Form 3160-3
(April 2002)

OCD-HOBBS

F-06-20

copy

FORM APPROVED
OMB No. 1004-0136
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
LC 057210

6. If Indian, Allottee or Tribe Name

1a. Type of Work: [X] DRILL [ ] REENTER

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

1b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [ ] Single Zone [X] Multiple Zone

8. Lease Name and Well No.
MCA UNIT 403 (31422)

2. Name of Operator
CONOCOPHILLIPS CO.

9. API Well No.
30-025-37940 (21781)

3a. Address P.O. BOX 2197 WL3 6108 HOUSTON, TX 77252

3b. Phone No. (include area code)
(832)486-2326

10. Field and Pool, or Exploratory
MALJAMAR; GRAYBURG SAN AN

4. Location of Well (Report location clearly and in accordance with any State requirements.*)
At surface 2540' FNL & 1420' FEL SWNE
At proposed prod. zone

ROSWELL CONTROLLED WATER BASIN
Unit G

11. Sec., T., R., M., or Blk, and Survey or Area
G Sec: 28 Twn:17S Rng: 32E

14. Distance in miles and direction from nearest town or post office*

12. County or Parish
LEA

13. State
NEW MEXI

15. Distance from porposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
		40
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
	4200	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
3975'	06/01/2006	

24. Attachments

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

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

25. Signature	Name (Printed/Typed)	Date
Deborah Marberry	DEBORAH MARBERRY	03/13/2006

Title
REGULATORY ANALYST

Approved by (Signature)	Name (Printed/Typed)	Date
/s/ James Stovall	/s/ James Stovall	JUN 0 8 2006

Title	Office
Acting FIELD MANAGER	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 fradulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

APPROVAL FOR 1 YEAR

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 thi 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.

Witness Surface Casing

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

Received
Hobbs OCD
2006

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-37940	43329	Maljamar Grayburg/San Andres

Property Code	Property Name	Well Number
31422	MCA UNIT	403

OGRID No.	Operator Name	Elevation
217817	CONOCOPHILLIPS	3975'

Surface Location

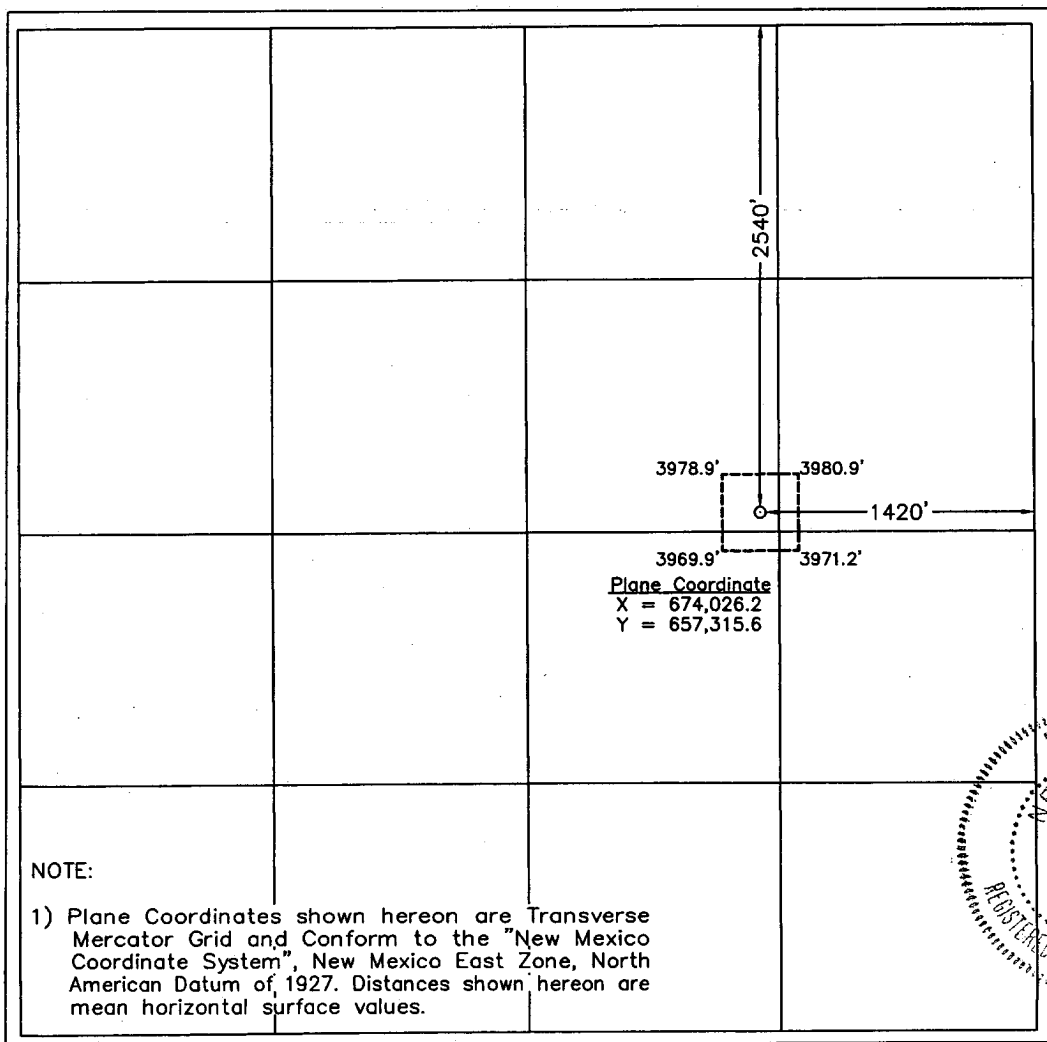
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	28	17 S	32 E		2540	NORTH	1420	EAST	LEA

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	Joint or Infill	Consolidation Code	Order No.
40			

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



NOTE:

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.

