

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

AUG 04 2014

5. Lease Serial No.
NMLC029405B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Multiple--See Attached9. API Well No.
Multiple--See Attached10. Field and Pool, or Exploratory
MALJAMAR11. County or Parish, and State
LEA COUNTY, NM1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
CONOCOPHILLIPS COMPANYContact: KRISTINA MICKENS
E-Mail: kristina.mickens@conocophillips.com

RECEIVED

3a. Address
MIDLAND, TX 797103b. Phone No. (include area code)
Ph: 281-206-52824. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Multiple--See Attached

12. CHECK 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	Subsurface Commingling
	<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 recompleat 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 recompleat 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 (COPC) respectfully requests approval to downhole commingle production in the subject well as per the procedure in the attached supporting documents.

The proposal is to drill out the plugs and begin downhole commingling.

This issue has been discussed between BLM representative Mr. Ed Fernandez and COPC representative Susan Maunder.

We believe the attached document? s contain the pertinent information to evaluate this request.

Attached Supporting Documents:

DHC-4627



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

Electronic Submission #244751 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Hobbs
Committed to AFMSS for processing by DINAH NEGRETE on 05/28/2014 (14DCN0108SE)

Name (Printed/Typed) KRISTINA MICKENS

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 05/07/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ

Title PETROLEUM ENGINEER

Date 07/29/2014

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 Hobbs

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.

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

AUG 05 2014

Additional data for EC transaction #244751 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMLC029405B	NMLC029405B	RUBY FEDERAL 8	30-025-40521-00-S2	Sec 18 T17S R32E SESE 1000FSL 620FEL
NMLC029405B	NMLC029405B	RUBY FEDERAL 8	30-025-40521-00-S1	Sec 18 T17S R32E SESE 1000FSL 620FEL

32. Additional remarks, continued

Attachment #1: DHC Procedure, well-bore diagram, C-102, and Field Study

Attachment #2: BLM- Downhole Commingling Worksheet

Thank you for your time reviewing this request.

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

HOBBS OCD

AUG 04 2014

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Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40521	² Pool Code 43329	³ Pool Name Maljamar, Grayburg, San Andres
⁴ Property Code Ruby Federal	⁵ Property Name Ruby Federal	⁶ Well Number 08
⁷ OGRID No. 217817	⁸ Operator Name ConocoPhillips Company	⁹ Elevation 3976'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	17S	32E	1000	South	620	East	Lea	

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	17S	32E	989	South	933	East	Lea	
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. DHC-4627						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<div style="text-align: center;"> </div>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Susan B. Maunder Signature Date 04/17/2014</p> <p>Susan B. Maunder Printed Name</p> <p>Susan.B.Maunder@conocophillips.com E-mail Address</p>
	<p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p>
	<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40521	² Pool Code 44500	³ Pool Name Maljamar, Yeso West
⁴ Property Code 38653	⁵ Property Name Ruby Federal	⁶ Well Number 08
⁷ OGRID No. 217817	⁸ Operator Name ConocoPhillips Company	⁹ Elevation 3976'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	17S	32E		1000	South	620	East	Lea

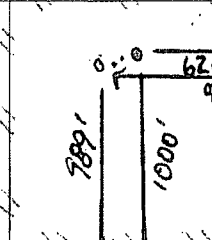
¹¹ Bottom Hole Location If Different From Surface

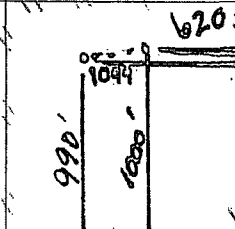
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	17S	32E		990	South	1099	East	Lea

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. DHC-4627
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<div style="position: relative; height: 400px;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> <div style="position: absolute; bottom: 0; right: 0; width: 100px; height: 100px; border: 1px solid black;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> <div style="border: 1px solid black; padding: 2px;">990'</div> <div style="border: 1px solid black; padding: 2px;">1000'</div> <div style="border: 1px solid black; padding: 2px;">620'</div> </div> </div> </div>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>Susan B. Maunder</u> Date: <u>04/17/2014</u></p> <p>Susan B. Maunder Printed Name</p> <p>Susan.B.Maunder@conocophillips.com E-mail Address</p>	
	<p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p>	
	<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>	
	<p>Certificate Number.</p>	

