HOBBSOCD

MAR 02 2015

RECEIVED

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.
NMNM0557686

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NM7104Im

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

8. Well Name and No.
SEMU BTD 123

2. Name of Operator
CONOCOPHILLIPS COMPANY
Contact: RHONDA ROGERS
E-Mail: rogerrs@conocophillips.com

9. API Well No.
30-025-31178

3a. Address
P. O. BOX 51810
MIDLAND, TX 79710

3b. Phone No. (include area code)
Ph: 432-688-9174

10. Field and Pool, or Exploratory
SKAGGS;GRAYBURG

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 22 T20S R37E Mer NMP SENE 1860FNL 660FEL

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 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 would like to plug back the Blinebry perf by setting a CIBP @ 5600' & spot 35' cmt. Then recomplete the Skaggs; Grayburg by perforating @ 3680'-3885' per attached procedures. Attached is a C-102 for the Skaggs; Grayburg.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

SUBJECT TO LIKE APPROVAL BY STATE

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

Electronic Submission #250919 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Hobbs
Committed to AFMSS for processing by LINDA JIMENEZ on 10/08/2014 ()

Name *(Printed/Typed)* RHONDA ROGERS — Title STAFF REGULATORY TECHNICIAN

Signature (Electronic Submission) — Date 06/26/2014

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date FEB 25 2015

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 BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

MAR 04 2015

ConocoPhillips

API #30-025-31178

The subject workover consists of re-completing to the Grayburg. This well is ideally placed to give the asset team a better indication of future Grayburg development in the same area. It is the intent of this job to re-complete to the Grayburg and increase total fluid production.

WELL CATEGORY, BOP CLASS AND EXCEPTIONS

Well Category: **One**
BOP Class: **Two (hydraulic required)**

PROCEDURE

NOTE: Prior to MI & RU of service unit, test the anchors.

1. MI & RU service unit.
2. POOH & LD rods & pump. ND well. NU BOP. POOH & LD tbg.
3. RIH w/ 3-1/2", 9.3#, N-80 WS & bit & scraper (7", 26#) to 6290. POOH.
4. Spot 35 ft. of cement on top of CIBP @ 6290 (If dump bailer is used, a tag of TOC is required).
5. PU CIBP & PKR. RIH w/ WS & CIBP & PKR. Set CIBP @ 5600 (uppermost Blinebry perforation: 5610). Test CIBP @ 2500# surface prs. POOH w/ WS & PKR. Spot ~~35 ft~~ 35 sx. of cement on top of CIBP (If dump bailer is used, a tag of TOC is required).
6. TIH w/ open-ended WS. Fill hole w/ 10 bbl of 14.8 ppg mud up to 5306. Pull up hole. Mix & pump 25 sx of class C cement as a plug. Plug should be 154 ft. in length. POOH w/ WS. WOC.
7. RIH w/ WS & CIBP. Set CIBP @ 4100
   Circ well w/ fresh water. (7", 26# well capacity: 157 bbl; 108 bbl w/ 3-1/2" WS)
   Close pipe-rams & test CIBP @ 8500# surface prs.
   POOH w/ WS.
8. RU perforating services.
   Note:
   If necessary, pull GR/CCL log from 3900-3000
   NU lubricator w/ pack-off. Test @ 500#.

   Perforate following intervals (3-3/8" SLB Power Jet HMX, 22.7 gm., EHD: 0.36"):

top	btm	Feet	SPF	Shots
3680	3695	15	2	30
3732	3738	6	2	12
3750	3755	5	2	10
3790	3795	5	2	10
3818	3823	5	2	10
3828	3838	10	2	20
3850	3885	35	2	70

		81		162

RD perforating services.

9. Breakdown perforations:

   a. RIH w/ 3-1/2" WS w/ PKR to lowermost perforation @ 3885.
   b. Spot 1000 gal 15% NE Fe HCl (23.8 bbl acid followed by 24.0 bbl water)
   c. Pull 20 stands. Set PKR @ approximately 2600 (acid column: 3263-3885)
   d. Displace acid w/ 35 bbl water
      (11 bbl over-flush; equivalent to approximately 3 x AIR: 3 BPM @ 3000#)
   e. Record ISIP, SITP(5 min), SITP(10 min) & SITP(15 min)
   f. Re-set PKR @ 3630. Test 3-1/2" x 7", 26# annulus & PKR @ 500#.
   g. ND BOP
   h. NU frac stack
      btm: 7-1/16" 5K psi manual frac valve
      7-1/16" 5K psi hydraulic frac valve
      top: 5K psi "goathead" w/: full-bore opening
      2: 4" side connections

   RD well service

10. Prior to frac date, spot 8 clean 500 bbl frac tanks.

    Load tanks w/ fresh water. Water to be biocide-treated by frac-service provider.

    Estimated water requirements:

Stage	Water: bbl		
	Pre-Frac	Frac	Total
1	166	2152	2318
	166	2152	2318

The well work will require the following acid volumes:

Stage	15% NE Fe HCl: gal		
	Spot	Job	Total
1		3402	3402
		3402	3402

Stage: Grayburg

11. RU HES. Set treating line pop-off:8500#.
    Set pump trips: 8000#
    Test surface lines: 9000#.

    Acidize 3680-3885 (81 perforations) w/ 81 bbl (3402 gal) 15% NE Fe HCl w/ 324 (1.1 sg) ball sealers:

    Pump 20 bbl freshwater. Obtain pump-in rate: 15 BPM
    Pump 20.5 bbl 15% HCl.
    Pump 40 bbl 15% HCl. Drop 324 bs evenly spaced (8 bs/bbl)
    Pump 20.5 bbl 15% HCl
    Pump 146 bbl fresh water (overflush w/ 45 bbl, equivalent to 3 x BPM treating rate)
    (csg capacity: 140.8 bbl top perf; 148.7 bbl btm perf)

Anticipated treating rate: 15 BPM @ 4250#
If ball-out occurs (5250#: 1000# over treating prs), SD. Surge perfs 3 times.

