OCD Hobbs

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

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.
NMLC029405B

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.
RUBY FEDERAL 2

2. Name of Operator
CONOCOPHILLIPS COMPANY

Contact: SUSAN B MAUNDER
E-Mail: Susan.B.Maunder@conocophillips.com

HOBBSOCD

9. API Well No.
30-025-40394-00-S1

3a. Address
MIDLAND, TX 79710

3b. Phone No. (include area code)
Ph: 281-206-5281

AUG 08 2014

10. Field and Pool, or Exploratory
MALJAMAR

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 17 T17S R32E SWSE 1140FSL 2310FEL

RECEIVED

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 Subsurface Commingling
	☐ 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 requests approval to Downhole Commingle production in this well according to procedures outlined in the attached document entitled, ?Procedure: GB, SA & Yeso Recompletion?.

DHC-4680

See COA

Our intent is to commingle the production of this well immediately following a production test. The information will be used to confirm our allocation discussed in the previously submitted document entitled, ?Field Study: Maljamar-Yeso West and Grayburg-San Andres Pools Commingle, Dated: April 23, 2014?. Please refer to this document for discussion supporting this request.

The Field Study has been discussed with Mr. Fernandez, BLM representative, by COP representative Ms. Maunder.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

APPROVED
AUG 5 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

Electronic Submission #249548 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Hobbs
Committed to AFMSS for processing by CATHY QUEEN on 06/19/2014 (14CQ0114SE)

Name *(Printed/Typed)* SUSAN B MAUNDER — Title SENIOR REGULATORY SPECIALIST

Signature (Electronic Submission) — Date 06/13/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ — Title PETROLEUM ENGINEER — Date 08/05/2014

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 11 2014

Additional data for EC transaction #249548 that would not fit on the form

32. Additional remarks, continued

COPC will include an updated allocation with the subsequent report. Furthermore, COPC will update our field study to include an economic summary of the commingled production and submit separately.

Attached supporting documents include:
- Procedure: GB, SA & Yeso Recompletion
- Wellbore Diagram
- C-102 for each zone to be commingled
- BLM ? Downhole Commingling Worksheet
- Email from NM OCD approving our Downhole Commingle request.

Thank you for your time in reviewing this request. Your efforts are appreciated.

ConocoPhillips

Procedure: GB, SA & Yeso Recompletion

. PLEASE USE NEW DOWNHOLE EQUIPMENT

- **127 joints 2-7/8", 6.5lb/ft, j-55 grade**
- **80 joints sucker rod 7/8" SPCL APP**
- **69 joints sucker rod 3/4" SPCL APP**
- **14 joints sinker bar 1 1/2" Grade C**
- **1 rod insert pump Don-nan sand Diverter 1 3/4"**

1. Before the arrival of the rig, kill the well with fresh water.(turn off BPU)

2. Before the frac date spot 14 clean 500 bbl frac tanks

3. Make sure project supervisor has casing collar log on location

4. Conduct safety meeting with JSA with all personnel and contractors on location

5. Nipple down well head, Rig up pulling unit.

6. Pull out of hole with rods & pump, inspect rods for wear.
   send rods to TRC for inspection & pump to Don nan. Inspection report to be sent to
   Michael.Sendze@conocophillips.com, contact: 432 238 7537

7. Nipple up BOP, & pull out of hole with production tubing, laying down tubing on tubing racks.
   send tubing to tuboscope for inspection. Inspection report to be sent to
   Michael.Sendze@conocophillips.com, contact: 432 238 7537

8. Pick up & Run in hole with 173 joints of 2-7/8", 6.5#, N-80 work string,4-3/4" bit and bit scrapper to 5400ft

9. Pull out of hole with work string and bit

10. Pick up & Run in hole with work string & 10K composite BP. Set BP at 5400ft. (upper most paddock perforation: 5415ft). Test work string to 6500 psi running in the hole. Check casing collar logs to make sure we don't set BP on a collar.