OPERATOR CERTIFICATION

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

Signature

Deborah Marberry
Printed Name

Regulatory Analyst
Title

3/28/2006
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my upervison and that the sam s true and orrect to the best of my belief.

December 30, 2005
Date Surveyed

LVA
Signature & Seal of Professional Surveyor

12185

W.O. Num. 2005-1242

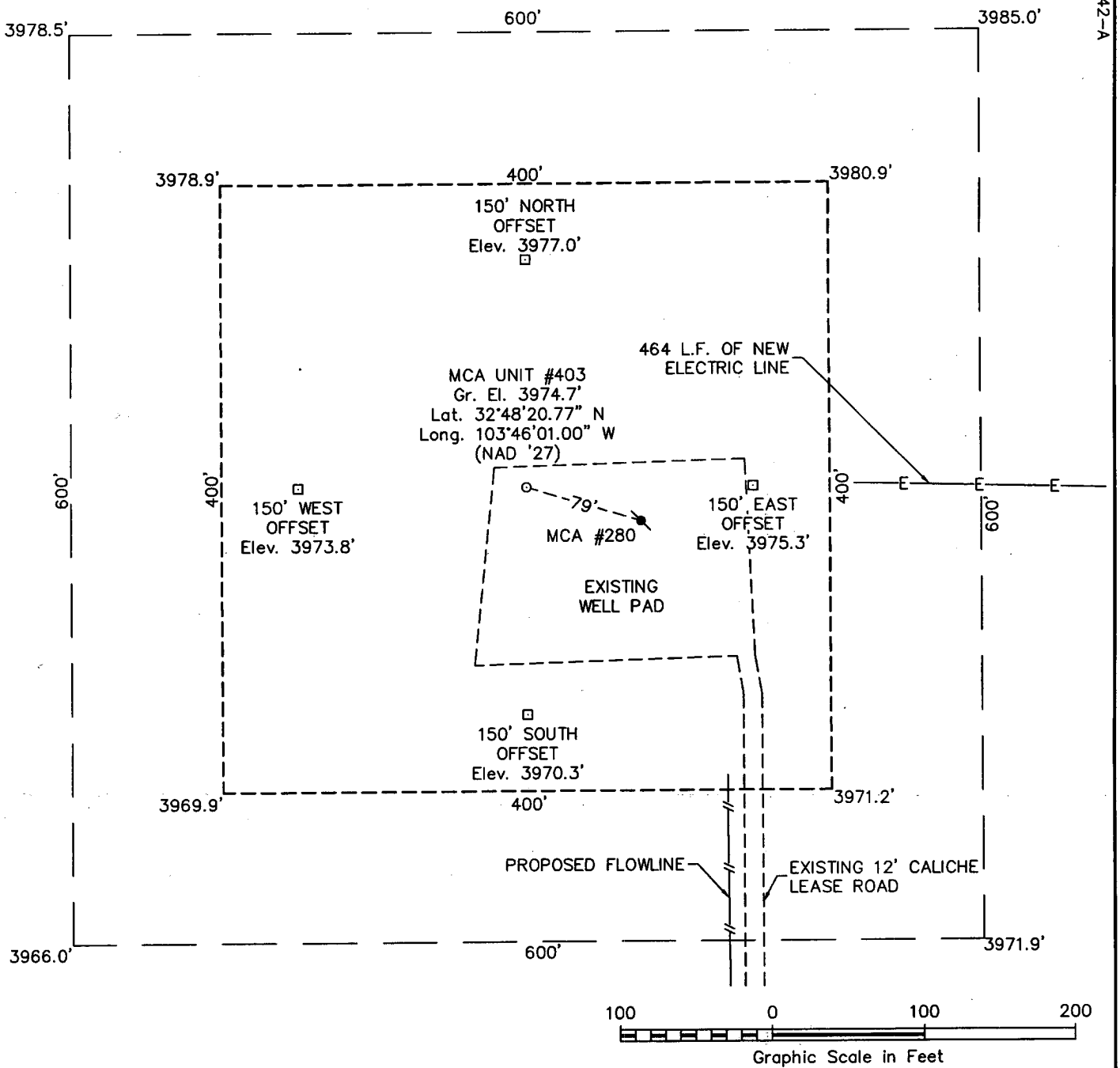
Certificate No. MACON McDONALD 12185

SECTION 28, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.

LEA COUNTY

NEW MEXICO

L-2005-1242-A



DRIVING DIRECTIONS

FROM THE INTERSECTION OF U.S. HIGHWAY 82 AND STATE HIGHWAY 33 IN MALJAMAR, NM GO SOUTH ON SAID STATE HIGHWAY 33, 3.6 MILES TO A LEASE ROAD ON THE RIGHT (WEST) SIDE OF SAID HIGHWAY, THEN GO WEST ALONG SAID LEASE ROAD 0.2 MILE TO A POINT, THEN TURN RIGHT (NORTH) ON ANOTHER LEASE ROAD, 0.1 MILE TO PROPOSED LOCATION.

