

OCD-HOBBS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires March 31, 2007

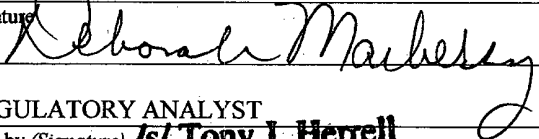
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. LC 057210
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator CONOCOPHILLIPS CO.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. BOX 2197 WL3 6108 HOUSTON, TX 77252		8. Lease Name and Well No. <3422> MCA UNIT 395
3b. Phone No. (include area code) (832)486-2326		9. API Well No. 30-025-37900
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1880' FNL & 1220' FWL SWNW At proposed prod. zone Unit E ROSWELL CONTROLLED WATER BASIN		10. Field and Pool, or Exploratory MALJAMAR; GRAYBURG SAN AN
14. Distance in miles and direction from nearest town or post office*		11. Sec., T., R., M., or Blk. and Survey or Area E Sec: 28 Twn: 17S Rng: 32E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in lease	12. County or Parish LEA
17. Spacing Unit dedicated to this well 40	13. State NEW MEXICO	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	
20. BLM/BIA Bond No. on file		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3974'	22. Approximate date work will start* 06/01/2006	23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operation certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) DEBORAH MARBERRY	Date 03/13/2006
Title REGULATORY ANALYST		
Approved by (Signature) /s/ Tony J. Herrell	Name (Printed/Typed) /s/ Tony J. Herrell	Date MAY 23 2006
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		


Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

ConocoPhillips requests approval of a contingency string of casing. Historically in this area problems were sometimes encountered with a 7-7/8" hole. If this is the case in this well we are requesting the hole be opened to 11" and an additional 8-5/8", 32# J-55 ST&C string be ran and cemented to surface with a cement slurry comparable to the production cement.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHEDWitness Surface Casing


DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-3790	Pool Code 43329	Pool Name Maljamar Grayburg/San Andres
Property Code 31422	Property Name MCA UNIT	Well Number 395
OGRID No. 217817	Operator Name CONOCOPHILLIPS	Elevation 3974'

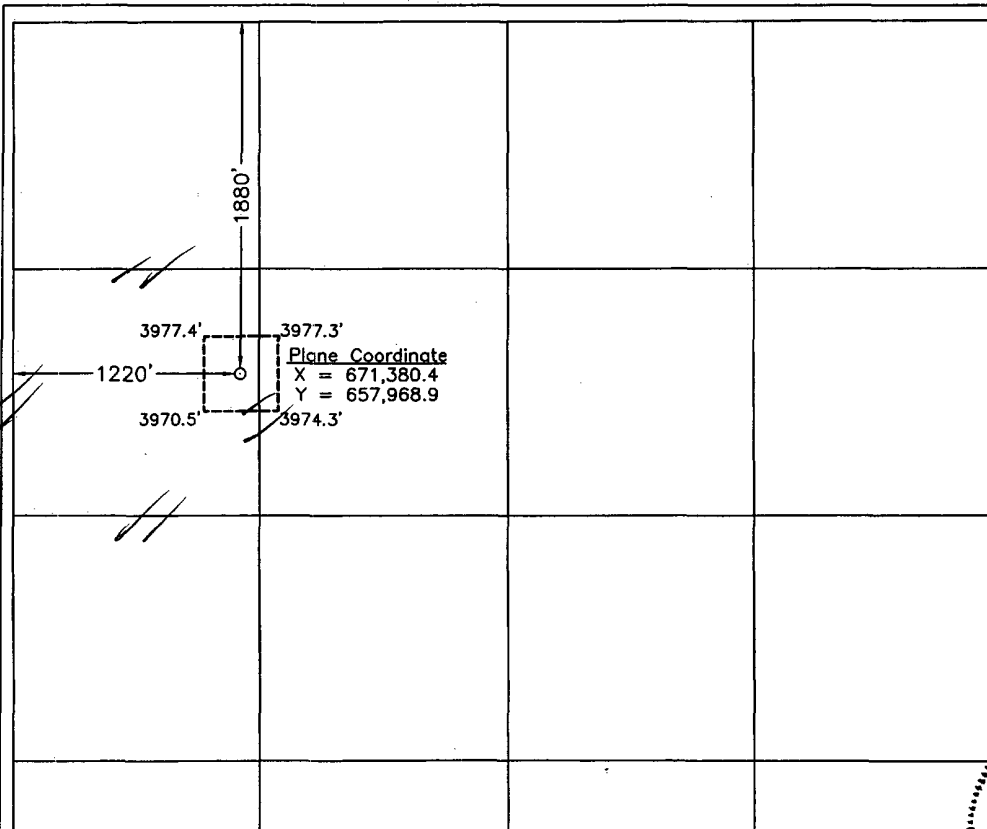
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	28	17 S	32 E		1880	NORTH	1220	WEST	LEA

