

OCT 08 2014

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

RECEIVED

Form C-101
August 1, 2011

Permit 193214

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

1. Operator Name and Address CONOCOPHILLIPS COMPANY P.O. Box 51810 Midland, TX 79710		2. OGRID Number 217817
		3. API Number 30-025-42174
4. Property Code 313786	5. Property Name RED HILLS WEST 16 STATE SWD	6. Well No. 001

7. Surface Location

UL - Lot D	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	16	26S	32E		1226	N	893	W	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 *SWD; Brushy Canyon (97802)*

Additional Well Information

11. Work Type New Well	12. Well Type SWD	13. Cable/Rotary	14. Lease Type State <input checked="" type="checkbox"/>	15. Ground Level Elevation 3185
16. Multiple N	17. Proposed Depth 7400	18. Formation Brushy Canyon	19. Contractor	20. Spud Date Est March 1, 2015
Depth to Ground water 300'		Distance from nearest fresh water well 1.5 Miles		Distance to nearest surface water 14 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	12.25	9.625	40	785	366	0
Int1	8.75	7	26	4855	702	0
Prod	6.125	OH	OH	7400	OH	OH

Casing/Cement Program: Additional Comments

Pending drilling trends, a DV Tool may be located between 4300'-4600'

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1500	SHAFFER/ CAMERON
Blind	3000	3000	SHAFFER/ CAMERON
Pipe	3000	3000	SHAFFER/ 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: *Ashley Bergen*
Printed Name: Ashley Bergen

Title: Regulatory Specialist
Email Address: ashley.bergen@conocophillips.com
Date: 10/02/2014

OIL CONSERVATION DIVISION

Approved By: *[Signature]*
Title: **Petroleum Engineer**
Approved Date: *10/09/14* Expiration Date: *10/09/16*
Conditions of Approval Attached

432-688-6938

OIL CONSERVATION DIVISION

CONDITION OF APPROVAL - Approval for drilling / workover **ONLY - CANNOT INJECT OR DISPOSAL** until the injection/disposal order has been approved by the OCD Santa Fe office.

P.M.

OCT 15 2014

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

ConocoPhillips Company
Well: Red Hills West 16 State SWD 1
Location: Sec. 16, T26S, R32E
Date: 9/29/2014

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.

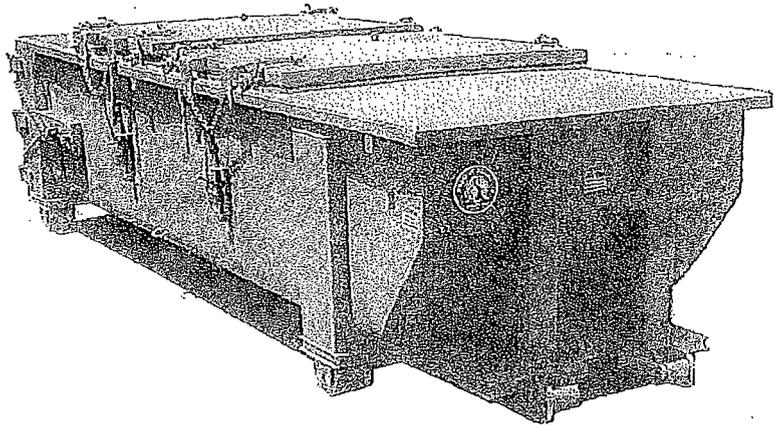
3. Mud will be transported by vacuum truck and disposed of at R-360 Inc. at the facility described above.
4. Fresh Water and Brine will be hauled off by vacuum truck and disposed of at an authorized salt water disposal well. We propose the following for disposal of fresh water and brine as needed:
 - 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

Heavy Duty Split Metal Rolling Lid

FLOOR: 3/16" PL one piece
GROSS 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 grease 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, Hell 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



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