CONOCOPHILLIPS

MCA UNIT #403

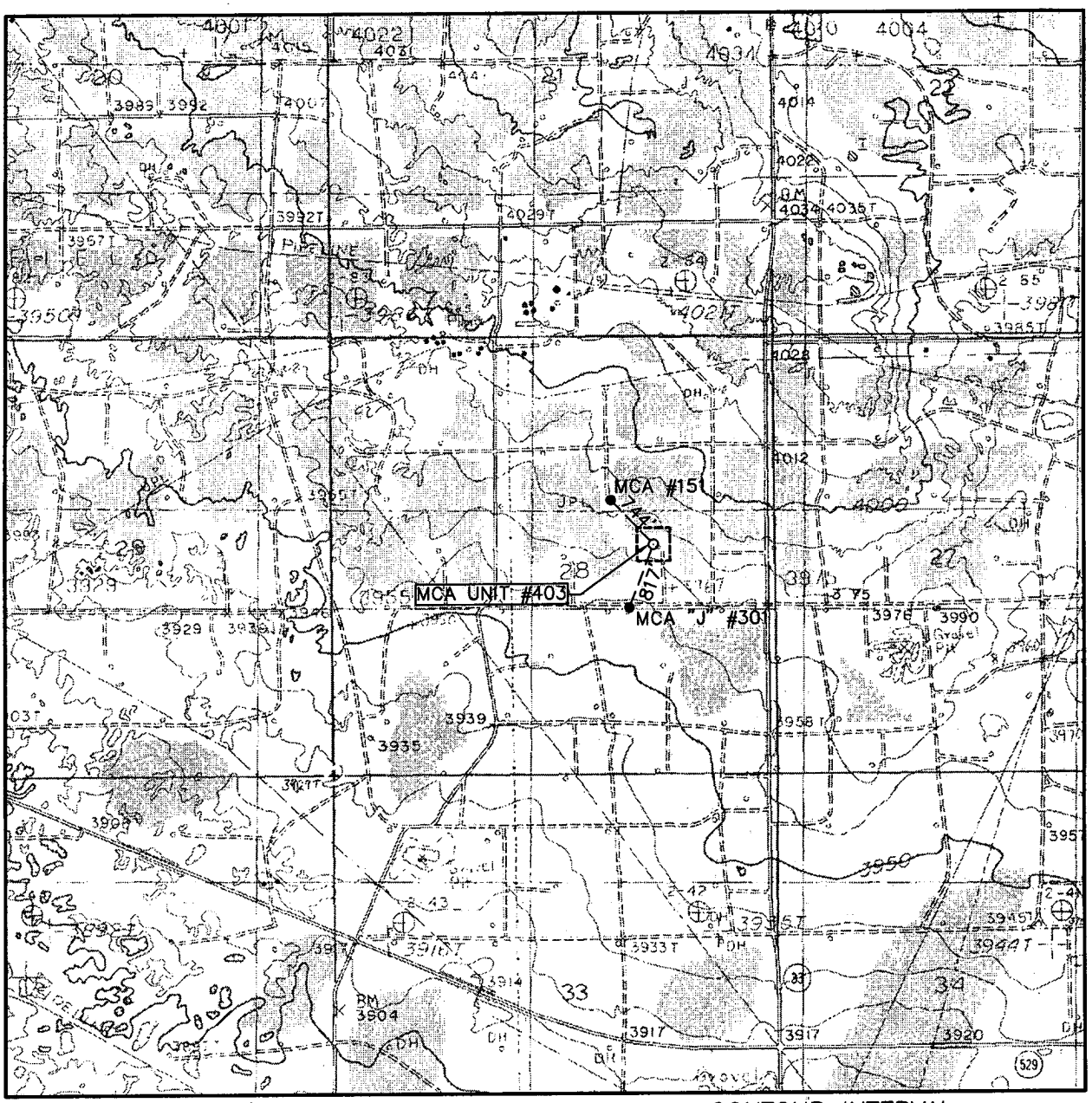
Located 2540' FNL & 1420' FEL, Section 28
Township 17 South, Range 32 East, N.M.P.M.
Lea County, New Mexico

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: 2005-1242	Dwg. No.: L-2005-1242-A

WEST COMPANY of Midland, Inc.

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MALJAMAR – 10'

SEC. 28 TWP. 17–S RGE. 32–E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2540' FNL & 1420' FEL

ELEVATION 3975'

