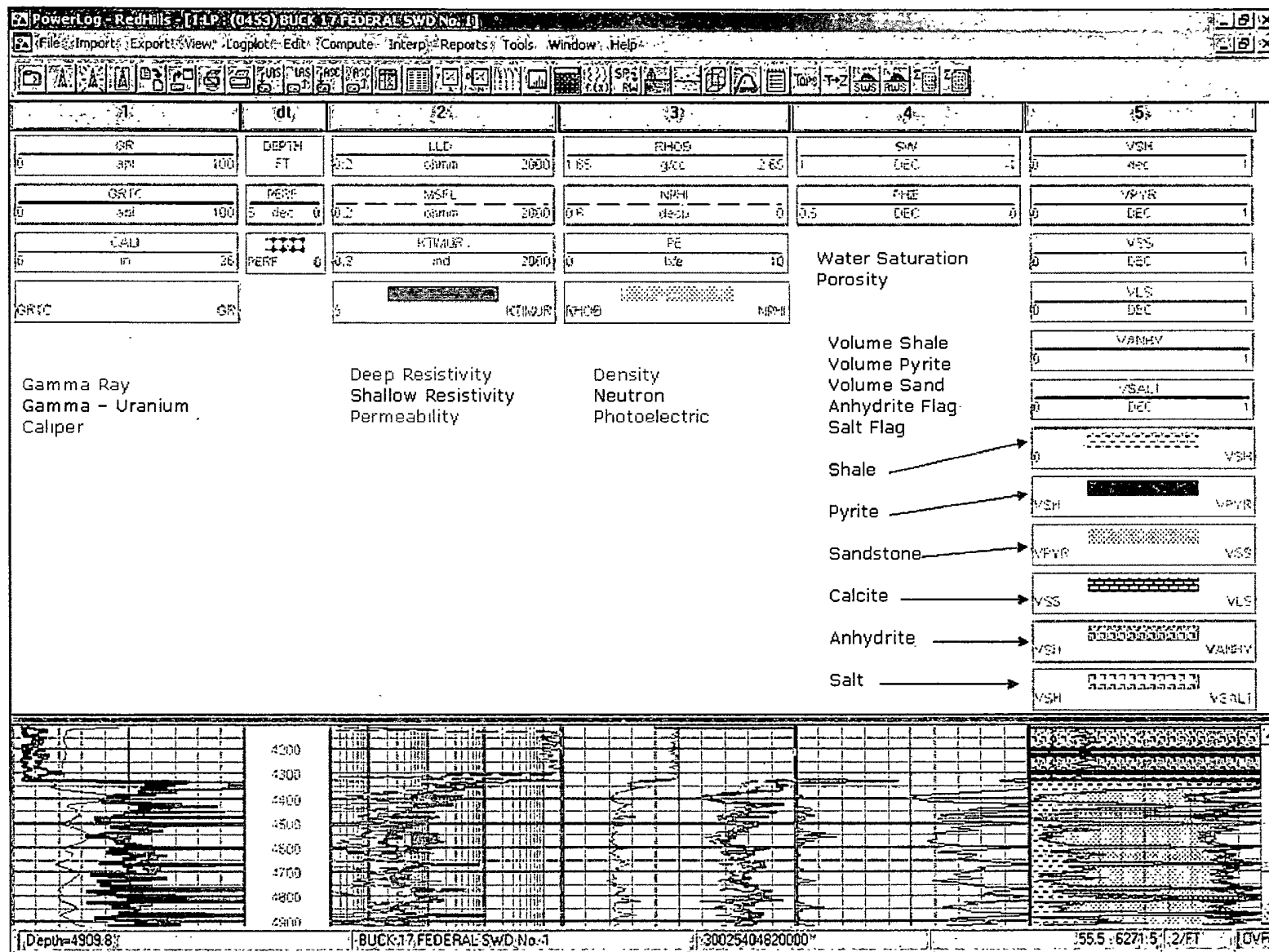
Staff Geologist

ConocoPhillips Company
580 Westlake II, Room WL2 13010
Houston, TX 77252-2197
832-486-2797 office
281-728-8566 cell
832-330-0392 BlackBerry
281-251-1910 home

