

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

HOBBS OCOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

MAR 11 2013

WELL API NO. 30-025-20785
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. B-1608
7. Lease Name or Unit Agreement Name Vacuum Glorieta East Unit Tract 22
8. Well Number 003
9. OGRID Number 217817
10. Pool name or Wildcat Vacuum; Paddock
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3939' GL

SUNDRY NOTICES AND REPORTS ON WELLS
(1) Type of Well: Oil Well [X] Gas Well [] Other []
(2) Name of Operator ConocoPhillips Company
(3) Address of Operator P. O. Box 51810 Midland, TX 79710
(4) Well Location Unit Letter A : 860 feet from the North line and 660 feet from the East line
Section 33 Township 17S Range 35S NMPM County Lea
(11) Elevation (Show whether DR, RKB, RT, GR, etc.) 3939' GL

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
OTHER: isolate and repair leak [X]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
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 wishes to isolate leak found during BH test. We will isolate and repair. ConocoPhillips will notify the OCD 24 before running MIT.

Objective: Is to isolate a leak between the production casing and the surface casing. The surface valve when opened had a steady flow of oil coming from it.

Please see attached procedures:

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 Rhonda Rogers TITLE Staff Regulatory Technician DATE 03/06/2013

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

For State Use Only

APPROVED BY [Signature] TITLE Dist Mgr DATE 3-12-2013

MAR 13 2013

VGEU 22-03

APD #30-025-20785

Location: 860' FNL & 660' FEL

Sec 33, 17S, 35S

BH failure

Objective: Is to isolate a leak between the production casing and the surface casing. The surface valve when opened had a steady flow of oil coming from it .

Proposal is to notify the NMOCD of intent to RU on well. MI rig, review JSA, RU WSU, NDWH, NUBOP, TOOH laying down tubing and ESP, scan tubing COOH. MO production tubing. Send ESP to Centrilift to be cleaned, inspected and bench tested. Notify Simon Choi (432-368-1232) to view inspection of pump. MI work string and tally. Pressure test GIH with bite, scrapper and tubing to 6118', clean out if needed. TOOH with tubing, scrapper and bit. TIH with RBP, packer and tubing, set RBP @ 4000', pull up 1jt, set packer and test packer/RBP to 500 psi, if test passes, RU pump truck on casing and pressure test casing/ packer to 500 psi, if test fails, come up hole and isolate leak, engineer for possible change in job scope.

After repairs have been made, RU pump truck to casing, with a 1000 psi chart and pressure test casing to 550 psi for 30 mins. Notify the NMOCD prior to the test, give chart to Production Specialist. TIH and retrieve RBP. COOH laying down work string and RBP. MO work string. MI production tubing, TIH with ESP and tubing as to Wellview Tubing Design. NOTE: WILL NOT RUN CAP STRING BACK. Land ESP, NDBOP, NUWH, test ESP, check to make sure ESP is turning the right direction. RD, clean up location.