Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

HOBBS OCD
MAY 12 2014
RECEIVED

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 reverse side.

5. Lease Serial No.
NMNM130738

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
WILDER FEDERAL AC COM 28 8H

2. Name of Operator
CONOCOPHILLIPS COMPANY
Contact: KRISTINA MICKENS
E-Mail: kristina.mickens@conocophillips.com

9. API Well No.
30-025-41692-00-X1

3a. Address
MIDLAND, TX 79710

3b. Phone No. (include area code)
Ph: 281-206-5282

10. Field and Pool, or Exploratory
JENNINGS

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 28 T26S R32E NWNW 0280FNL 0330FWL
32.011233 N Lat, 103.411516 W Lon

11. County or Parish, and State
LEA COUNTY, NM

12. CHECK 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
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original A PD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

ConocoPhillips Company respectfully submits the attached revised drill plan procedure. Significant changes include the Proposed Casing Program and Proposed Cementing Program.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #241552 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Hobbs
Committed to AFMSS for processing by JENNIFER MASON on 05/07/2014 (14JAM0048SE)

Name *(Printed/Typed)* KRISTINA MICKENS — Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission) — Date 04/08/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved By _____ Title _____ Date MAY 8 2014

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.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

MAY 14 2014

ConocoPhillips Company
JENNINGS;UPPER BONE SPRING SHALE
Wilder Federal AC COM 28 8H
30-025-41692
Lea County, New Mexico

ConocoPhillips Company respectfully requests to amend the approved permit to drill. It is our intent to case and cement the well with 13-3/8" surface, 9-5/8" intermediate and 5-1/2" production casings. Significant changes are:

4. Proposed Casing Program

All Tubulars used for this design will be new. A multi-bowl system will be utilized.

Hole Size (in)	Casing (in)	Wt/Ft	Grade	Connection	Depth (ft)	Depth (ftTVD)	Depth (ftMD)
17 1/2	13 3/8	54.5	J-55	BTC	0-950	950	950
12 1/4	9 5/8	40	L-80	BTC	0-4520	4520	4520
8 3/4	5 1/2	20	P-110	BTC	0-~~15960~~ 15964'	~~9255~~ 9308	~~15980~~ 15964'

Minimum casing design factors: Burst 1.0, Collapse 1.125, Tensile Strength 1.6 Dry / 1.0 Buoyant

per your directional plan

Hole Size (in)	Casing (in)	Burst	Collapse	Tension
17 1/2	13 3/8	6.07	2.51	20.39
12 1/4	9 5/8	2.33	1.25	6.24
8 3/4	5 1/2	2.38	1.67	3.58

5. Proposed Cementing Program

		Volume (sx)	Type	Weight (ppg)	Yield (ft3/sx)	Water (Gal/sx)	Excess	Cement Top
Surface	*Lead*	460	Class C	13.6	1.73	10.88	100%	Surface
	Tail	320	Class C	14.8	1.35	6.39	100%	650ft
Additives (BWOB): 4% Extender, 2% CaCl2, 0.125 lb/sx LCM, 0.2% Anti-Foam								
Intermediate 1	*Lead*	970	Tuned Light	10.5	2.71	13.66	100%	Surface
	Tail	330	Class C	14.8	1.33	6.34	100%	4020ft
Additives (BWOB): 7% Extender, 0.6% Retarder, 0.2% Anti-foam, 0.9% Fluid Loss, 0.125 lb/sx LCM								
Production	*Lead*	520	Tuned Light	10.5	2.71	13.66	30%	4020ft
	Tail	1650	Class C	14.2	1.28	6.00	30%	8284ft
Additives (BWOB): 0.4% Retarder, 0.2% Anti-foam, 0.7 Anti-gelling, 0.4% Fluid Loss, 2% Expanding Agent, 5.0% Silica								
Production *(Optional DV)*	*Depth (ft):*	8100						
	Lead	770	Tuned Light	10.5	2.71	13.66	100%	4020ft
Additives (BWOB): 0.4% Retarder, 0.2% Anti-foam, 0.7 Anti-gelling, 0.4% Fluid Loss, 2% Expanding Agent, 5.0% Silica								

*DV Tool will be conditionally placed at 8,100' depending on the hole conditions while drilling the production section.

Sundry request proposed 8 April 2014 by:
James Chen, P.E.
Drilling Engineer | ConocoPhillips Permian Shale
Office Phone 281.206.5244
Cell Phone 832.768.1647

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	ConocoPhillips Company
LEASE NO.:	NMNM-130738
WELL NAME & NO.:	Wilder Federal AC Com 28 8H
SURFACE HOLE FOOTAGE:	0280' FNL & 0330' FWL
BOTTOM HOLE FOOTAGE	0330' FSL & 0990' FWL Sec. 33, T. 26 S., R 32 E
LOCATION:	Section 28, T. 26 S., R 32 E., NMPM
COUNTY:	Lea County, New Mexico

The original COAs still stand with the following drilling modifications:

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

☒ **Lea County**
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612

1. A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Delaware** formation. **As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.**

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a "Major" violation.**

3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.

4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible water flows in the Salado, Castile, Delaware, and Bone Spring.
Possible lost circulation in the Red Beds, Delaware, and Bone Spring.

1. The **13-3/8** inch surface casing shall be set at approximately **950** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.

c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Formation below the 13-3/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification. **Excess calculates to 16% - Additional cement may be required**

Operator has proposed a contingency DV tool at 8100'. If operator circulates cement on the first stage, operator is approved to run the DV tool cancellation plug and cancel the second stage of the proposed cement plan. If cement does not circulate, operator will proceed with the second stage.

a. Second stage above DV tool:

☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi **(Installing 10M testing to 5,000 psi). 5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.**

3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

    b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.

    c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock.

    d. The results of the test shall be reported to the appropriate BLM office.

    e. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**

f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

JAM 050814