Buck Federal 17 1SWD Open Hole Logs

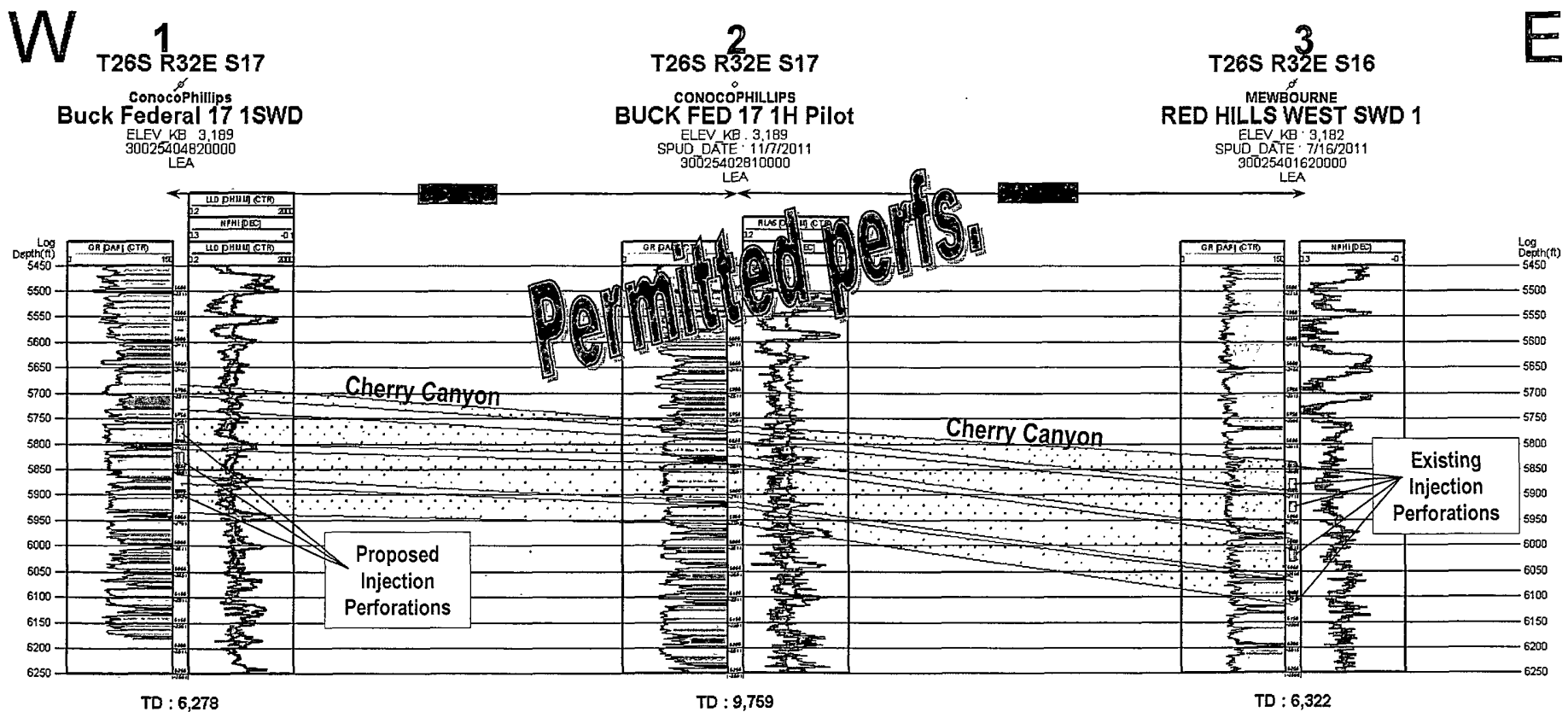
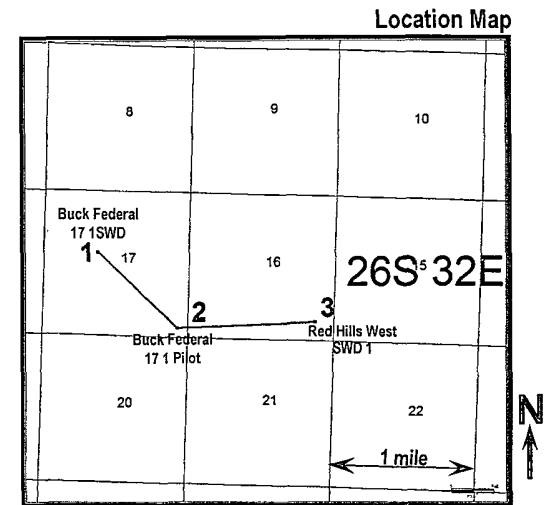