OPERATOR CONOCOPHILLIPS

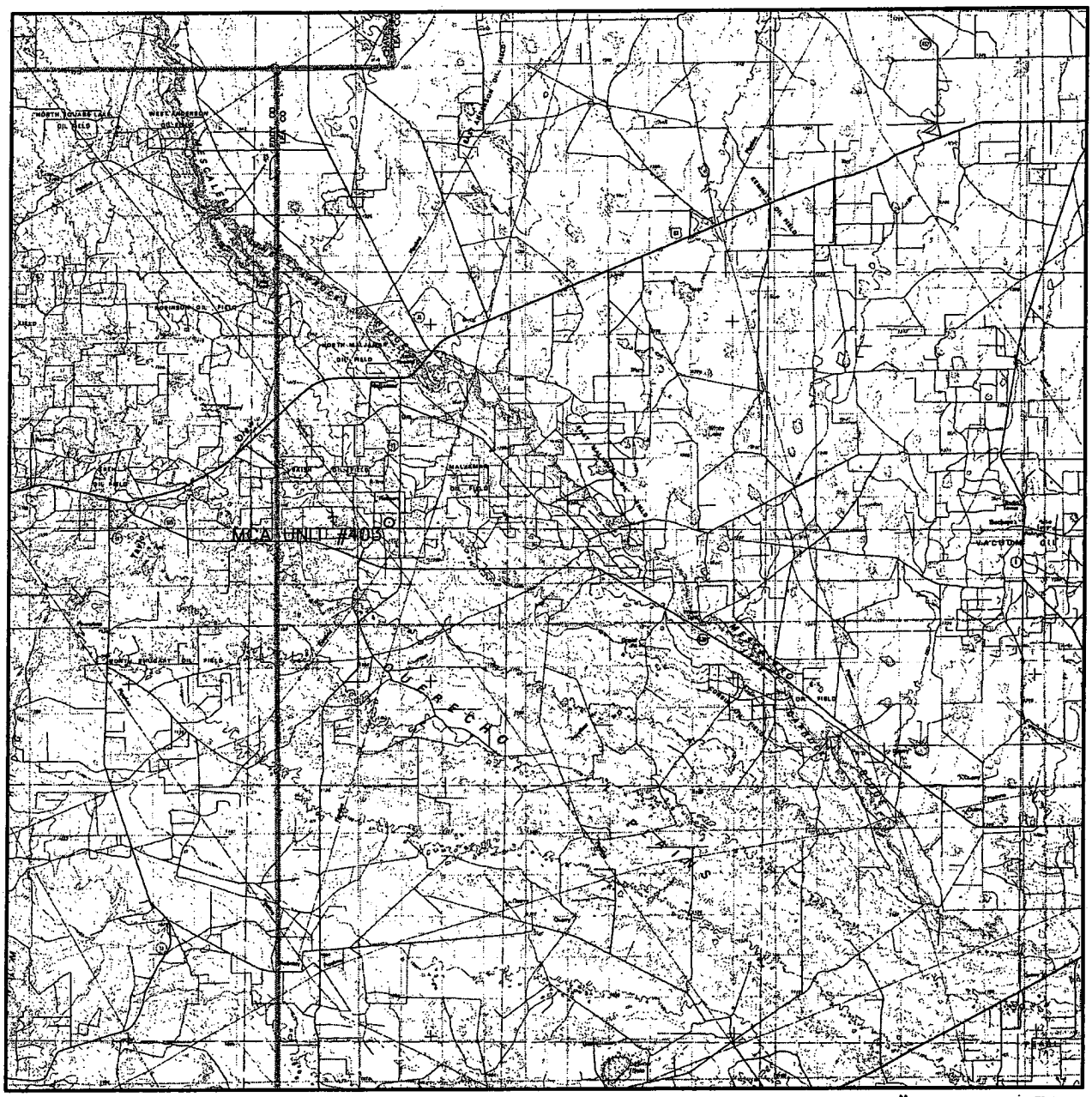
LEASE MCA UNIT

U.S.G.S. TOPOGRAPHIC MAP
MALJAMAR

WEST COMPANY of Midland, Inc.

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

VICINITY MAP



SCALE: 1" = 4 MILES

SEC. 28 TWP. 17-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2540' FNL & 1420' FEL

ELEVATION 3975'

OPERATOR CONOCOPHILLIPS

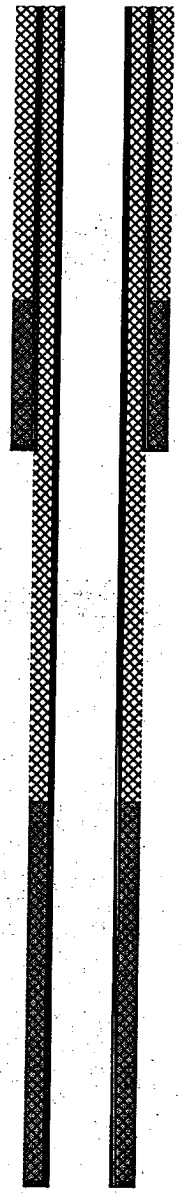
LEASE MCA UNIT

NORTH

WEST COMPANY of Midland, Inc.