Frac 3680-3885 down 3-1/2", 9.3#, N-80
Anticipated treating rate: 30 BPM @ 6000#:
RD & release HES. SION.

12. Open well and flow back until dead.

13. RU well service unit. ND frac stack. NU BOP.

14. POOH & LD 3-1/2", 9.3#, N-80 WS & PKR.

15. Pick-up & RIH w/ 4-3/4" bit, 6: 4-1/8" DC & 2-7/8", 6.5#, J-55 tbg. .

    Clean out wellbore to 4100.

16. Downhole equip as per attached.

	Depth (RKB): ft	
	(KB - GL: 13 ft.)	
Tubing:	top	btm
2-7/8", 6.5#, J-55	surface	3550
TAC (2-7/8" x 7", 26#)	3600	3603
2-7/8", 6.5#, J-55	3603	3900
SN	3900	3900
2-7/8", 6.5#, J-55 Tbg Sub	3900	3905
Desander	3905	3925
2-7/8" Fiberglass Mud Joint	3925	3955
2-7/8" HF Purge Valve	3955	3956
Note:		
upr perf 3680		
btm perf 3885		
CIBP @ 4100		

Rods:	Ftg
1" Norris D90	1450
7/8" Norris D90	2100
1-1/2" Flexbar C SB	350
Pump: 2" x 30' Insert	3900

17. Surface equip w/ 640-305-144 unit from Hobbs Yard. Operate at 8.3 SPM w/ 144" stroke.

    Estimated RodStar-based production capacity: 455 BPD @ 85% pump efficiency

Loading: %	
Gearbox	87
Structure	68
Rods	82

ROL	75
MPRL/PPRL	25

18. Place well on test.

	Internal Yield (Burst): psi		Internal Diameter: in.		Capacity	
	100%	80%	Nom.	Drift	gal/ft	bbl/ft
2-7/8", 6.5#, J-55	7260	5808	2.441	2.347	0.2431	0.0058
7", 26#, K-55	4980	3984	6.276	6.151	1.6070	0.0383
2-7/8" x 7", 26#					1.2698	0.0302

Conditions of Approval

ConocoPhillips company
SEMU BTD - 123, API 3002531178
T20S-R37E, Sec 22, 1860FNL & 660FEL
February 25, 2015

1. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp <jchopp@blm.gov> 575.234.2227 or Bob Ballard <bballard@blm.gov> 575.234.5973.
2. Before casing or a liner is added, replaced, or repaired prior BLM approval of the design is required. Use notice of intent Form 3160-5.
3. Subject to like approval by the New Mexico Oil Conservation Division.
4. Surface disturbance beyond the existing pad must have prior approval.
5. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
6. Functional H_2S monitoring equipment shall be on location.
7. 3000 (3M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
8. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over 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.
9. **This procedure is subject to the next three numbered paragraphs.**
10. Mix cement plugs to cover a minimum of 100ft plus 10ft for every 1,000ft from the bottom of the plug, rounding the number of necessary sacks up to the nearest 5 sacks. Never use less than 25sx. Examples: A cement plug set at 5600 in 7" casing would require a min of 35sx. A 25sx plug in 5 ½" casing should cover 250ft, which may exceed 100ft plus 10ft per 1000ft.
11. Class H > 7500ft & C < 7500ft) cement plugs(s) will be necessary. For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) & 8 hours(H) is recommended. Formation isolation plugs of Class "C" to be mixed 14.8#/gal, 1.32 ft^3/sx, 6.3gal/sx water and "H" to be mixed 16.4#/gal, 1.06ft^3/sx, 4.3gal/sx water.

12. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
13. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 4900 or below to top of cement taken with 0psig casing pressure. Records indicate a CBL was taken 01/1992. That CBL may be attached to a pswartz@blm.gov email. The CFO BLM on call engineer may be reached at 575-706-2779.**
14. **Set a 35sx minimum cement plug on the CIBP to be set at 5600.**
15. **A 7" DV Tool of unreported depth was used to circulate cement during drilling of this well. Plug back requirements require a minimum cement plug to cover from 50' below the plug to 50' above the plug. The CBL should spot the DV Tool Depth. Should the DV Tool to be below the proposed perforations of 3680-885 that DV Tool plug is to be set.**
16. After setting the top plug and before perforating, **perform a charted casing integrity test** of 350psig minimum. Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 25 to 85 per cent of its full range. **Verify all annular casing vents are plumbed to the surface and open during this pressure test.** Submit a copy of the CIT chart relating the dated daily wellbore activities in the subsequent Sundry Form 3160-5.
17. File intermediate **subsequent sundry** Form 3160-**5** within 30 days of any interrupted workover procedures and a complete workover subsequent sundry. File the subsequent sundry for the frac separately if it is delayed as much as 20 days.
18. Submit the BLM Form 3160-**4 Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
19. Workover approval is good for 90 days (completion to be within 90 days of approval).
20. An inactive/shut-in well bore is a non-producing completion that is capable of "beneficial use" i.e. production in **paying quantities** or of service use.
21. Submit evidence to support your determination that the well has been returned to active "beneficial use" for BLM approval on the Sundry Notice Form 3160-5 (the original and 3 copies) before 08/20/2015.
22. Should "beneficial use" not be achieved submit for BLM approval a plan for plug and abandonment.

PRS 02252015