16				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><u>Susan B. Maunder</u> 04/17/2014</p> <p>Signature Date</p> <p>Susan B. Maunder</p> <p>Printed Name</p> <p><u>Susan.B.Maunder@conocophillips.com</u></p> <p>E-mail Address</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
				<p>Certificate Number</p>

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				<div><div><i>Susan B. Maunder</i></div><div>Signature</div><div>04/17/2014</div><div>Date</div><div>Susan B. Maunder</div><div>Printed Name</div><div>Susan.B.Maunder@conocophillips.com</div><div>E-mail Address</div></div>
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				<div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor:</div> <div>Certificate Number</div>

BLM - Downhole Commingling Worksheet

Operator: ConocoPhillips Company

Lease/Well Name/Location: NMLC029405B/ Ruby Federal #8/ UL P, Sec. 18, 17S, 32E

Data	Formation One	Formation Two	Formation Three	Estimated Combined Production
Pool Name	Maljamar; Grayburg-San Andres	NA	Maljamar; Yeso West	--
Pool Code	38653	--	44500	--
State Form C-102 with dedicated acres provided	Yes	--	Yes	--
Formation Name	Grayburg-San Andres	--	Yeso	--
Top & Bottom of Pay Section (<u>perforated</u> or open-hole interval)	3498 – 5273'	--	5375 – 6570'	--
Method of production	Artificial Lift	--	Artificial Lift	--
Bottom Hole Pressure (P _{i,r} initial, reservoir & P _b bottom hole, current)	P _{i,r} = 1733 P _b = 800 psi (Based on Ruby Fed 8 downhole pressure gauge)	--	P _{i,r} = 2600 P _b = 1200 psi (Based on Yeso fluid level after well has been shut-in)	--
Reservoir Drive mechanism	Combination (Solution gas & water drive)	--	Combination (Solution gas & water drive)	--
Oil gravity and/or BTU	39 934	--	36 1323	38.1 1251
Average Sulphur Content (Wt%)	0.7069	--	0.6261	0.658
Oil Sample Analysis provided	See Field Study	--	See Field Study	--
Gas Analysis Provided	See Field Study	--	See Field Study	--
Produced Water Analysis provided	See Field Study	--	See Field Study	--
H ₂ S present	3700 ppm	--	440 ppm	1222 ppm* (Results show most of the gas production from Yeso; also have a larger percentage of the total production)
Producing, Shut-in or New Zone	Producing	--	Shut in below BP	--
Date and Oil/Gas/Water rates of last production	Date: 4/02/14 12 bopd / 28 Mcfd / 336 bwpd /	--	Date: 12/11/13 28 bopd / 110 Mcfd / 350 bwpd /	40 / 138 / 686
Average decline% (provide back up data)	See Field Study	--	See Field Study	--
Fixed Allocation Percentage	Oil:30% Gas:20%	--	Oil:70% Gas:80%	--

Remarks: *For H₂S calculation used following numbers: GBSA production share (0.4), GOR (1.8 Mcf/Stb), H₂S (3700 ppm) & Yeso production share (0.6), GOR (4.5), H₂S (440ppm)

Operator Signature:

Date:

Attached Supporting Documents:

State Form C-102 with dedicated Acres Provided

Oil Sample Analysis provided (must be current)

Gas Analysis provided (must be current)

Produced Water Analysis provided (must be current)

Any additional supporting data (i.e. offset well production and decline curves, etc)



Procedure: Drill out CBP & put well on production

1. Before the arrival of the rig, turn off BPU well should be dead, if it isn't pump fresh water until its dead
2. Conduct safety meeting with JSA with all personnel and contractors on location
3. Rig up, Nipple down well head.
4. Pull out of hole with rods & pump