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

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

MCA 393, 395, & 403 (Producers) Schlumberger Cement Calculations			
	Surf. Csg	Int. Csg	Prod. Csg
OD	13.375	8.625	5.5
ID	12.615	7.89	4.892
Depth	850	3100	4200
Hole Diam	17.5	12.25	7.875
% Excess Lead	100	100	200
% Excess Tail	100	0	125
Lead Yield	1.97	1.94	2.54
Tail Yield	1.73	1.73	1.36
Ft of Tail Slurry	300	700	1200
Top of Tail Slurry	550	2400	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	bbls	cuft	sx
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	bbls	cuft	sx
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	4.3
Tail Total				84.4	473.8	348.4

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

Lead Cement			
Cement Recipe	35:65 Poz Class C Cement		
	CemNET in first 100 bbls		
	+ 5% Salt (bwow)		
	+ 6% Bentonite Gel		
	+ 2% Calcium Chloride		
	+ 0.25 lb/sx Celloflake		
Cement Volume		388	sx
Cement Yield		1.97	cuft/sx
Slurry Volume		764.4	cuft
		136.1	bbls
Cement Density		12.8	ppg
Water Required		10.54	gal/sx

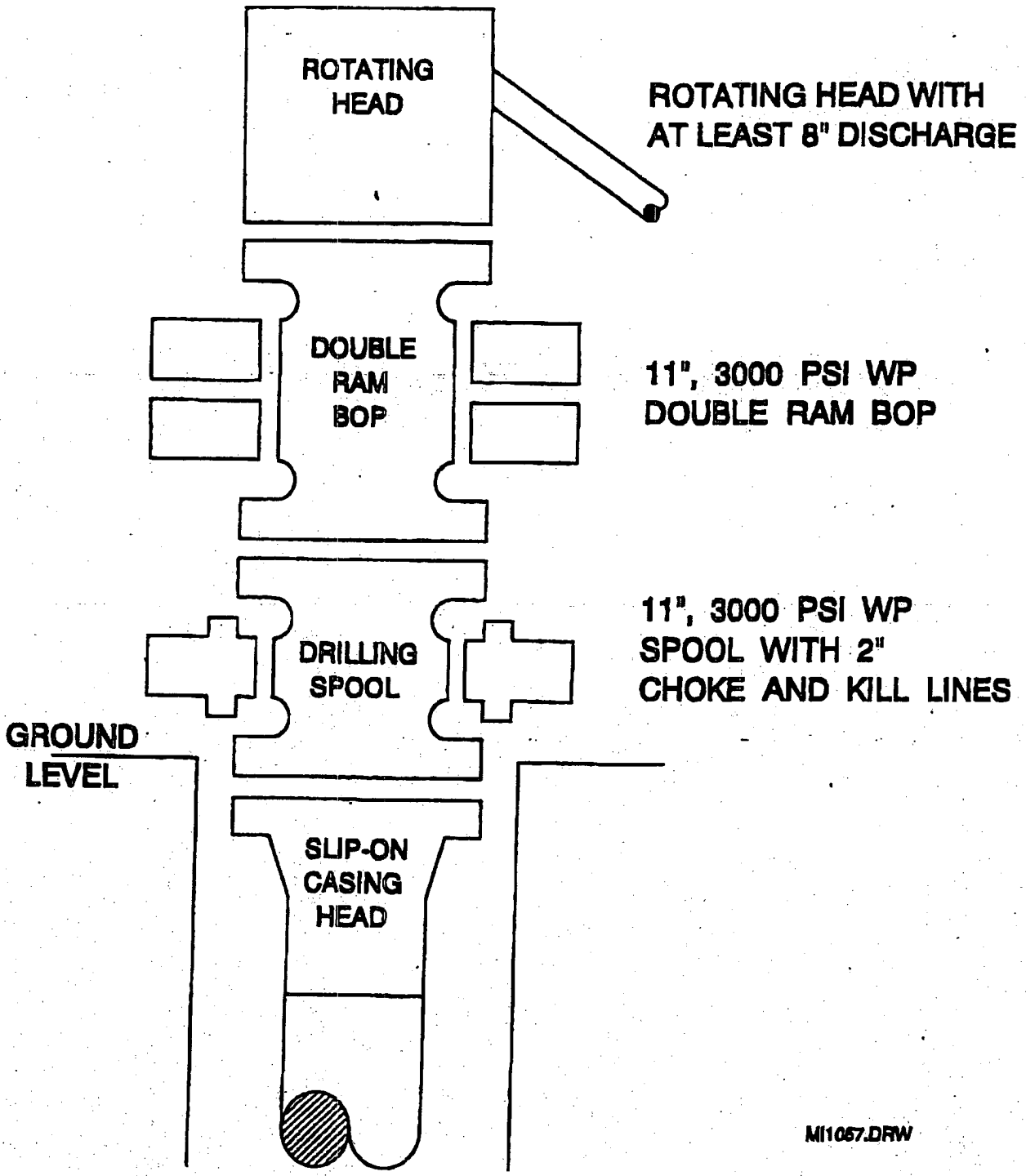
Tail Cement			
Cement Recipe	15:85 Poz Class C Cement		
	+ 2% Calcium Chloride		
	+ 5% Salt (bwow)		
	+ 3% Bentonite		
	+ 0.25 lb/sx Celloflake		
Cement Volume		271	sx
Cement Yield		1.73	cuft/sx
Slurry Volume		456.0	cuft
		81.2	bbls
Cement Density		13.5	ppg
Water Required		8.9	gal/sx

