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 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
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 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
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 1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD State of New Mexico
 Energy, Minerals and Natural Resources
NOV 04 2014
RECEIVED
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised July 18, 2013

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-42071
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator ConocoPhillips Company		6. State Oil & Gas Lease No.
3. Address of Operator 600 N. Dairy Ashford Rd., P10-3096 Houston, Texas 77079-1175		7. Lease Name or Unit Agreement Name Vacuum Abo Unit
4. Well Location Unit Letter <u>O</u> : <u>1016</u> feet from the <u>south</u> line and <u>2333</u> feet from the <u>east</u> line Section <u>27</u> Township <u>17S</u> Range <u>35E</u> NMPM Lea County		8. Well Number 706
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3931'		9. OGRID Number 217817
10. Pool name or Wildcat Vacuum; Abo Reef		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input checked="" type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ConocoPhillips Company (COPC) respectfully requests approval of these proposed changes to our drilling plan for this well. These issues have been discussed with Mr. Brown by Steven Herrin, ConocoPhillips Drilling Engineer. The changes are listed below.

1. COPC will pressure test the BOP to our corporate standards of 70% of working pressure.
2. COPC plans on running a cement bond log on the production casing in accordance with NMOCD requirements.
3. COPC plans on having the option of a two stage cement job. The procedure is attached.

The expected spud date for this well is November 3, 2014.

Thank you for your time spent reviewing this request.

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Susan B. Maunder TITLE Senior Regulatory Specialist DATE 11/3/14

Type or print name Susan B. Maunder E-mail address: Susan.B.Maunder@copc.com PHONE: 281-206-5281

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 11/04/14

Conditions of Approval (if any):

NOV 05 2014

ATTACHMENT 1

7-5/8" Intermediate Casing Cementing Program – Two-Stage Cementing Option (Yates Gas Flow and CO2 & Waterflood in Grayburg/San Andres):

ConocoPhillips Company respectfully requests approval of this additional option for our cementing program for the Vacuum Abo Unit wells; 687, 706, and 707. The goal for this Intermediate Casing – Two-Stage Cementing Option is to:

- Provide a contingency plan for using a Stage Tool and Annulus Casing Packer(s) to isolate shallow gas flow in Yates and/or gas/water flow in Grayburg/ San Andres if either of these events occurs while drilling the well.
- Place the Stage 1 Cement from the casing shoe to surface.
- Proceed with Stage 2 Cement only if cement returns are contaminated or flow was observed after pumping 1st stage.
- Annulus Casing Packer and DV tool planned to be set inside 9-5/8" casing.

Spacer: 15 bbls Fresh Water

Stage 1 - Slurry		Intervals Ft MD		Weight ppg	Sx	Vol Cuft	Additives	Yield ft ³ /sx
Lead	C Gas Blk Slurry	Surface	3000'	11.5	255	479	Class C 40 lb/sx 6% Extender 2.5% BWOB 2.5% CaCl2 1.34 gal/sk Gas Migration Control 0.061 gal/sk Anti foam 0.366 gal/sk Dispersant	1.88
Tail	TXI+Gas Blk Slurry	3000'	5100' – 5200'	13.2	337	465	Cement 75 lb/sk 2.0 gal/sk 1.0% Expanding Agent 0.2% Anti foam 5.0% Extender 0.2% Dispersant	1.38

1st stage displacement: FW followed by Weighted Spacer

Spacer: Remaining Weighted Spacer in cementing lines from the 1st stage displacement

Stage 2 - Slurry		Intervals Ft MD		Weight ppg	Sx	Vol Cuft	Additives	Yield ft ³ /sx
Tail	Class C	Surface	Stage Tool ~1600'	11.5	200	376	1% CaCl2 Excess = 100% based on gauge hole volume	1.88

2nd stage displacement: Fresh Water

Proposal for Option to Adjust Intermediate Casing Cement Volumes:

The Intermediate casing cement volumes for the proposed single stage and two-stage option presented above are estimates based on gauge hole. We will adjust these volumes based on the caliper log data for each well and our trends for amount of cement returns to surface. Also, if no caliper log is available for any particular well, we would propose an option to possibly increase the production casing cement volume to account for any uncertainty in regard to the hole volume.