Icon	OD (in)	Wt (lb/ft)	API Grade	Make	Model	Len (ft)	Jts	Typ
Patched Rod SM	1 1/2		Noris			26.00	1 Patch Rod	
Sucker Rod	7/8		SPCL APP	Noris	97	1,925.00	77 Rod	
Sucker Rod 3/4 Guides/Rod	7/8		SPCL APP	Noris	97	400.00	16 Rod	
Sucker Rod	3/4		SPCL APP	Noris	97	1,400.00	56 Rod	
Pony Rod Guided	7/8		D Spec KD	Noris	D90	2.00	1 Rod	
Sinker Bar	1 1/2		C			50.00	2 Rod	
Pony Rod Guided	7/8		D Spec KD	Noris	D90	2.00	1 Rod	
Sinker Bar	1 1/2		C			100.00	4 Rod	
Pony Rod Guided	7/8		D Spec KD	Noris	D90	2.00	1 Rod	
Sinker Bar	1 1/2		C			100.00	4 Rod	
Pony Rod Guided	7/8		D Spec KD	Noris	D90	2.00	1 Rod	
Sinker Bar	1 1/2		C			100.00	4 Rod	
Pony Rod Guided	7/8		D Spec KD	Noris	D90	2.00	1 Rod	
Sinker Bar	1 1/2		C			100.00	4 Rod	
Rod Insert Pump	2					24.00	1 Rod Pump	
Gas Anchor/Dip Tube	1 1/4					1.00	1 Other	

6. Nipple up BOP, & pull out of hole with tubing and stand tubing

Icon	OD Nominal (in)	Nominal ID (in)	Wt (lb/ft)	Grade	Len (ft)	Jts	Typ
Tubing	2 7/8	2.441	6.50 J-55		3,320.36	106	Tubing
Tubing Marker Sub	2 7/8	2.441	6.50 J-55		8.10	1	Tubing
Tubing	2 7/8	2.441	6.50 J-55		62.85	2	Tubing
Anchor 5 1/2 X 2 7/8	4.955	2.441			2.75	1	Other
Tubing	2 7/8	2.441	6.50 J-55		691.24	22	Tubing
Tubing TR-69	2 7/8	2.441	6.50 J-55		32.45	1	Tubing
Pump Sealing Nipple	2 7/8	2.280			7.10	1	Other
Packaged Sub	2 7/8				4.10	1	Other
Tubing Sub	2 7/8	2.441	6.50 J-55		10.00	1	Tubing
Tubing X over Sub	2 3/8	1.995	4.60 J-55		4.00	1	Tubing
Blowdown Sub	2 3/8	1.995	4.60 J-55		1.70	1	Tubing
Tubing	2 3/8	1.995	4.60 J-55		6.40	1	Tubing
Tubing	2 3/8	1.995	4.60 J-55		0.50	1	Tubing

7. Pick up and Run in hole with Bit, collars and tubing (5-1/2, 17#) to 4225 ft, drill out plug with fresh water
8. Continue running in hole with Bit, collars, and tubing to 5345 ft, drill out plug with fresh water
9. Circulate fresh water to clean out the well. Recirculate as many times as necessary; pull out of hole with Bit, collars and tubing

10. Run in hole with 166 joints of 2-7/8" 6.5# J-55 production tubing, set tubing anchor catcher at 5310 ft, seat nipple at 5510 ft, new cavins model D2711G combination desander-gas separator, 2 joints of fiberglass 2-7/8" end of tubing at 5594ft