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

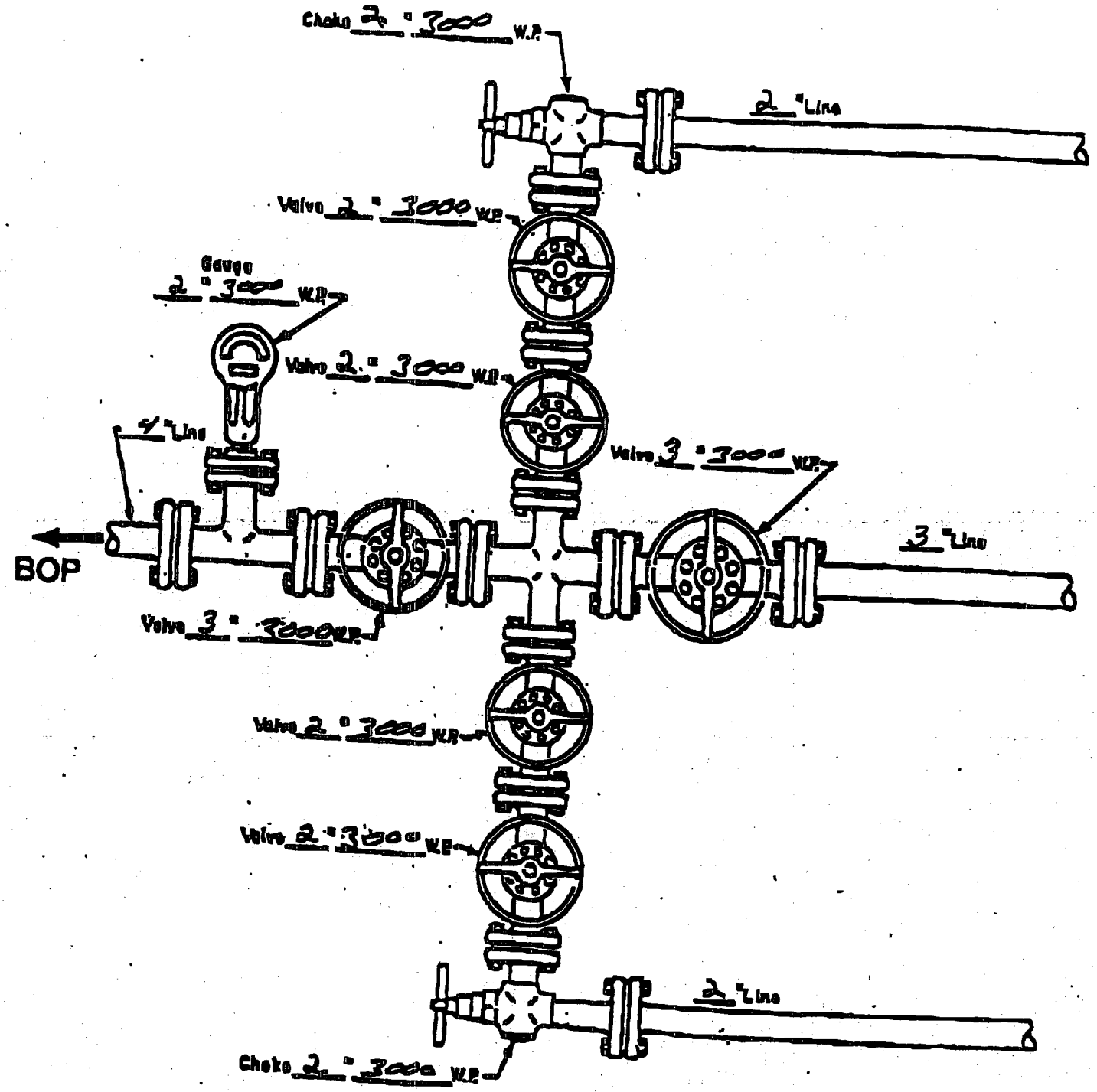
Lead Cement		
Cement Recipe	50:50 Poz Class C	
	CemNET in first 100 bbls	
	+ 5% Salt (bwow)	
	+ 10% Bentonite	
	+ 0.3% Uniflac	
	+ 0.2% TIC Dispersant	
	+ 0.25 lb/sx Celloflake	
Cement Quantity	675	sx
Cement Yield	2.54	cuft/sx
Cement Volume	764.4	cuft
	136.1	bbls
Cement Density	11.8	ppg
Water Required	14.71	gal/sx

Tail Cement		
Cement Recipe	50 / 50 POZ Class H Cement	
	+ 2% Bentonite	
	+ 5% Salt (bwow)	
	+ 0.4% Uniflac	
	+ 0.4% TIC Dispersant	
Cement Quantity	348	sx
Cement Yield	1.36	cuft/sx
Cement Volume	473.8	cuft
	84.4	bbls
Cement Density	14.2	ppg
Water Required	6.32	gal/sx