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
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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

 <p>NOTE:</p> <p>1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Deborah Marberry</i> Signature</p> <p>Deborah Marberry Printed Name</p> <p>Regulatory Analyst Title</p> <p>3/28/2006 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision and that the same are true and correct to the best of my belief.</p> <p>January 3, 2006 Date Surveyed</p> <p><i>[Signature]</i> Signature & Seal of Professional Surveyor</p> <p>12185 W.O. Number</p> <p>2005-1234 Certificate Number</p> <p>MACON McDONALD 12185 Professional Surveyor</p>
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L-2005-1234-A

NEW MEXICO



CONOCOPHILLIPS

MCA UNIT #395

WEST COMPANY of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

Drawn By: LVA	Date: January 23, 2006
Scale: 1"=100'	Field Book: 314 / 54-77, 332 / 1-15
Revision Date:	Quadrangle: Maljamar
W.O. No: 2005-1234	Dwg. No.: L-2005-1234-A

MCA 393, 395, & 403 (Producers)
Schlumberger Cement Calculations

SURFACE CASING :

Drill Bit Diameter	17.5"
Casing Outside Diameter	13.375"
Casing Inside Diam.	12.615"
Casing Weight	54.5 ppf
Casing Grade	J-55
Shoe Depth	850'
Excess Lead Cement	100%
Excess Tail Cement	100%
Tail Cement Length	300'