Description of Log Curves



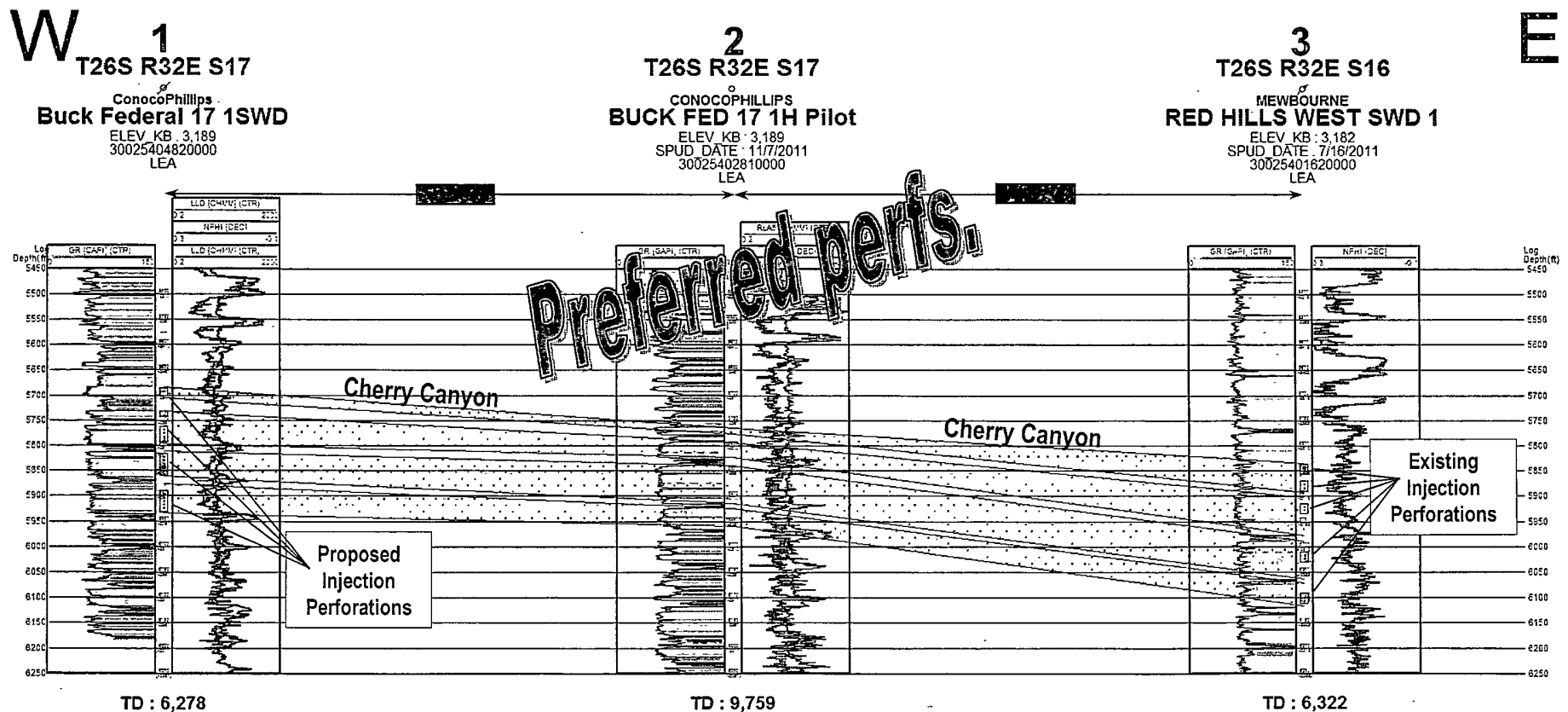
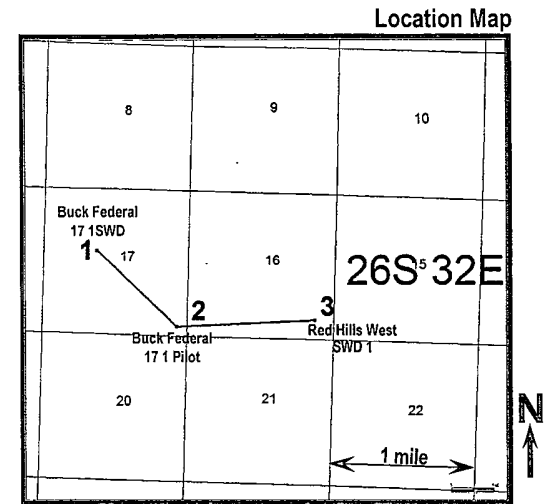
West to East Structural Cross Section through the Delaware, Cherry Canyon Sandstone Showing Proposed Injection Perforations in ConocoPhillips, Buck Federal 17 1 SWD