Item Des	Icon	OD Nominal (in)	Nominal ID (in)	Wt (lb/ft)	Grade	Len (ft)	Jts	Typ
Tubing		2.7/8	2.441	6.50 J-55		5,231.46	166	Tubing
Tubing Marker Sub		2.7/8	2.441	6.50 J-55		9.10	1	Tubing
Tubing		2.7/8	2.441	6.50 J-55		62.85	2	Tubing
Anchor 5 1/2 X 2 7/8		4.995	2.441			2.75	1	Other
Tubing		2.7/8	2.441	6.50 J-55		157.50	5	Tubing
Tubing TK 99		2.7/8	2.441	6.50 J-55		32.45	1	Tubing
Pump Sealing Nipple		2.7/8	2.280			1.10	1	Other
Tubing Sub		2.7/8	2.441	6.50 J-55		4.00	1	Tubing
Cavins desander/gas sep model D2		2.3/8				19.50	1	Other
Tubing		2.7/8	2.441	6.50 J-55		60.00	2	Tubing
Ball plug		2.3/8	1.955	4.60 J-55		0.50	1	Tubing

Figure 1: tubing components going in hole

11. Nipple down BOP, Run in hole with Rods and Pump.
















Item Des	Icon	OD (in)	Wt (lb/ft)	API Grade	Make	Model	Len (ft)	Jts	Typ
Polished Rod SM		1 1/2			Norris		26.00	1	Polish Rod
Sucker Rod		7/8		SPCL APP	Norris	97	1,775.00	71	Rod
Sucker Rod 3/Guides/Rod		7/8		SPCL APP	Norris	97	400.00	16	Rod
Sucker Rod		7/8		SPCL APP	Norris	97	300.00	12	Rod
Sucker Rod		3/4		SPCL APP	Norris	97	2,625.00	105	Rod
Pony Rod Guided		7/8		D Spec KD	Norris	D90	2.00	1	Rod
Sinker Bar		1 1/2		C			50.00	2	Rod
Pony Rod Guided		7/8		D Spec KD	Norris	D90	2.00	1	Rod
Sinker Bar		1 1/2		C			100.00	4	Rod
Pony Rod Guided		7/8		D Spec KD	Norris	D90	2.00	1	Rod
Sinker Bar		1 1/2		C			100.00	4	Rod
Pony Rod Guided		7/8		D Spec KD	Norris	D90	2.00	1	Rod
Sinker Bar		1 1/2		C			100.00	4	Rod
Pony Rod Guided		7/8		D Spec KD	Norris	D90	2.00	1	Rod
Rod Insert Pump w/sand di		2					24.00	1	Rod Pump

Figure 2: rod components

12. Surface equip. with existing 912-365-168, operate at current 8.8 SPM with 168" stroke
13. Place well on test.
14. ConocoPhillips Maintenance Lead Mario Corral (575) 704-2209