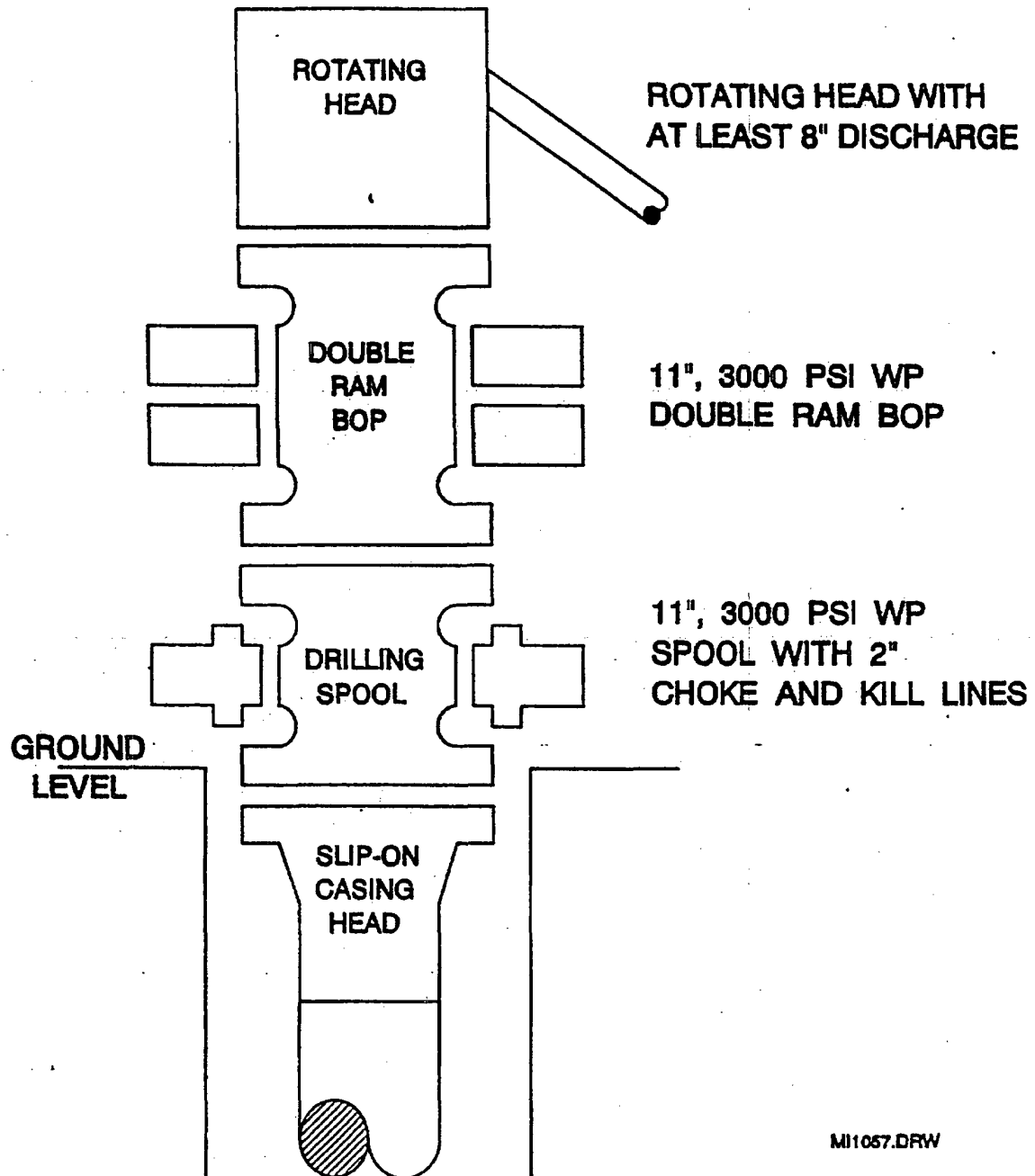
SHOE 850 ', 13.375 ", 54.5 ppf, J-55 STC

PRODUCTION CASING :

Drill Bit Diameter	7.875"
Casing Outside Diameter	5.5"
Casing Inside Diam.	4.892"
Casing Weight	17 ppf
Casing Grade	J-55
Top of Cement	0'
Shoe Depth	4200'
Excess Lead Cement	200%
Excess Tail Cement	125%
Tail Cement Length	1200'

SHOE 4200 ', 5.5 ", 17 ppf, J-55 LTC

BCP SPECIFICATIONS



MCA 393, 395, & 403 (Producers)			
Schlumberger Cement Calculations			
	Surf. Csg	Int. Csg	Prod. Csg
OD	13.375	7.625	5.5
ID	12.615	7.000	4.892
Depth	850	4200	4200
Hole Diam	17.5	12.75	7.875
% Excess Lead	100	100	200
% Excess Tail	100	100	125
Lead Yield	1.97	1.94	2.54
Tail Yield	1.73	1.73	1.36
Ft of Tail Slurry	300	300	1200
Top of Tail Slurry	550	2500	3000
Top of Lead Slurry	0	0	0
Mud Wt (ppg)	8.9	10.0	10.0
Mud Type	WBM	BRINE	BRINE

Surface Casing						
	Ft	Cap	XS Factor	bbbls	cuft	sq
Lead Open Hole Annulus	550	0.12377	2	136.1	764.4	388.0
Lead Total				136.1	764.4	388.0
Tail Open Hole Annulus	300	0.12377	2	74.3	416.9	241.0
Tail Shoe Track Volume	45	0.154653	1	7.0	39.1	29.6
Tail Total				81.2	456.0	270.6

Production Casing						
	Ft	Cap	XS Factor	bbbls	cuft	sq
Lead Open Hole Annulus	2150	0.03087	3	199.1	1117.9	440.1
Lead Cased Hole Annulus	850	0.125256	1	106.5	597.8	235.3
Lead Total				305.6	1715.7	675.5
Tail Open Hole Annulus	1200	0.03087	2.25	83.4	468.0	344.1
Tail Shoe Track Volume	45	0.023257	1	1.0	5.9	4.8
Tail Total				84.4	473.8	348.9