11. Circulate well to PBD=5400ft with fresh water down 5-1/2", 17#, L-80 casing

12. Close pipe rams and Test Bridge plug to 4800 psi surface pressure. If it holds then proceed.

13. Raise work string to 5200ft

14. Spot 1000 gals of 15% NE Fe HCL
    Acid colum (4200ft-5200ft)
    perfs (4765ft-5130ft)

15. Rig up SLB perforating Services

16. Pull out of hole laying down work string, rig down and release rig.

17. Perforate at the below depths **perforate at the uppermost perfs first**

Perforating gun required: 3-3/8 "SLB power jet HMX 3406 22.7g EHD 0.36"

zone	top	bottom	feet	SPF	phase angle	shots
SA10	4779	4795	16	1	60	16
SA10	4818	4830	12	1	60	12
SA10	4857	4865	8	1	60	8
SA10	4880	4888	8	1	60	8
SA10	4923	4940	17	1	60	17
SA10	4990	4994	4	1	60	4
SA10	5027	5040	13	1	60	13
SA10	5080	5089	9	1	60	9
SA10	5096	5102	6	1	60	6
SA10	5112	5125	13	1	60	13
SA10	5145	5158	13	1	60	13
SA10	5172	5192	20	1	60	20

18. Rig down SLB perforating services

19. Pump 35 bbl of fresh water down 5-1/2", 17#, L-80 casing. Record ISIP, SITP 5 mins, 10 mins, 15 mins

20. Nipple up 10K Frac stack and Halliburton Frac Service provider

    - Set treating lines pop off 4800 psi
    - Set pump trips 4500 psi
    - Test surface lines 5500 psi

Casing (Surface)								
Trt-Stage	Stage Desc.	Flow Path	Fluid Desc.	Rate-Liq+Prop	Clean Vol.	Proppant	Proppant Conc.	Prop. Mass
1-1	Load Well	IN	Treated Water	5	500		0	0
1-2	Acid Ball Out	IN	15% Ferchek SC Acid (0.3%)	20	5000		0	0
1-3	Displacement	IN	Treated Water	20	6500		0	0
1-4	Pad	IN	Delta Frac 140 - R (17)	50	4000		0	0
1-5	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	8000	Common White-100 Mesh, SSA-2	0.25	2000
1-6	Pad	IN	Delta Frac 140 - R (17)	50	3000		0	0
1-7	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	12000	Premium White-20/40	0.5	6000
1-8	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	11000	Premium White-20/40	1	11000
1-9	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	10000	Premium White-20/40	2	20000
1-10	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	9000	Premium White-20/40	3	27000
1-11	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	9000	Premium White-20/40	4	36000
1-12	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	5200	Premium White-20/40	5	26000
1-13	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	6400	CRC-20/40	5	32000
1-14	Flush	IN	Water Frac G - R (8)	50	4830		0	0
Totals					94430			160000

Casing (Surface)								
Trt-Stage	Stage Desc.	Flow Path	Fluid Desc.	Rate-Liq+Prop	Clean Vol.	Proppant	Proppant Conc.	Prop. Mass
1-1	Load Well	IN	Treated Water	5	500		0	0
1-2	Acid Ball Out	IN	15% Ferchek SC Acid (0.3%)	20	5000		0	0
1-3	Displacement	IN	Treated Water	20	6500		0	0
1-4	Pad	IN	Delta Frac 140 - R (17)	50	4000		0	0
1-5	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	8000	Common White-100 Mesh, SSA-2	0.25	2000
1-6	Pad	IN	Delta Frac 140 - R (17)	50	3000		0	0
1-7	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	12000	Premium White-20/40	0.5	6000
1-8	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	11000	Premium White-20/40	1	11000
1-9	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	10000	Premium White-20/40	2	20000
1-10	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	9000	Premium White-20/40	3	27000
1-11	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	9000	Premium White-20/40	4	36000
1-12	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	5200	Premium White-20/40	5	26000
1-13	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	50	6400	CRC-20/40	5	32000
1-14	Flush	IN	Water Frac G - R (8)	50	4830		0	0
Totals					94430			160000

