

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. LC 057210
2. Name of Operator ConocoPhillips Company (#217817)	6. If Indian, Allottee or Tribe Name
3a. Address 4001 Penbrook Street Odessa TX 79762	7. If Unit or CA/Agreement, Name and/or No. MCA Unit (#31422)
3b. Phone No. (include area code) (432)368-1667	8. Well Name and No. #407
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2469' FSL & 10' FWL UL "L", Sec. 28, T-17-S, R-32-E	9. API Well No. 30-025-38038
	10. Field and Pool, or Exploratory Area Maljamar; Grayburg-San Andres
	11. County or Parish, State Lea NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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 recompleat 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.)

We request a variance to the requirements for tstg surf. csg. to allow tstg the surf. csg. to 1000# rather than 1500#. We wish to use the rig mud pump to perform the surf. csg. press. tst as it is much less strain on the mud pumps to test to 1000# rather than 1500#, and we feel 1000# is an adequate test for the surf. csg. for these wells.

We also propose the following as an alternative/contingency cmt program for the 5-1/2", 17#, J-55 LTC prod. csg. This will allow the use of a heavier cement, if needed, to control water/gas flow that may occur:

Lead Slurry-50:50 Poz:Class C+5.0% D44 (NaCl) (BWOW)+0.25 lb/sx D29 Cellophane Flake Mix Weight:13.6 ppg, Yield:1.49 cuft/sx, Mix Water:7.39 gal/sx. Est. vol.-750sx, but will be adjusted based on caliper if caliper log is available. Planned/estimated btm.: 3000' MD RKB. Planned top: Surface.

Tail Slurry- 35:65 Poz:Class H+0.4% D65 Dispersant, Mix Weight:16.4 ppg, Yield:0.98 cu.ft./sx, Mix Water:3.71 gal/sx. Est. volume is 480sx, but will be adjusted based on caliper if caliper log is available. Planned bottom: TD (approximately 4450' MD RKB). Planned/Estimated Top: 3000' MD RKB.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Celeste G. Dale		Title Regulatory Specialist	APPROVED SEP 27 2006 LEE BABYAK PETROLEUM ENGINEER
Signature <i>Celeste G. Dale</i>	Date 09/25/06	Office	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by _____		Title _____	Date _____
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.			

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.

(Instructions on page 2)

GWW

ALTERNATIVE CASING & CEMENTING PROGRAM PROPOSAL
MCA 394, MCA 395, MCA 396, MCA 397, & MCA 407

Datum: RKB (12' above ground level)

Conductor

13-3/8" conductor set at 40' to 80' with rat hole machine

Surface Casing

Size 8 5/8 in
 Wt. 24 ppf
 Grade: J-55 ppf
 Conn: STC ppf

Hole Size 12 1/4 in
 Excess Cmt 150 %
 T.O.C. SURFACE

Surface Casing Shoe set at 850' to 900' MD RKB
 TD of 12-1/4" hole at 865' to 915' MD RKB

Variance requested / proposed to allow us to test
 the Surface Casing to 1000 psi instead of to 1500
 psi.

Production Casing:

Size 5 1/2 in
 Wt. 15.5 or 17 ppf
 Grade: J-55 ppf
 Conn: LTC ppf

Hole Size 7 7/8 in
 Lead Slurry 150 % Excess Cmt on Open Hole Ann Vol
 Tail Slurry 100 % Excess Cmt on Open Hole Ann Vol
 T.O.C. SURFACE

Production Casing Shoe set at 4400' to 4450' MD RKB
 TD of 7-7/8" hole at 4415' to 4465' MD RKB

Production casing cement volumes will be adjusted based on
 open hole caliper log data if available.

11" 5M x 7 1/16" 5M Tubing Head
 8-5/8" SOW x 11" 5M Casing Head

☒ New
☐ Used

Surface Cement

Spacer: 20 bbls fresh water

Lead Slurry: 290 sx
 35/65 POZ:Class C
 + 5% bwow D44 salt
 + 6% D20 bentonite
 + 2% S1 Calcium Chloride
 + 0.25 pps D29 celloflake
 + CemNet if needed.
 Mix Weight = 12.8 ppg,
 Yield = 1.97 cuft/sx yield,
 Mix Water = 10.54 gal/sx
 Top of Lead Slurry at Surface

Tail Slurry: 190 sx
 15:85 POZ:Class C
 + 5% bwow D44 salt
 + 3% D20 bentonite
 + 2% S1 calcium chloride
 + 0.25 pps D29 celloflake
 + CemNet if needed.
 Mix Weight = 13.5 ppg,
 Yield = 1.72 cuft/sx yield,
 Mix Water = 8.87 gal/sx
 Top of Tail Slurry at 550' MD RKB

Production Cement

Spacer: 20 bbls fresh water

Lead Slurry: 750 sx
 50/50 POZ:Class C
 + 5% bwow D44 salt
 + 0.25 pps D29 celloflake
 + CemNet if needed
 Mix Weight = 13.6 ppg,
 Yield = 1.49 cuft/sx yield,
 Mix Water = 7.39 gal/sx
 Top of Lead Slurry at Surface

Tail Slurry: 480sx
 35:65 POZ:Class H
 + 0.4% D65 dispersant
 + CemNet if needed
 Mix Weight = 16.4 ppg,
 Yield = 0.98 cuft/sx yield,
 Mix Water = 3.71 gal/sx
 Top of Tail Slurry at 3000' MD RKB

Displacement: 2% KCL
 or Fresh Water

Schematic prepared by:
 Steven O. Moore, Drilling Engineer
 21-September-2006