Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OM B 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.*

5. Lease Serial No.
LC 057210

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
MCA Unit (#31422)

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

8. Well Name and No.
#397

2. Name of Operator
ConocoPhillips Company (#217817)

9. API Well No.
30-025-37939

3a. Address
4001 Penbrook Street Odessa TX 79762

3b. Phone No. *(include area code)*
(432)368-1667

10. Field and Pool, or Exploratory Area
Maljamar; Grayburg-San Andres

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1890' FNL & 660' FWL
UL "E", Sec. 28, T-17-S, R-32-E

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			
[X] 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
	[X] 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.)

Per the attached wellbore diagrams, ConocoPhillips wishes to request approval to revise the initial approved cement program for this well to:

- Contingency plan for two-state cementing with external casing packers

- Replacement of 13.6 ppg lead cement with 11.8 ppg lead slurry cement, in both single-stage and two-stage programs

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Received
OCT
OCD
HOBBS

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Celeste G. Dale

Title Regulatory Specialist

Signature Celeste G. Dale

Date 10/18/06

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.

Office

APPROVED
OCT 23 2006
FREDERICK WRIGHT
PETROLEUM ENGINEER

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

ConocoPhillips

ALTERNATIVE CASING & CEMENTING PROGRAM PROPOSAL

MCA 394, MCA 396, MCA 397

Datum: RKB (12' above ground level)

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

Conductor

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

Surface Casing

[X] New
[ ] Used

Size 8 5/8 in
Wt. 24 ppf
Gtrade: 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 / propoposed to allow us to test the Surface Casing to 1000 psi instead of to 1500 psi.

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: 515 sx
50/50 POZ:Class C
+ 5% bwow D44 salt
+ 10% D20 bentonite
+ 0.2% D167 Fluid Loss Additive
+ 0.2% D65 Dispersant
+ 0.25 pps D29 celloflake
+ CemNet if needed
Mix Weight = 11.8 ppg,
Yield = 2.54 cuft/sx yield,
Mix Water = 14.71 gal/sx
Top of Lead Slurry at Surface

Tail Slurry: 360 sx
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 3170' MD RkB

Displacement: 2% KCL or Fresh Water

Production Casing:

[X] New
[ ] Used

Size 5 1/2 in
Wt. 15.5 or 17 ppf
Gtrade: 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.

Schematic prepared by:
Brady Littleton, Development Engineer
16-October-2006

ConocoPhillips

MCA 394, MCA 396, MCA 397
CONTINGENCY CASING & CEMENTING PROGRAM

Datum: RKB (12' above ground level)

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

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

Surface Casing

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

[X] New
[ ] Used

Hole Size 12 1/4 in
Excess Cmt 182 %
T.O.C. SURFACE

Surface Casing Shoe set at 850' - 900' MD RKB
TD of 12-1/4" hole at 860' - 915' MD RKB

Surface Cement

Spacer: 20 bbls fresh water

Lead Slurry:
340 sx 35/65 POZ:Class C
+ 5% bwow D44 salt
+ 6% D20 bentonite
+ 2% S1 Calcium Chloride
+ 0.25 pps D29 celloflake
+ CemNet in first 50 bbls of lead slurry
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:
200 sx 15:85 POZ:Class C
+ 5% bwow D44 salt
+ 3% D20 bentonite
+ 2% S1 calcium chloride
+ 0.25 pps D29 celloflake

Mix Weight = 13.5 ppg,
Yield = 1.73 cuft/sx yield,
Mix Water = 8.90 gal/sx
Top of Tail Slurry at 568' MD RKB

Displace with Fresh Water.

Production Cement
Stage 2:

Spacer: 20 bbls fresh water

Stage 2 Lead Slurry:
1000-1200 sx 50/50 POZ:Class C
+ 5% bwow D44 salt
+ 10% D20 bentonite
+ 0.2% D167 Fluid Loss Additive
+ 0.2% D65 Dispersant
+ 0.25 pps D29 celloflake
+ CemNet in first 50 bbls of lead slurry
Mix Weight = 11.8 ppg,
Yield = 2.54 cuft/sx yield,
Mix Water = 14.71 gal/sx
Top of Lead Slurry at Surface

Stage 2 Tail Slurry:
100 sx Class C Neat
Mix Weight = 14.8 ppg,
Yield = 1.32 cuft/sx yield,
Mix Water = 6.31 gal/sx
Top of Tail Slurry at 2742' MD RkB

Stage 2: Displace with Fresh Water

Production Casing:

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

[X] New
[ ] Used

Hole Size 7 7/8 in
Stage 2: 400 % Excess Cmt
Stage 1: 97 % Excess Cmt
T.O.C. SURFACE

Wiper Plug

Stage Tool at ~2970'-3020' MD RKB

External Casing Packer immediately below Stage Tool at ~2970'-3020' MD RKB

Stage 1

Spacer: 20 bbls fresh water

Stage 1 Slurry:
500 sx 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 ~ 2992' MD RkB

Stage 1 Displacement: Fresh Water and/or Brine/Mud

Waterflow at approximately 3600'-3700' MD RKB

External Casing Packer at ~3700' - 3750' MD RKB

Production Casing: 5-1/2" 17# J-55 LTC
Float Collar at ~4340' - 4390'
Float Shoe at ~4390' - 4440'

TD of 7-7/8" hole at ~4400' - 4450' MD RKB

Schematic prepared by:
Brady Littleton, Development Engineer
17-October-2006

SUNDRY NOTICE SPECIAL STIPULATIONS

1. Approval is granted for the following changes to the original APD:

A. Change in surface casing from 13 3/8 inch to 8 5/8 inch

B. Change in weight of the lead cement slurry on the 5 ½ inch production casing from 13.6 ppg to 11.8 ppg and

C. Establishment of an alternate two stage cementing program for the production casing.

Engineering
can be reached at 505-706-2779 for any variances that might be necessary.