Schematic - Current

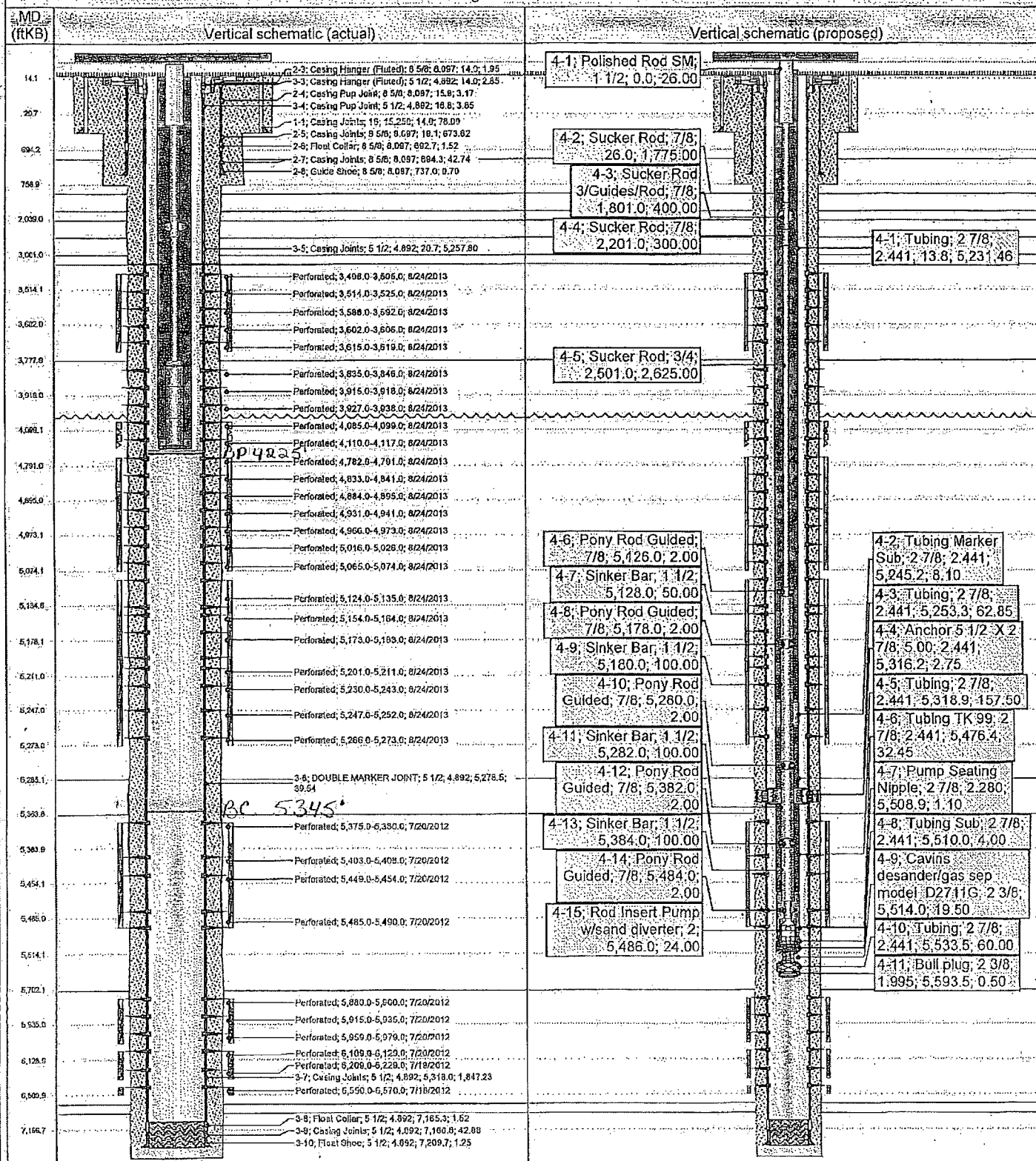
RUBY FEDERAL 08

Most Recent Job

Jobs

Job Category	Primary Job Type	Secondary Job Type	Actual Start Date	End Date
WELL INTERVENTION	WORKOVER		1/24/2014	1/29/2014

VERTICAL - Original Hole, 3/7/2014 12:56:04 PM



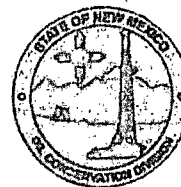
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4627
Order Date: July 15, 2013
Application Reference Number: pAXK1317256670

ConocoPhillips Company
P. O. Box 51810
Midland, TX 79710-1810

Attention: Susan Maunder

Ruby Federal Well No. 8
API No: 30-025-40521
Unit P, Section 18, Township 17 South, Range 32 East, NMPM
Lea County, New Mexico

Pool	MALJAMAR; YESO, WEST	Oil	44500
Names:	MALJAMAR; GRAYBURG-SAN ANDRES	Oil	43329

Reference is made to your recent application for an exception to 19.15.12.9A NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A NMAC, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.


Assignment of allowable and allocation of production from the well shall be as follows:

MALJAMAR (YESO WEST) OIL POOL	Pct Gas: 19	Pct Oil: 42
MALJAMAR (GRAYBURG-SAN ANDRES) OIL POOL	Pct Gas: 81	Pct Oil: 58

This approval is conditional upon approval by the United States Bureau of Land Management prior to commencement of commingling.

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.


JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs District
Bureau of Land Management – Carlsbad