STANDARD RIG LAYOUT

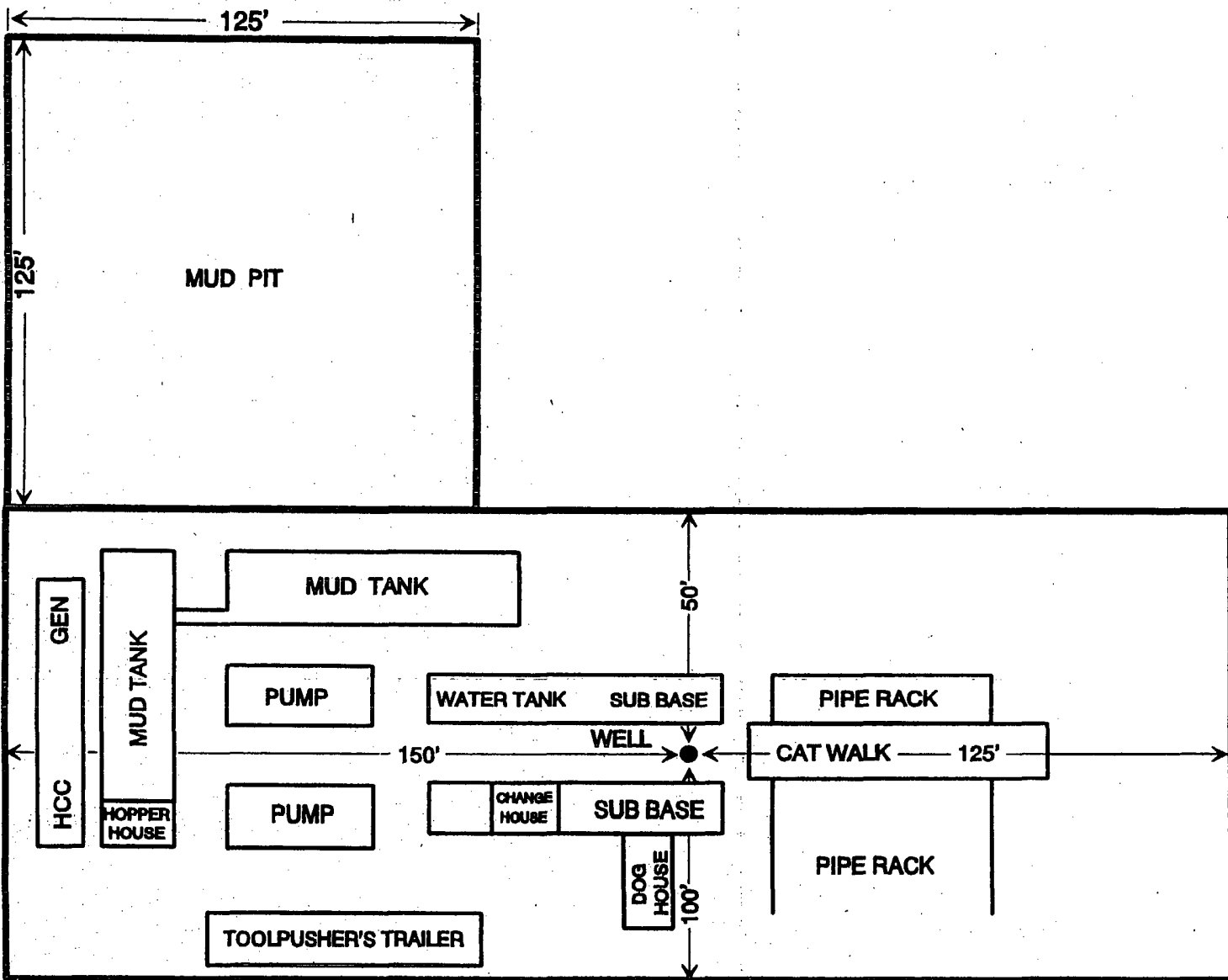