22. Record ISIP,5 min, 10 min and 15 mins in well view

23. Rig down frac service provider (Halliburton).

24. Let resin coated sand (CRC-20/40) sit for 24 hours till we flow back

25. Flow back the well till its dead

26. Move in with Rig and Rig up

27. Pick up & Run in hole with 4-3/4" bit & 174 joints of 2-7/8", N-80, 6.5lb/ft work string, clean out any sand to PBD=5400ft with fresh water

28. Pick up & Run in hole with New 2-7/8 J-55 production tubing & new static sparktek pressure gauge. Test production tubing to 5000 psi. pump 5 gal of corrosion inhibitor (champion-cortonR-2525; SG 0.91)

29. Nipple down BOP, Run in hole with new rods & pump. (see pre-pull attached on the next page)

30. In case of any problems with Sparktek gauge contact Eby Bothe (432)-580-8200 with precision pressure data

31. Space out pump, hang well on, Turn on BPU & Test pump action; wait for tubing to pressure up then shut down pump. **Rig down & Release rig**

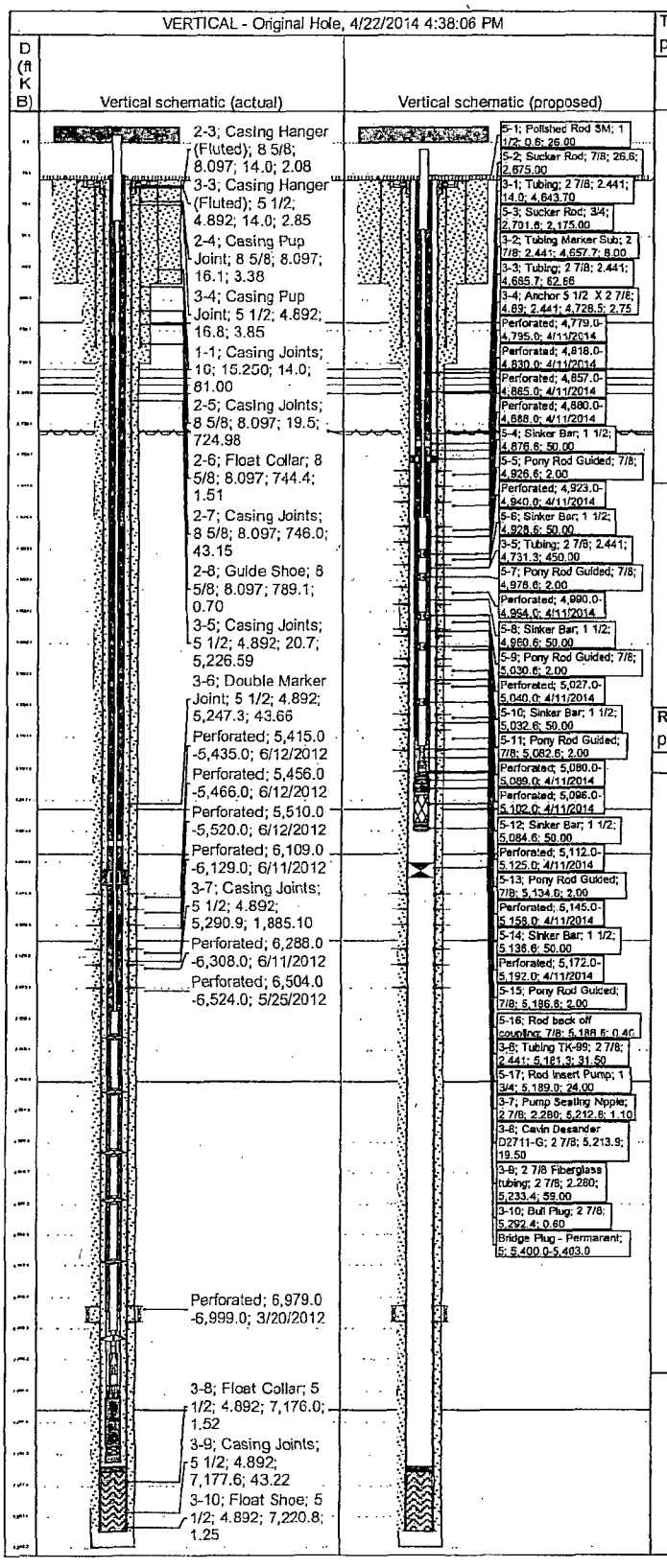
32. Shut in well for 48 hours.

