OCD-HOBBS

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
LC059001

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
MCA Unit #370

2. Name of Operator **ConocoPhillips Company ATTN: Celeste Dale**

9. API Well No.
30-025-29852

3a. Address
4001 Penbrook, Odessa, Texas 79762

3b. Phone No. *(include area code)*
432-368-1244

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

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Unit Letter G; 1,425 FNL & 1,462 FEL, Section 33, T-17-S, R-32-E

11. County or Parish, State
Lea, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ 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
	☐ 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.)

See attached wellbore diagrams & proposed plugging procedure.

Received
Hobbs
OCD

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
James F. Newman, P.E. Title **Engineer, Triple N Services, Inc. 432-687-1994**

Signature Date **10/23/2006**

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
NOV 2 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)

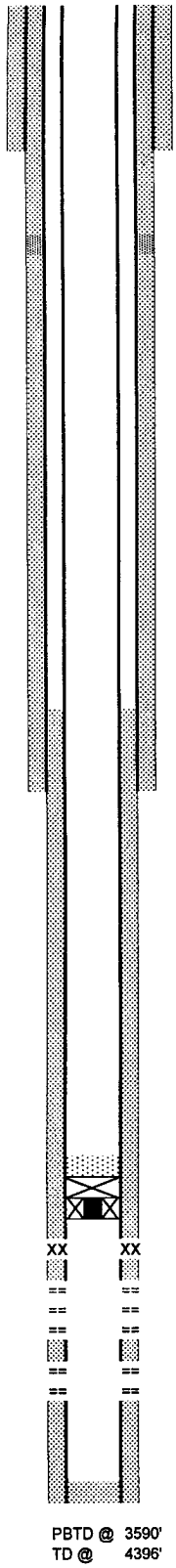
GWW

WELLBORE SKETCH

ConocoPhillips Company -- Permian Basin Business Unit

Date: April 13, 2006

RKB @ 3950.5'
DF @ 3949.5'
GL @ 3935.0'



17-1/2" Hole

13-3/8" 61# J-55 @ 403', circ 47 sx
Cmt'd w/ 200 sx lead cmt, tail w/ 150 sx cmt

DV Tool @ 735'

11" Hole

Top Salt @ 1,100'

TOC 5-1/2" csg @ 2,100' by T.S.
Base Salt @ ~2,300'

8 5/8" 32# K-55 @ 2,316'
Cmt'd 1st Stage: 700 sx lead, 35 sx tail, circ 13 sx
Cmt'd 2nd Stge: 375 sx, circ 106 sx

7-7/8" Hole

CIBP @ 3,625' w/ 35' cmt
Cement Retainer @ 3,650'

XX XX 3710-3860 - 1 JSPF = SQZ HOLES
Grayburg 6th
3919 3922 3925 3949
3953 3957 3961 3976
3993 3997 4013 - Sqz'd & re-perforated
San Andres 7th
4106 4108 4118 4125
4130 4143 4160 4162 - 1 JSPF

DV Tool @ 4313'

5-1/2" 17# K-55 @ 4396'
Cmt'd 1st Stage: 51 sx
2nd Stage 325 sx lead
140 sx tail

PBTD @ 3590'
TD @ 4396'

Subarea : Hobbs
Lease & Well No. : MCA Unit **No. 370**
Legal Description : 1425' FNL & 1462' FEL, Sec. 33, T-17-S, R-32-E
County : Lea State : New Mexico
Field : Maljamar (Grayburg-San Andres)
Date Spudded : Mar. 4, 1987 Rig Released: Mar. 16, 1987
API Number : 30-025-29852
Status: Temporarily Abandoned

Stimulation History:

Interval	Date	Type	Gals	Lbs. Sand	Max Press	ISIP	Max Rate	Down
	4/4/87	Shot 2 set squeeze holes @ 3860-3710'						
	4/7/87	**Pump 100 sacks Class H cement**						
	4/14/87	Perf 4108-4162 (select fire) I JSPF						
4108-4162	4/15/87	15% NEFE HCl	16 Bbls			990		
	4/16/87	Hydroxypropyl						
	4/22/87	Set RBP @ 4090'						
	4/22/87	Perf 3919-4013 (select fire) 1 JSPF						
3919-4013	4/22/87	15% NEFE HCl	18 Bbls			1850		
	4/24/87	Set Cmt Retainer @ 3600', pmp 100 sx, drill out cement retainer						
	4/30/87	**Drill out CIBP @ 4072'**						
	5/1/87	Perf 5th & 6th zones 3939-4013 (select fire)						
	5/20/87	Production test: pmp 102 BO, 158 BW						
	2/1/93	**Shut-in due to low production (0 BOPD)**						
		Cum prod. 16.3 MBO, 7.4 MMCF, 449 MBW						
		May be used as a water injector at a later time						
	6/4/93	**Set cement retainer @ 3650', circ pkr fluid**						
		Temporarily Abandon						
	5/24/95	Evaluate for Queen and Yates potential						
	9/11/02	**Cmt retainer leaking - set CIBP @ 3625' w/35' cmt;**						
		TOC @ 3590'						