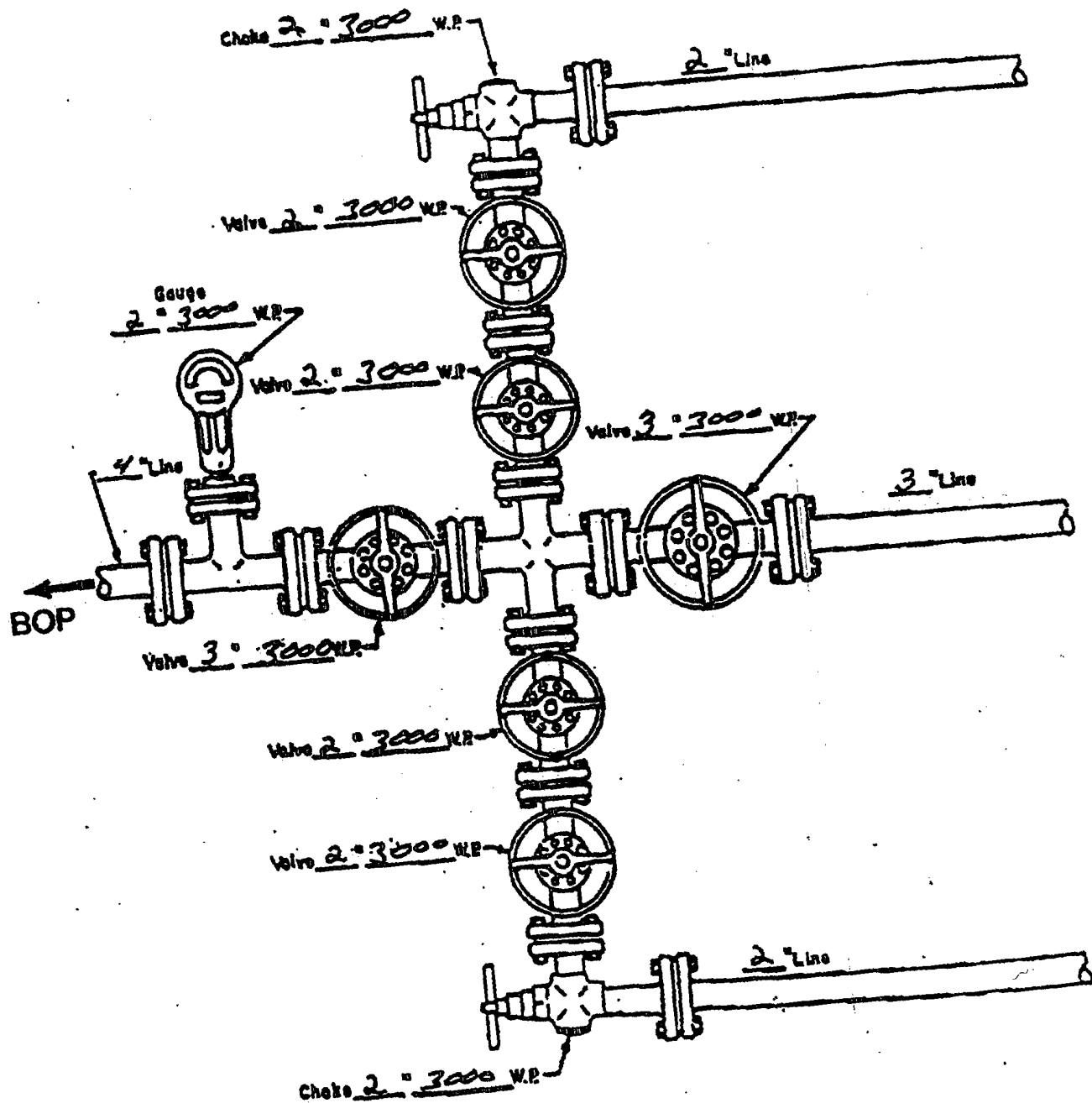