33. Start well, run well for **60 days, well will be pulled in 60 days. Another procedure and prepull will be sent out for that.**

34. Place well on test

35. please obtain static & producing fluid level put data in advocet

Proposed Rod and Tubing Configuration
RUBY FEDERAL 02



Tubing Description — proposed Tubing - Production — **Set Depth (ftKB)** 5,293.0

Jts	Item Des	OD Nominal (in)	Nominal ID (in)	Wt (lb/ft)	Grade	Len (ft)	Btm (ftKB)
147	Tubing	2 7/8	2.441	6.50	J-55	4,643.70	4,657.7
1	Tubing Marker Sub	2 7/8	2.441	6.50	J-55	8.00	4,665.7
2	Tubing	2 7/8	2.441	6.50	J-55	62.86	4,728.5
1	Anchor 5 1/2 X 2 7/8	4.89	2.441			2.75	4,731.3
14	Tubing	2 7/8	2.441	6.50	J-55	450.00	5,181.3
1	Tubing TK-99	2 7/8	2.441	6.50	J-55	31.50	5,212.8
1	Pump Seating Nipple	2 7/8	2.280			1.10	5,213.9
1	Cavin Desander D2711-G	2 7/8				19.50	5,233.4
2	2 7/8 Fiberglass tubing	2 7/8	2.280			59.00	5,292.4
1	Bull Plug	2 7/8				0.60	5,293.0

Rod Description — proposed Rod — **Set Depth (ftKB)** 5,213.0

Jts	Item Des	OD (in)	API Grade	Len (ft)	Btm (ftKB)
1	Polished Rod SM	1 1/2		26.00	26.6
107	Sucker Rod	7/8	SPCL APP	2,675.00	2,701.6
87	Sucker Rod	3/4	SPCL APP	2,175.00	4,876.6
2	Sinker Bar	1 1/2	C	50.00	4,926.6
1	Pony Rod Guided	7/8	D	2.00	4,928.6
2	Sinker Bar	1 1/2	C	50.00	4,978.6
1	Pony Rod Guided	7/8	D	2.00	4,980.6
2	Sinker Bar	1 1/2	C	50.00	5,030.6
1	Pony Rod Guided	7/8	D	2.00	5,032.6
2	Sinker Bar	1 1/2	C	50.00	5,082.6
1	Pony Rod Guided	7/8	D	2.00	5,084.6
2	Sinker Bar	1 1/2	C	50.00	5,134.6
1	Pony Rod Guided	7/8	D	2.00	5,136.6
2	Sinker Bar	1 1/2	C	50.00	5,186.6
1	Pony Rod Guided	7/8	D	2.00	5,188.6
1	Rod back off coupling	7/8		0.40	5,189.0
1	Rod Insert Pump	1 3/4		24.00	5,213.0

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 08 2014
RECEIVED

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	[2] Pool Code	[3] Pool Name
30-025-40394	44500	Maljamar; Yeso West

[4] Property Code	[5] Property Name	[6] Well Number
38653	Ruby Federal	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
217817	ConocoPhillips Company	4004'