BOP SPECIFICATIONS



CHOKE MANIFOLD DIAGRAM



MANIFOLD
3000 #W.P

☒ Manual
☐ Hydraulic

STANDARD RIG LAYOUT

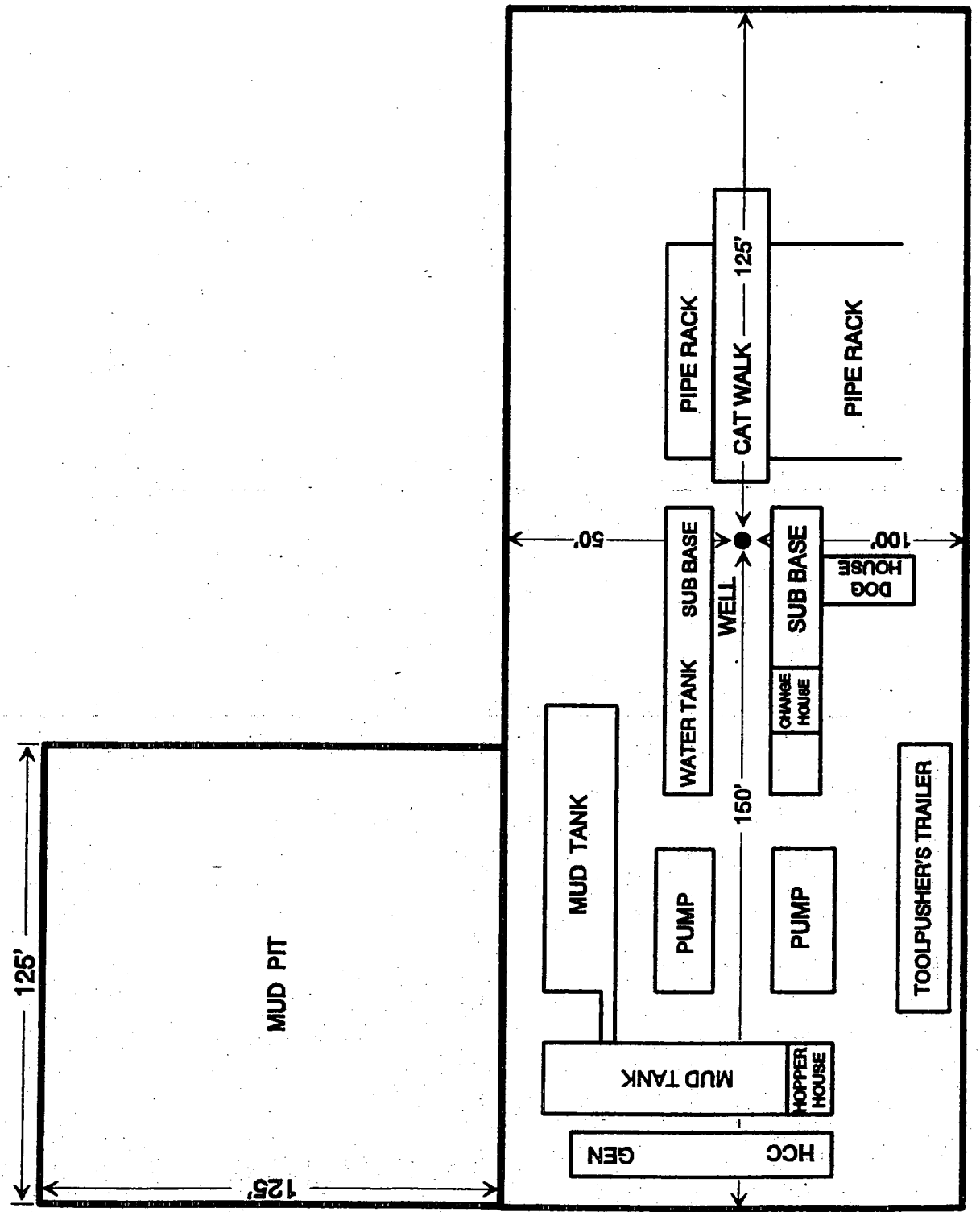
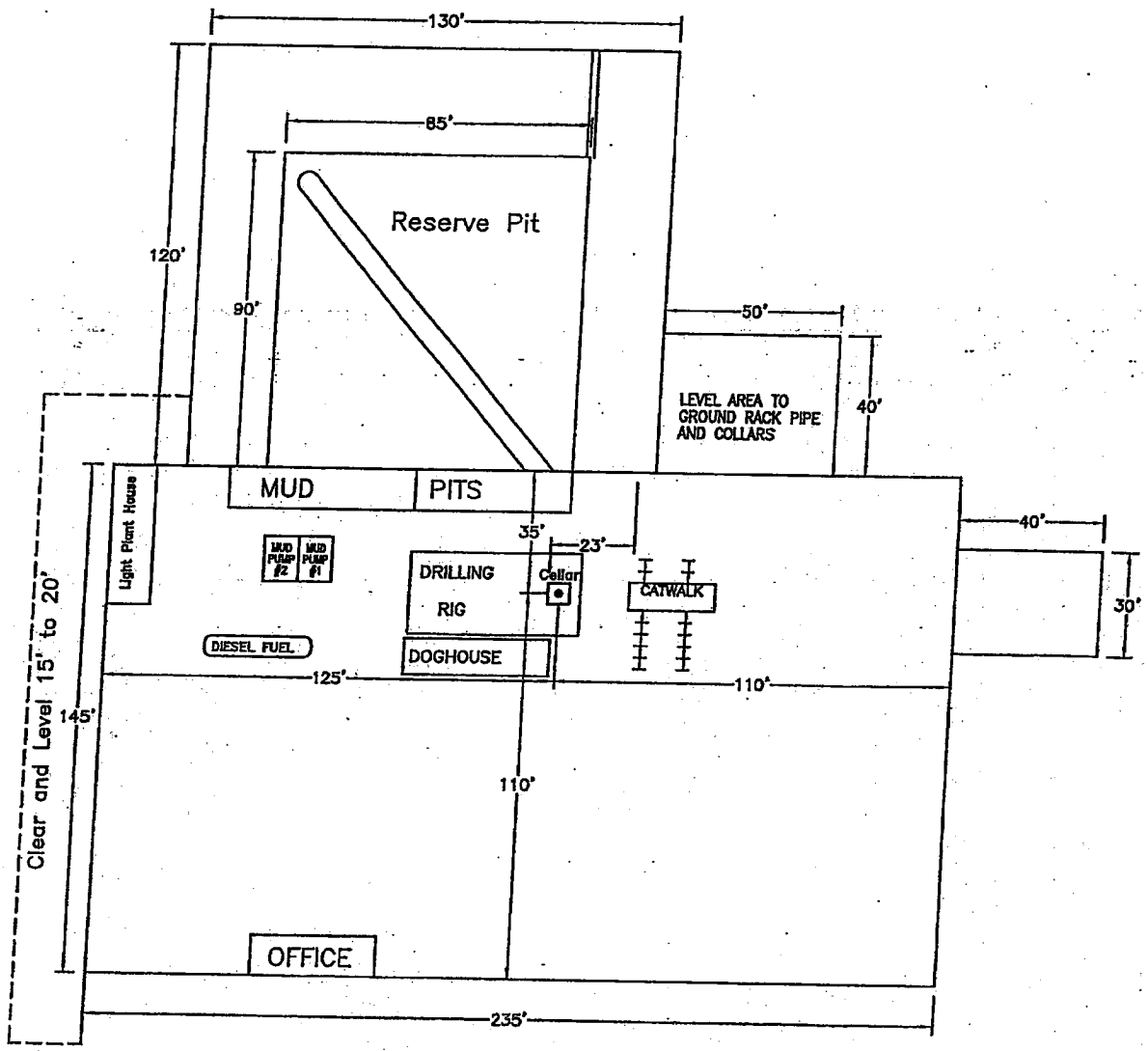


