Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

HOBBS OCD
OIL CONSERVATION DIVISION
JAN 30 2013
1220 South St. Francis Dr.
Santa Fe, NM 87505
RECEIVED

Form C-103
Revised August 1, 2011

WELL API NO. 30-025-32128

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. B-2656

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: Hardy 36 State

1. Type of Well: Oil Well [X] Gas Well [ ] Other

8. Well Number 1

2. Name of Operator: ConocoPhillips Company

9. OGRID Number 217817

3. Address of Operator: P. O. Box 51810, Midland, TX 79710

10. Pool name or Wildcat: South Cass Strawn/ Hardy Simpson Ellenburger

4. Well Location
Unit Letter K : 1980' feet from the South line and 2230' feet from the West line
Section 36 Township 20S Range 37E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3489' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	P AND A [ ]
PULL OR ALTER CASING [ ]	MULTIPLE COMPL [ ]	CASING/CEMENT JOB [ ]	
DOWNHOLE COMMINGLE [ ]			
OTHER: Gather data [X]		OTHER: [ ]	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ConocoPhillips request to gather data and RIH w/RBP & set @ 7500'. Then well will be temporary shut in while team evaluates path forward.

Attached are the procedures and a proposed wellbore schematic.

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [signature] TITLE Staff Regulatory Technician DATE 01/29/2013

Type or print name Rhonda Rogers E-mail address: rogerrs@conocophillips.com PHONE: (432)688-9174

For State Use Only

APPROVED BY: [signature] TITLE Petroleum Engineer DATE FEB 04 2013

Conditions of Approval: The Operator shall give the OCD District office 24 hours notice before work begins

FEB 04 2013

ConocoPhillips

Hardy 36 State #1
API: 30-025-32128
UL K, 1980' FSL & 2230' FWL
Sec 36, 20S, 37E
Lea County, New Mexico

The proposed well work consists of isolating and repairing possible casing leak in Hardy 36 State # 1 above RBP set @ 7760. This well was last intervened back in 7/24/2012 because of a tubing leak. While performing the job a tight spot was encountered @ 8003'. Attempt to work through tight spot was done by running with 6 1/8" tapered mill, 4 ¾" jars and 6 4 ¾" DC. Mill showed indications of wear pattern suggesting collapsed casing.

Giving the fact that the scope of the job had changed, it was decided to set a RBP @ 7760' to isolate the zone below the collapsed casing (McKee 9940'-10006') and evaluate the production coming out of the Strawn perforations (7562' - 7706'). However, shortly after well was put back on it failed (08/14/2012) due to parted rods.

After put on production back on 12/04/2012 the well kept producing around 400 BWPD and running 24 hrs a day. Well failed again in 01/05/2013 so it has been decided in order to gather enough data and evaluate a path forward to pull the equipment out of the hole, run a downhole camera to asses damage, run with plugs set them @ 7800 (above collapsed casing) and 7500 within 100 foot of top Strawn Perforation. The well will be shut in for a period less than 3 months to while the team make a final decision on the future of the well.

WELL CATEGORY, BOP CLASS AND EXCEPTIONS

Well Category One:

H2S: 0 ppm.
Well Rate:

H2S	ROE- ft.
100 ppm	0
500 ppm	0

BOPE Class One: Hydraulic BOP w/ hydril.

PROCEDURE

Considerations Ahead:

- 300 bbl of Ogallala water. According to exprogroup water needs to be clear water. In lieu of the installation of inline filter (5 micron) before pump.
- E-line truck.
- Lubricator rated to 5000K. Pump in tee to enable pumping of clear water.
- Pumping tee as a method to pump down tubing while running camera.
- **Camera Specs:**
  MAX OD: 1.69"
  Length: 8' plus weight bars.
  Max Temp: (250 Deg F)
  BHP Rating: 10,000 PSI

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

2. Unhang well, Unseat pump. POOH w/ rods & pump. LD rods and pump.

3. Pump 40 barrels of 10# brine down tubing-casing annulus. Circulate bottoms up.

4. ND Wellhead. NU 7 1/16" with 2 7/8 pipes rams "5K BOPS. Rig down floor and tongs. RU Scanning services.

5. POOH w/ 2-7/8", 6.50#, L80 production tbg. (If deemed necessary production tubing can be used as WS). RD scanning services.

6. PU & RIH with 6-1/8" bit, 4: 3-1/2" DC and casing Scrapper on 2 7/8 WS. Clean out to PBTD @ 7760.

7. POOH with Bit, DC and Casing Scrapper on WS. PU & RIH with Retrieving tool on WS. Release and pull out of hole with RBP on WS.

8. RIH with 2 7/8 WS open ended. Try to tag obstruction @ 8003'. Pull up WS 1 -2 ft above obstruction to allow nose of camera to peak out and view. Pump 100 to 200 bbls at max rate 8-10 bpm of clear water pad previously heated to 180 deg F in an attempt to remove grease/Hydrocarbons.