[10] Surface Location

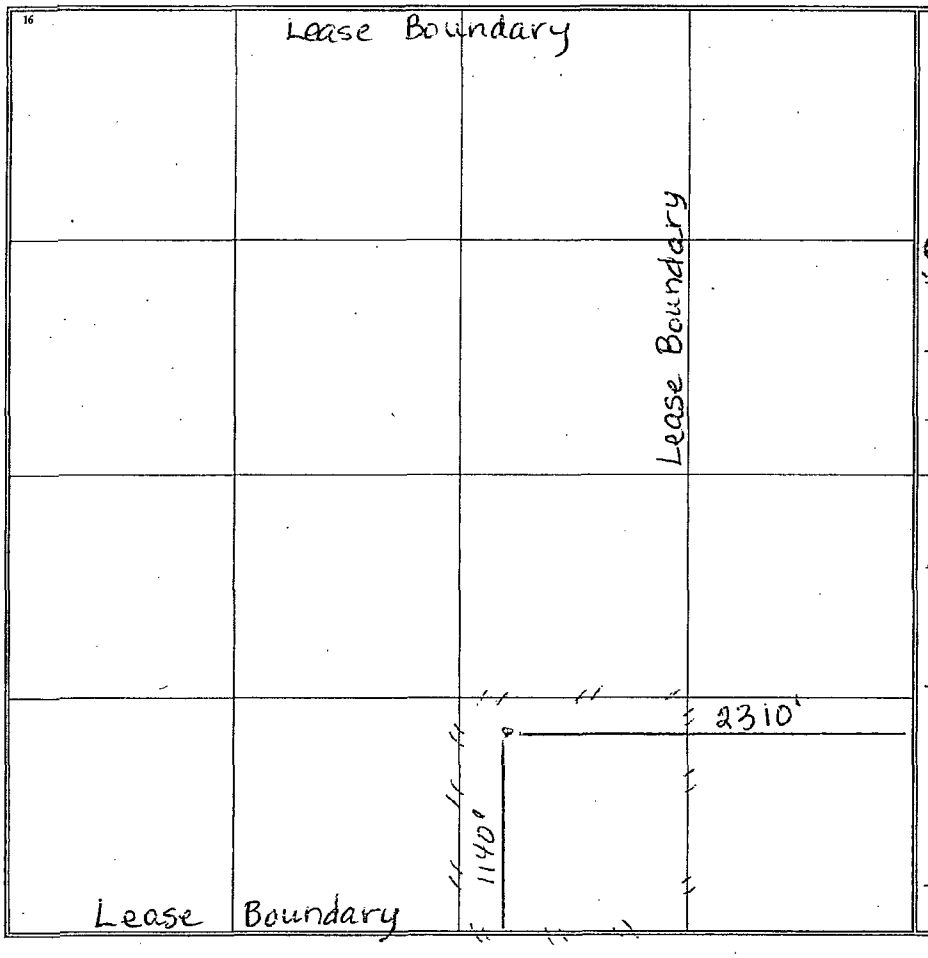
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	17	17S	32E		1140'	South	2310'	East	Lea

[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

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			DHC-4680; NSL-6528

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.



[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.

Susan B. Maunder 5/30/14
Signature Date

Susan B. Maunder
Printed Name

Susan.B.Maunder@conocophillips.com
E-mail Address

[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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

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

HOBBS OCD
AUG 08 2014
RECEIVED

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	[2] Pool Code	[3] Pool Name
30-025-40394	43329	Maljamar; Grayburg, San Andres

[4] Property Code	[5] Property Name	[6] Well Number
	Ruby Federal	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
217817	ConocoPhillips Company	4004'

[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
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[11] Bottom Hole Location If Different From Surface