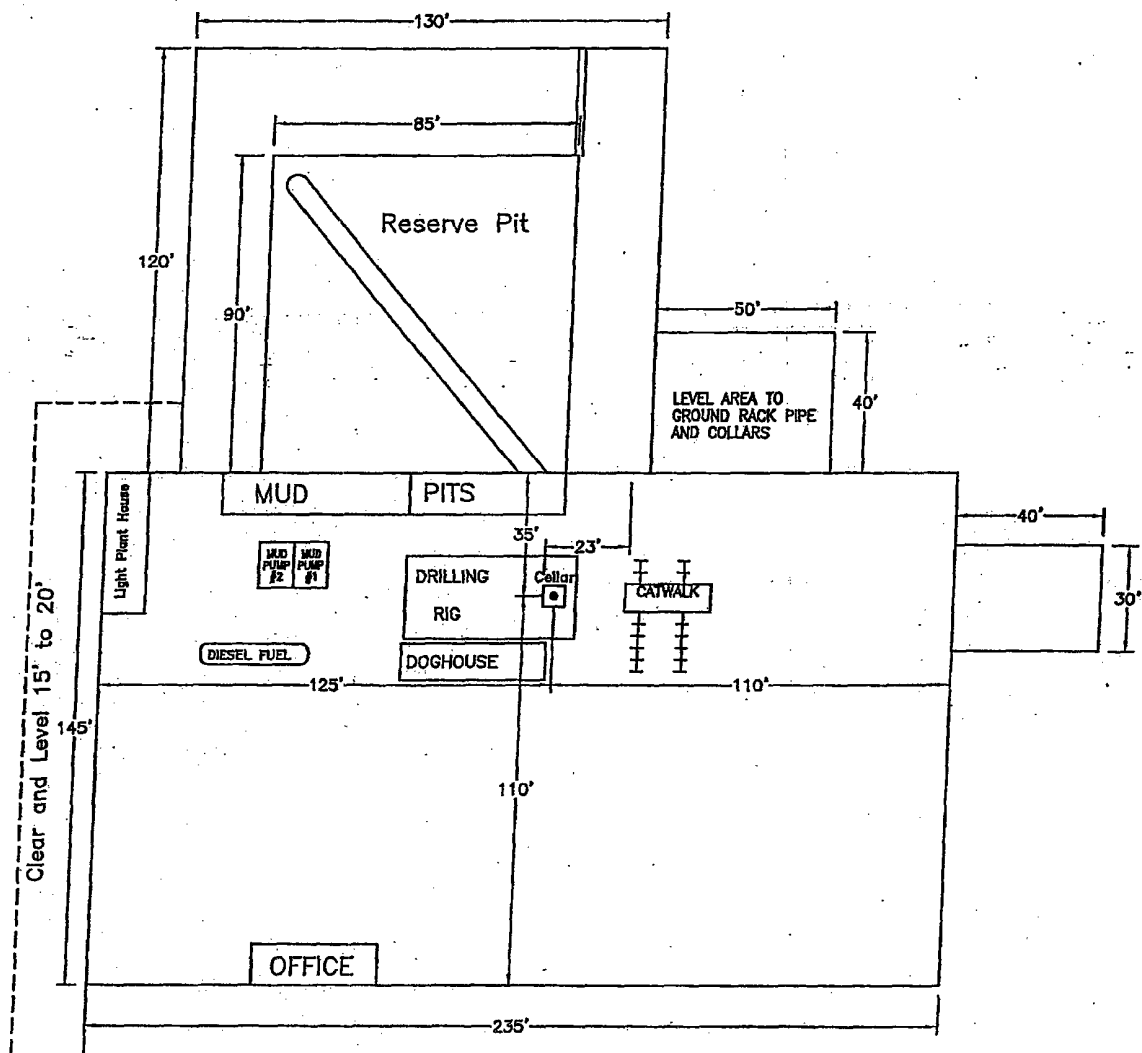
EXHIBIT C

CHOKE MANIFOLD DIAGRAM



MANIFOLD
3000 #W.P.