From ConocoPhillips, Buck Federal 17 Well to
Mewbourne, Red Hills West SWD 1 Well
T26S – R32E, Lea Co. New Mexico



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Averages for Perf'd Intervals

Curve Statistics (U.S.) BUCK 17 FEDERAL SWD No. 1

WELL: BUCK 17 FEDERAL SWD No. 1
ZONE: 5686.-5932 FT
DATE: 14 May 2012 @ 7:47

Discriminator(s) : 1 Logic = AND
PERF. >= .5

Curve Name	Units	NULL Count	Fail Count	Net Interval	Arithmetic Mean
PHIE	DEC	0	208	142,500	0.149
SW	DEC	0	208	142,500	0.985
KCORE	md	0	208	142,500	8.374
KTIMUR	md	0	208	142,500	5.152

Average water saturation (Sw) of 98.5% over the proposed perf intervals.

KCORE from a core transform
KTIMUR from modified Timur Equation

Petrophysical Methodology

- Calculate volume shale from gamma ray (based on x-ray from area DMG cores).
- Calculate porosity and lithology from shale-corrected, Neutron-Density-PE algorithms.
- Calculate water saturation using Modified Simandoux equation with RW of 0.07 from RWA.
- Calculate permeability from poroperm plots from area DMG cores (KCORE).
- Calculate permeability using modified Timur equation (KTIMUR)
- Sum averages over proposed perf intervals.

Conclusions and Recommendations

- ConocoPhillips now recognizes that most operators in the area of the Buck Federal 17 1 SWD identify the proposed injection zones for this well as the Cherry Canyon Sandstone rather than the Bell Canyon Sandstone. Therefore, ConocoPhillips is designating the proposed injection zones as Cherry Canyon Sandstone.
- ConocoPhillips would like to increase the perf interval from 5745 to 5905 (as stated in the permit) to an interval which would include 5686 to 5932.
- Petrophysical calculations show that the proposed injection zones with perfs from (5686 to 5932) in the Buck Federal 17 1 SWD are water wet with an average water saturation (S_w) of 98.5%. These zones will not produce economic quantities of hydrocarbon. Therefore swab testing these zones will not be necessary.
- There are no Cherry Canyon Producing wells within a 2 mile radius of the Buck Federal 17 1 SWD.



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order SWD-1316
February 8, 2012

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of 19.15.26.8B NMAC, ConocoPhillips Company seeks an administrative order to utilize its proposed Buck 17 Federal Well No. 1 (API 30-025-NA) to be located 2284 feet from the North line and 1950 feet from the West line, Unit letter F of Section 17, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, ConocoPhillips Company, is hereby authorized to utilize its proposed Buck 17 Federal Well No. 1 (API 30-025-NA) to be located 2284 feet from the North line and 1950 feet from the West line, Unit letter F of Section 17, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Delaware Mountain Group (Bell Canyon member) through perforations from 5745 to 5905 feet through lined tubing and a packer set less than 100 feet above the permitted disposal interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.



After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC.

The wellhead injection pressure on the well shall be limited to **no more than 1149 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

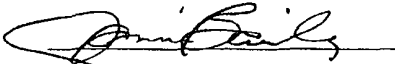
The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



JAMI BAILEY
Director

JB/wvjj

cc: Oil Conservation Division -- Hobbs
Bureau of Land Management -- Carlsbad