District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

HOBBS OCD
FEB 15 2014
RECEIVED

Form C-101
August 1, 2011
Permit 181418

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address		2. OGRID Number
CONOCOPHILLIPS COMPANY 600 North Dairy Ashford Rd P10-4056 Houston, Texas 77079		217817
		3. API Number 30-025-41685
4. Property Code 40403	5. Property Name RED HILLS WEST 16 STATE M	6. Well No. 1

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	16	26S	32E		2650 2640	S	1310 1320	E	LEA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County

9. Pool Information

SEISMIC MONITOR; BONE SPRING - WC 98060

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
New Well	~~Other~~ M		State	3197
16. Multiple	**17. Proposed Depth**	**18. Formation**	**19. Contractor**	**20. Spud Date**
N	14800	Strawn		5/1/2014
Depth to Ground water		**Distance from nearest fresh water well**		**Distance to nearest surface water**
400ft		1.25 miles		1.25 miles

☒ **We will be using a closed-loop system in lieu of lined pits**

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	900	800	0
Int1	12.25	9.625	40	4450	2500	0
Int2	8.75	7	29	11900	1000	3950
Prod	6.125	4.5	15.1	14800	320	11700

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	2000	Hydrill
Blind	10000	5000	Cameron
Pipe	10000	5000	Cameron

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. **I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☐, if applicable.** Signature: Kristina Mickens	**OIL CONSERVATION DIVISION**
Printed Name: Kristina Mickens	Approved By: Petroleum Engineer
Title: Regulatory Specialist	Title:
Email Address: kristina.mickens@conocophillips.com	Approved Date: 02/26/14 Expiration Date: 02/26/16
Date: 02/13/2014 Phone: 281-206-5282	Conditions of Approval Attached

FEB 27 2014

PM

ADDITIONAL COMMENTS:

- This is a monitor/source well only
- The intended long term plan for this well is to convert to a SWD well within the next 3 years after the monitoring operations begin.

Closed Loop System Design, Operating and Maintenance, and Closure Plan

ConocoPhillips Company
Well: Red Hills West 16 State 1M
Location: Sec. 16, T26S, R32E
Date: 2/13/2014

ConocoPhillips proposes the following plan for design, operating and maintenance, and closure of our proposed closed loop system for the above named well:

1. We propose to use a closed loop system with steel pits, haul-off bins, and frac tanks for containing all cuttings, solids, mud, water, brine, and liquids. We will not dig a pit, nor will we use a drying pad, nor will we build an earth pit above ground level, nor will we dispose of or bury any waste on location.

   All drilling waste and all drilling fluids (fresh water, brine, mud, cuttings, drill solids, cement returns, and any other liquid or solid that may be involved) will be contained on location in the rig's steel pits or in haul-off bins or in frac tanks as needed. The intent is as follows:

   - We propose to use the rigs' steel pits for containing and maintaining the drilling fluids.
   - We propose to remove cuttings and drilled solids from the mud by using solids control equipment and to contain such cuttings and drilled solids on location in haul-off bins.
   - We propose that any excess water that may need to be stored on location will be stored in tanks.

The closed loop system components will be inspected daily by each tour and any needed repairs will be made immediately. Any leak in the system will be repaired immediately, and any spilled liquids and/or solids will be cleaned immediately, and the area where any such spill occurred will be remediated immediately.

2. Cuttings and solids will be removed from location in haul-off bins by an authorized contractor and disposed of at an authorized facility. For this well, we propose the following disposal facility:

   R-360 Inc.
   4507 West Carlsbad Hwy, Hobbs, NM 88240,
   P.O. Box 388; Hobbs, New Mexico 88241
   Toll Free Phone: 877.505.4274, Local Phone Number: 432.638.4076

   The physical address for the plant where the disposal facility is located is Highway 62/180 at mile marker 66 (33 miles East of Hobbs, NM and 32 miles West of Carlsbad, NM).

   The Permit Number for R-360 is NM-01-0006.

   A photograph showing the type of haul-off bins that will be used is attached.

3. Mud will be transported by vacuum truck and disposed of at R-360 Inc. at the facility described above.

4. Fresh Water and Brine will be hauled off by vacuum truck and disposed of at an authorized salt water disposal well. We propose the following for disposal of fresh water and brine as needed:

   - Nabors Well Services Company, 3221 NW County Rd; Hobbs, NM 88240, PO 5208 Hobbs, NM, 88241, Permit SWD 092. (Well Location: **Section 3, T19S R37E**)

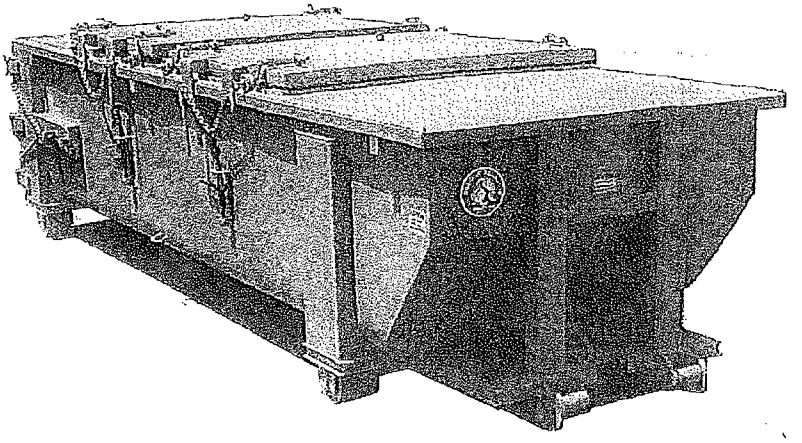
   - Basic Energy Services, P.O. Box 1869; Eunice, NM 88231 Phone Number: 575.394.2545, Facility located at Hwy 18, Mile Marker 19; Eunice, NM.

Jason Levinson
Drilling Engineer
Office: 281-206-5334
Cell: 281-682-2783

SPECIFICATIONS

FLOOR: 3/16" PL one piece
CROSS MEMBER: 3 x 4.1 channel 16" on center
WALLS: 3/16" PL solid welded with tubing top, inside liner hooks
DOOR: 3/16" PL with tubing frame
FRONT: 3/16" PL slant formed
PICK UP: Standard cable with 2" x 6" x 1/4" rails, gusset at each crossmember
WHEELS: 10 DIA x 9 long with rease fittings
DOOR LATCH: 3 independent ratchet binders with chains, vertical second latch
GASKETS: Extruded rubber seal with metal retainers
WELDS: All welds continuous except sub structure crossmembers
FINISH: Coated inside and out with direct to metal, rust inhibiting acrylic enamel color coat
HYDROTESTING: Full capacity static test
DIMENSIONS: 22'-11" long (21'-8" inside), 99" wide (88" inside), see drawing for height
OPTIONS: Steel grit blast and special paint, Ampliroll, Heil and Dino pickup
ROOF: 3/16" PL roof panels with tubing and channel support frame
LIDS: (2) 68" x 90" metal rolling lids spring loaded, self raising
ROLLERS: 4" V-groove rollers with delrin bearings and grease fittings
OPENING: (2) 60" x 82" openings with 8" divider centered on container
LATCH: (2) independent ratchet binders with chains per lid
GASKETS: Extruded rubber seal with metal retainers

Heavy Duty Split Metal Rolling Lid



CONT.	A	B
20 YD	41	53
25 YD	53	65
30 YD	65	77