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40			DHC-4680 ; NSL-6528-A

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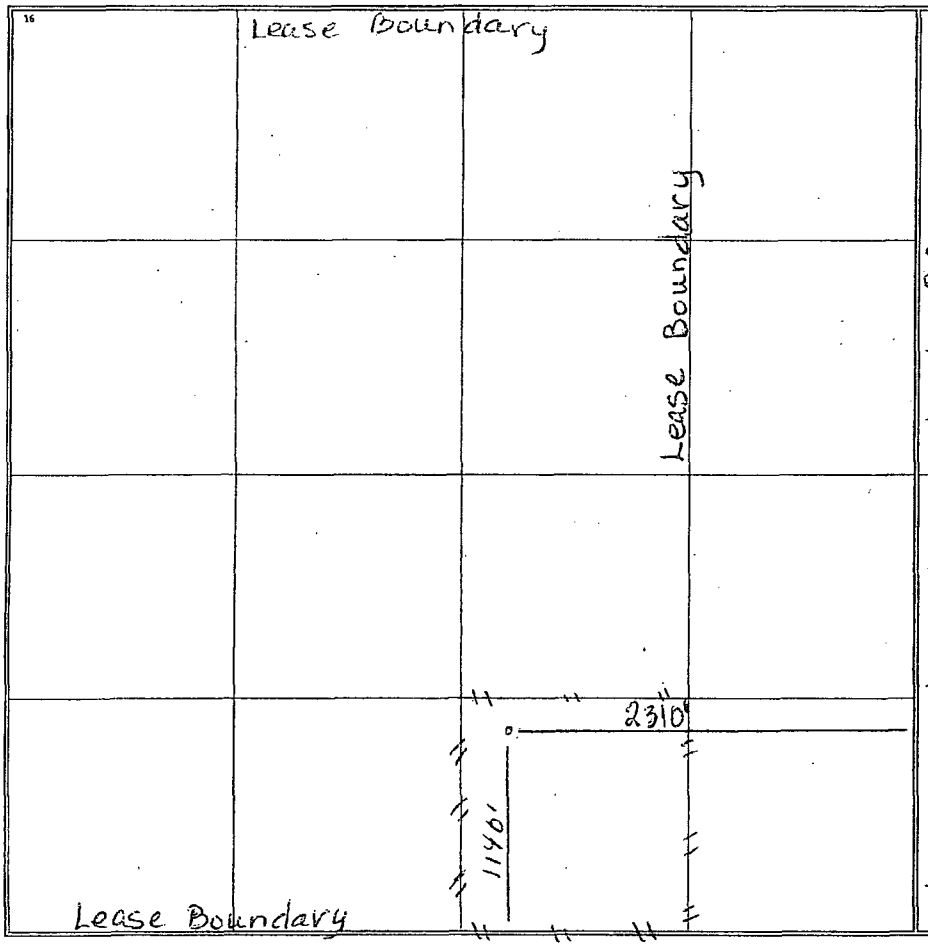
[16]



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Susan B. Maunder 5/30/14
Signature Date

Susan B. Maunder
Printed Name

Susan.B.Maunder@conocophillips.com
E-mail Address

[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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

BLM - Downhole Commingling Worksheet

Operator: ConocoPhillips Company
Lease/Well Name/Location: NMLC029405B/ Ruby Federal #2/ UL O, Sec. 187, 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 (perforated or open-hole interval)	4779 – 5192' perforated	--	5415 – 6999' perforated	--
Method of production	Artificial Lift	--	Artificial Lift	--
Bottom Hole Pressure (Pinitial, reservoir & Pbottom hole, current)	Pi,r = 1733 Pbh = 800 psi	--	Pi,r = 2600 Pbh = 1300 psi	--
Reservoir Drive mechanism	Combination (Solution gas & water drive)	--	Combination (Solution gas & water drive)	--
Oil gravity and/or BTU	38.1	--	38.2	38.2
Average Sulphur Content (Wt%)	0.7069	--	0.6261	0.658
Oil Sample Analysis provided	yes	--	yes	--
Gas Analysis Provided	yes	--	yes	--
Produced Water Analysis provided	no	--	no	--
H2S present	5000 ppm	--	8 ppm	1028 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: estimate 20 bopd/ 50 Mcfd/ 100 bwpd	--	Date:04/08/14 8 bopd /4 Mcfd/171 bwpd	28/ 54 / 271
Average decline% (provide back up data)	See Field Study	--	See Field Study	--
Fixed Allocation Percentage	Oil:71% Gas:93%		Oil:29% Gas:7%	

Remarks: *For H2S calculation used following numbers: GBSA production share (0.4), GOR (1.8 Mcf/Stb), H2S (5000 ppm) & Yeso production share (0.6), GOR (4.5), H2S (8ppm)

Operator Signature: Susan R. Maunder

Date: 6-3-14

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)

Conditions of Approval

Ruby Federal 2
30-025-40394
ConocoPhillips
August 6, 2014

1. **Step 33 of operator's procedure; Operator to test well a minimum of 90 days.**
2. **Operator to submit another NOI Sundry (with actual well production data) to remove CBP at approximately 5400 and DHC.**

3. **Surface disturbance beyond the existing pad must have prior approval.**

4. **Closed loop system required.**

5. **A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**

6. **Subsequent sundry and Completion report with well test and wellbore schematic required.**

7. **Work to be completed in 90 days.**

EGF 080614