EXHIBIT C

ConocoPhillips



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.

RESERVE PIT CONSTRUCTION STANDARDS

The reserve pit shall be constructed entirely in cut material and lined with 6-mil plastic. Mineral material extracted from within the boundary of the APD during construction of the well pad and reserve pits and be used for the construction of this well pad and its immediate access road only, as long as that portion of the access road it is use on remains on-lease. Removal of any additional material from this location for construction or improvement of other well pads and other access or lease roads must first be purchased from BLM.

Reclamation: Reclamation of this type of deep pit will consist of pushing the pit walls into the pit when sufficiently dry to support track equipment. The pit liner is NOT TO BE RUPTURED to facilitate drying; a ten month period after completion of the well is allowed for drying of the pit contents.
The pit area must be contoured to the natural terrain with all contaminated drilling mud buried with at least 3 feet of clean soil. The reclaimed area will then be seeded as specified in this permit.

OPTIONAL PIT CONSTRUCTION STANDARDS

The reserve pit may be constructed in predominantly fill material if:

(1) Lined as specified above and

(2) A temporary or emergency pit may be constructed immediately adjacent to the reserve pit as long as the pit remains within the APD boundary. Mineral material removed from this pit may be used for the construction of this well pad only and its immediate access road, as long as that portion of the access road the material is used on remains on-lease. Removal of any material from the APD boundary for use on other well locations or roads must first be purchased from BLM.

Reclamation of the reserve pit consists of bulldozing all reserve pit contents and contaminants into the borrow pit and covering with a minimum of 3 feet of clean soil material. The entire area must be re-contoured, all trash removed, and reseeded as specified in this permit.

CULTURAL

Whether or not an archaeological survey has been completed and notwithstanding that operations are being conducted as approved, the lessee/operator/grantee shall notify the BLM immediately if previously unidentified cultural resources are observed during surface disturbing operations. From the time of the observation, the lessee/operator/grantee shall avoid operations that will result in disturbance to these cultural resources until directed to process by BLM.

TRASH PIT STIPS

All trash, junk, and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

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: CONOCOPHILLIPS CO. Telephone: (832)486-2326 e-mail address: deborah.marberry@conocophillips.com
Address: P.O. BOX 2197 WL3 6108 HOUSTON, TX 77252
Facility or well name: MCA Unit #403 API#: 30-025-37940 U/Lor Qtr/Qtr G Sec 28 T 17S R 32E
County: LEA Latitude 674,026.2 Longitude 657,315.6 NAD: 1927 ☒ 1983 ☐ Surface Owner Federal ☐ State ☐ Private ☐ Indian ☐

Pit	**Below-grade tank**	
Type: Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Pit Volume _____ bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes ☐ If not, explain why not.	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) 100'	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (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.) >1000	Yes No	(20 points) (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) >1000	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (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 your 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-grade tank 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 Signature Deborah Marberry

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 _____ Date: JUN 15 2006

The sender of this message has requested a read receipt. Click here to send a receipt.

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD **Sent:** Thu 6/15/2006 8:52 AM
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

None appear on Jane's list and all have blanket bonds.

From: Mull, Donna, EMNRD
Sent: Thursday, June 15, 2006 8:46 AM
To: Phillips, Dorothy, EMNRD
Cc: Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD
Subject: Financial Assurance Requirement

Dorothy,

Is the Financial Assurance Requirement for these Operators OK?

Range Operating New Mexico Inc (227588)
Pride Energy Co (151323)
Chevron USA Inc (4323)
ConcoPhillips Co (217817)

I have checked the Inactive well list for each operator.

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