9. MIRU 5k rated lubricator with hydraulic pack off on top. Test lubricator with pump truck. @ 3000 PSI. Bleed off pressure from lubricator.

10. Install camera on weight bar / cable head.

11. Open valves slowly. TIH with camera pumping between 100 to 150 bbls of clear water at a rate of 2 – 3 bpm. E-line speed to be maintained between 100 to 150 Ft/min. Make frequent stops for weight/pull tests. Record e-line speed for clarity.

12. Upon completion and per EXPROGROUP Rep recommendation. If deemed necessary dead head fluid at a reduced rate (1 -2 bpm) to avoid oil from entering.

13. POOH no faster than 200 ft/min. Tools in lubricator. Close valves. Bleed off pressure.

14. MO EXPROGROUP. RD Lubricator.

15. Pooh with 2 7/8" WS. PU RBP and Retrieving and setting tool on WS. RIH with RBP and set RBP @ 7780' Circulate packer fluid.

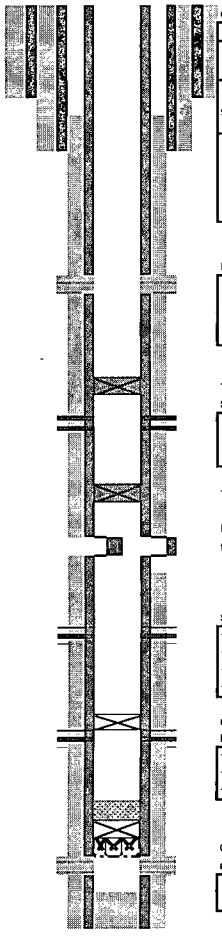
16. Pooh with 2 7/8" WS. PU RBP and Retrieving and setting tool on WS. RIH with RBP and set RBP @ 7500'. Pump 70 bbls of hot water with 3 gallons of WRH/211, and 1.5 Gallons of Biocide. POOH with WS. LD WS.

17. ND BOP and pumping tee if used.NU Wellhead. Well to be temporary shut while team evaluates path forward.

18. Clean up location. RDMO.

19. Inform of MSO of procedure done.

Hardy 36 St #1
API # 30-025-32128
Sec 36, T 20S, R37E, LEA County , NM



Ground Elevation: 3288 KB/RT Elevation: 3300

Casing Configuration

13 3/8" St&C, K55 Set @ 533" , Hole size: 17 1/2" , Cemented w525 sks of Class H cement , Toc @ SURF

9 5/8", 40# , K55 , Hole Size: 12 1/4" , Set @ 3900,Cemented with 1890 Sks of class C cement 13.2 ppg , circulated to Surface

7", 26.5# I80, Hole Size:8 3/4 ", Set @ 10625, Cemented 1st stage : Lead w/ 450 sks H Cement.Tail: 350 sks H. cement Partial Returns.**Lost total Circ after dropping bomb on DV tool.**
2nd Stage : Lead with 1200 Sks of H ceat Cement. Tail : 100 sks of H cement TOC **@ 1630 by TS 3.15.94**

Drinkard Formation

6705-6710 @ 2 spf 10.18.94 6713-6718 @ 2 spf 10.18.94 6720-6724 @ 2 Spf 10.18.94 6740-6746 @ 2 Spf 10.18.94	Sqzed/Abandoned 1.3.95

Temporary set RBP within 100' of top Mackee perf @ 7562

Strawn Formation

7562-7570 @ 2 spf 4.15.98 7626-7664 @ 2 spf 4.15.98 7700-7706 @ 2 spf 4.15.98	Open & flowing

Temporary set RBP @ 7760 7.8.12

Possible Casing Collpased @ 8003'/ Dv tool (Weatherford)
tight spot tagged also in 1.12.94

Simpson/Mckee Formation

10030-10070 @ spf 3.21.96 10165-10195 @ 2 spf 2.17.94 10211-10218 @ 2 spf 2.17.94 10225-10285@ 2 spf 2.17.94	Isolated

CIBP @ 10130' 3.20.96

Ellenburger Formation

10350-10366 @ 2spf 1.17.94 10399-10405 @ 2 spf 10419-10436 @ 2spf	Isolated

Cement Retainer @ 10443 (Not Retrieved) 2.15.94

Granite Wash Formation

10450-10490 @ 2spf 1.17.94	Abandoned/Sqzedwith 35 sxs of cement

Formation	Tops	Comments/ Problems drilling
Rustler	1295	
Top Salt	1390	
Bottom Salt	2510	
Yates	2720	
Seven Rivers	2980	
Queen	3520	**Active Waterflood Eumont**
Grayburg	3785	
San Andres	4095	
Glorieta	5185	
Blinebry	5796	
Tubb	6310	
Abo	6990	
Strawn	7670	
Devonian	8225	**Circulation Losses/ Natural Fractures**
Simpson	9640	
Mckee	9940	
Ellenburger	10180	**Circulation Losses/ Natural Fractures**
Granite Wash	10400	

PROPOSED

Current