- ☒ Manual
- ☐ Hydraulic



H2S DRILLING OPERATIONS PLAN

ConocoPhillips, Inc. will comply with Onshore Order No. 2 and No. 6 for working in an H2S environment or a potential H2S environment.

I. Hydrogen Sulfide Training

All contractors and subcontractors employed by ConocoPhillips will receive or have received training from a qualified instructor within the last twelve months in the following areas prior to commencing drilling operations on this well.

1. The hazards and characteristics of hydrogen sulfide (H2S)
2. Safety precautions.
3. Operations of safety equipment and life support systems.

In addition, contractor supervisory personnel will be trained or prepared in the following areas:

1. The effect of H2S on metal components in the system, especially where high tensile strength tubulars are to be used.
2. Corrective action and shutdown procedures when drilling or reworking a well, blowout prevention and well control procedures, if the nature of work performed involves these items.
3. The contents and requirements of the contingency plan when such plan is required.

II. H2S EQUIPMENT AND SYSTEMS

1. Safety Equipment

The following minimum safety equipment will be on location:

- A. Wind direction indicators placed near rig floor/mud return lines and at points along the perimeter of the location to allow visibility of at least one indicator from any point on location.
- B. Automatic H2S detection alarm equipment (both audio and visual)
- C. Clearly visible warning signs. Signs will use the words "POISON GAS" and "CAUTION" with a strong color contrast.
- D. Protective breathing equipment will be located in the doghouse and at briefing areas on location.

2. Well Control Systems

A. Blowout Prevention Equipment

Equipment includes but is not limited to:

1. Pipe rams to accommodate all pipe sizes
2. Blind rams
3. Choke manifold
4. Closing Unit
5. Flare line and means of ignition

B. Communication

The rig contractor will be required to have two-way communication capability. ConocoPhillips will have either land-line, satellite phone, microwave phone, or mobile (cellular) telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight, safe drilling practices and the use of H₂S scavengers when appropriate will minimize hazards when penetrating H₂S bearing zones.

D. Drill Stem Tests

Any planned drill stem test will be cancelled if H₂S is detected prior to such test. In the event that H₂S is detected during testing, the test will be terminated immediately.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
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-144
June 1, 2004

For drilling and production facilities submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: <u>CONOCOPHILLIPS CO.</u> Telephone: <u>(832)486-2326</u> e-mail address: <u>deborah.marberry@conocophillips.com</u>		
Address: <u>P.O. BOX 2197 WL3 6108 HOUSTON, TX 77252</u>		
Facility or well name: <u>MCA Unit</u> API#: <u>30-025-3790</u> U or Qtr/Qtr: <u>E</u> Sec <u>28</u> T <u>17S</u> R <u>32E</u>		
County: <u>LEA</u> Latitude <u>671,380.4</u> Longitude <u>657,968.9</u> NAD: 1927 <input checked="" type="checkbox"/> 1983 <input type="checkbox"/> Surface Owner Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume _____ bbl	Below-gradetank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	100 feet or more	(0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.) <u>>1000</u>	Yes	(20 points)
	No	(0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) <u>>1000</u>	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more	(0 points)
Ranking Score (Total Points)		

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-gradetank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: 03/28/2006

Printed Name/Title: DEBORAH MARBERRY REGULATORY ANALYST


Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title: PETROLEUM ENGINEER

Signature: [Signature]

Date: MAY 30 2006

 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

Sent: Tue 5/30/2006 7:56 AM

None of these appear on Jane's list and all have blankets.

From: Mull, Donna, EMNRD
Sent: Tuesday, May 30, 2006 7:43 AM
To: Phillips, Dorothy, EMNRD
Cc: Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD
Subject: Financial Assurance Requirement

Dorothy,

Is the Financial Assurance Requirements for these Operators OK?

ConocoPhillips C (217817)
Pride Energy Co (151323)
Plantation Operating LLC (237788)
XTO Energy Inc (5380)
Mewbourne Oil Co (14744)
Yates Petroleum Corp (25575)
John H Hendrix Corp (12024)

I have check the Inactive well list for each of these Operators.

Please let me know. Thanks and have a good day. Donna.