Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised August 1, 2011

WELL API NO. 30-025-41708

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. LG36200000

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.)

HOBBS OCD

7. Lease Name or Unit Agreement Name: RED HILLS WEST 16 STATE W2

1. Type of Well: Oil Well [X] Gas Well [ ] Other

8. Well Number 10H

2. Name of Operator ConocoPhillips Company

JUL 30 2015

9. OGRID Number 217817

3. Address of Operator P.O. Box 51810 Midland, TX 79710

RECEIVED

10. Pool name or Wildcat: WC-025 G-09 S263216A; WOLFCAMP

4. Well Location
Unit Letter A : 283 feet from the NORTH line and 330 feet from the EAST line
Section 16 Township 26S Range 32E NMPM County LEA

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3224'

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[X]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	P AND A	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPL	[ ]	CASING/CEMENT JOB	[ ]		
DOWNHOLE COMMINGLE	[ ]						
OTHER:	[ ]			OTHER:	[ ]		

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 respectfully requests approval to complete the Red Hills West 16 State W2 10H followed by cement remediation to comply with the regulatory requirements to obtain 300' of cement overlap with the Intermediate casing shoe. Please see attached proposal.

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 Ashley Bergen TITLE Regulatory Specialist DATE 07/21/2015

Type or print name Ashley Bergen E-mail address: ashley.bergen@cop.com PHONE: (432)688-6938

For State Use Only

APPROVED BY: TITLE Petroleum Engineer DATE 08/10/15

Conditions of Approval (if any):

AUG 11 2015

Request for NMOCD
ConocoPhillips Company
Red Hills West 16 State W2 10H
API#:30-025-41708
Lea County, New Mexico

Request:

ConocoPhillips Company respectfully requests approval to complete the Red Hills West 16 State W2 10H followed by cement remediation to suffice the regulatory requirements to obtain 300' of cement overlap with the Intermediate Casing Shoe. We propose to perform the cement remediation post stimulation of the well because anticipated average stimulation treating pressures thru the well bore will be ~10,000 psi. Therefore we strongly feel it would be much safer and effective to complete the well with full-bodied casing tested to the required burst load than to complete the well with patched casing that could potentially have some leakage during the frac.

We also propose to perform a braden head cement remediation to achieve the necessary cement overlap. Due to the depths at which the casing shoe is set, and the high pore pressure gradient (~0.76 psi/ft) in the Wolfcamp there is a potential to have a high collapse load on any casing patch that is installed. Casing Patches that are currently available have insufficient collapse ratings to with stand the pressure load cases for the life of the well. If a conventional cement squeeze were to be performed, the casing would need to be perforated in the Wolfcamp 1 and this well will be producing in the Wolfcamp 2 well, and it is not likely that we will see pressure depletion in the Wolfcamp 1.

Summary:

- This is a horizontal well.
- The surface casing is 13-3/8", 54.5#, J-55, BTC set at 951' and cemented to surface.
- The intermediate 1 casing is 9-5/8" 40#, L-80, BTC set at 4,671.5' and cemented to 450' by CBL ran on 1/5/15.
- The intermediate 2 casing is 7-5/8" 33.7#, P-110, W523 set at 11,998' and cemented to 4,071' based on calculations.
- The production casing is a tapered longstring consisting of 5-1/2" 23# P-110 Tenaris Blue x 4-1/2" 15.1# P-110 Tenaris Blue. The shoe on this string is positioned at the TD of the lateral and is at 17,249' MD, 12,663' TVD
- The 5-1/2" x 4-1/2" Crossover is set at 12,188' MD, 12,181' TVD.
- The Production Casing was cemented on 013-Feb-2015 with partial returns and the wiper dart was not bumped. Upon inspection of the cement head after the job the wiper dart was not launched and the wiper dart had hung up the cement head.
- While waiting on cement, pressure on the 7-5/8" x 5-1/2" annulus was observed. 17 BBLS of 17.1 ppg, 35 BBLs of 17.0 ppg and 80 BBLs of 17.2 ppg of OBM was pumped down the 7-5/8" x 5-1/2" annulus to kill the well.
- A cement bond log was run on 15-May-2015 to 12,270' and no cement was found.
- A second cement bond log (memory) was ran on 25-May-2015 on Coiled Tubing with a 0 psi (down) and 1,000 psi pass (up) and it was found that the top of continuous cement on the 5-1/2" x 4-1/2" production casing is at approximately 13,960'. The log also shows that there is cement of various quality and bond throughout the well to a depth of 12,150'.

Proposed Completion and Remediate Cementing Operation:

1. Check all annulus for pressure.
2. MIRU Pump Truck. Pressure Test casing to 12,500 psi for 30 min.
3. MIRU CTU. RIH and clean out well bore and perforate Stage 1 perfs.
4. Stimulate well. During stimulation, monitor the pressure on the annulus. If stimulation pressure communication is observed on the annulus, immediately shut down operations and contact OCD to discuss path forward. Upon completion of stimulation RDMO equipment.
5. RU WL and set cap/safety plug.

6. MIRU Pump Truck to 7-5/8 x 5-1/2" annulus. Test lines to 6,000 psi.
    a. Establish injection rate and pressure. Do not exceed 6,000 psi or 4 bpm. Ensure injectivity for braden head squeeze.
7. MIRU Cementers: Test lines to 5,000 psi. Max pressure is 5,000 psi or or 4 bpm.
    a. Establish injection pressure and rate.
    b. Pump Cement with enough volume to completely fill casing annulus to surface plus excess.
    c. Displace surface lines and immediately shut in 7-5/8" casing valves to help prevent cement from falling.
8. Bleed off any pressure and allow time for cement to set
9. MIRU WL. Run CBL to determine new TOC. Log from 12,250' to surface.
10. If remedial cement job is successful, then proceed to finish completion operations.

Contact Information:

Request proposed 21 July 2015 by:
Kase Braun
Completions Engineer
ConocoPhillips Company
Phone (281) 206-5388
Cell (432) 385-5867