NOTE: Profile water flow @ 4390' while drilling
Drilling break 3914-3925 w/18 ppm H2S
Drilling break 3946-3953 w/oil show in pits

Formation Tops:

Rustler	995'
Top Salt	1100'
Tansil	2159'
Yates	2318'
Seven Rivers	2666'
Queen	3253'
Grayburg	3623'
Grayburg 6th	3900'
San Andrews	4018'
San Andres U 7th	4025'
San Andres L 7th	4146'
San Andres 9th	4274'

TRIPLE N SERVICES INC.
MIDLAND, TX

ConocoPhillips

Proposed Plugging Procedure

MCA Unit #370
API #30-025-29852
Maljamar (Grayburg-San Andres) Field
Lea County, New Mexico

Casings: 13⅜" 61# casing @ 403' cmt'd w/ 350 sx, circulated
8⅝" 32# casing @ 2,316' cmt'd w/ 1,075 sx (DV tool @ 735'), circulated
5½" 17# casing @ 4,396' cmt'd w/ 465 sx, TOC 2,100' by temperature survey

- TA'd w/ CIBP set @ 3,625' w/ 35' cmt (set 09/11/02) above leaking retainer set @ 3,650' (set 06/04/93)
- Notify BLM & NMOCD 48 hrs prior to move in, and 4 hrs prior to plugs
- Hold daily tailgate safety meetings w/ crews
- Contact NM Digtess (1-800-321-2537, Account # 6778) minimum 48 hrs prior to move-in

1. Set steel pit and flow down well as needed. MIRU plugging equipment. ND wellhead and NU 6" 5,000# hydraulic BOP.

2. RIH w/ 2⅜" workstring, tag PBTD @ ~3,590'. RU cementer and circulate hole w/ plugging mud.

3. POOH w/ tubing to 2,366'. Load hole w/ mud and pump 25 sx C cmt (1.32 ft^3/sk yield, 26.4 ft^3 slurry volume, calculated fill 253' in 5½" 17# casing) 2,366 – 2,113'. POOH w/ tubing. ***Intermediate casing shoe & base of salt plug***

4. RU lubricator and RIH w/ four 1-11/16" link-jet perforating charges on wireline, perforate four 1-11/16" squeeze holes @ 1,100'. POOH w/ wireline, RD lubricator.

5. RIH w/ AD-1 packer to 800'. Set packer and establish rate into perforations at 1,000 psi or less. Squeeze 35 sx C cmt w/ 2% $CaCl_2$ (1.32 ft^3/sk yield, 46.2 ft^3 slurry volume, calculated fill 135' in 8⅝" 32# casing) 1,100 – 965'. WOC & tag this plug no deeper than 1,000'. ***Top of salt plug***

6. RIH w/ four 1-11/16" link-jet perforating charges on wireline, perforate four 1-11/16" squeeze holes @ 785'. POOH w/ wireline.

7. RIH w/ AD-1 packer to 785'. Set packer and establish rate into perforations at 1,000 psi or less. Squeeze 35 sx C cmt (1.32 ft^3/sk yield, 46.2 ft^3 slurry volume, calculated fill 135' in 8⅝" 32# casing) 785 – 650'. ***DV tool plug***

8. RIH w/ four 1-11/16" link-jet perforating charges on wireline, perforate four 1-11/16" squeeze holes @ 453'. POOH w/ wireline.

9. RIH w/ AD-1 packer to 785'. Set packer and establish rate into perforations at 1,000 psi or less. Squeeze 35 sx C cmt w/ 2% $CaCl_2$ (1.32 ft^3/sk yield, 46.2 ft^3 slurry volume, calculated fill 135' in 8⅝" 32# casing) 453 – 318'. WOC & TAG this plug no deeper than 353'. POOH w/ tubing & packer. ***Surface casing shoe plug***

10. RIH w/ four 1-11/16" link-jet perforating charges on wireline, and perforate four squeeze holes @ 50'. POOH w/ wireline. ND BOP, NU wellhead. Circulate 15 sx C cement (1.32 ft^3/sk yield, 19.8 ft^3 slurry volume, calculated fill 58' in 8⅝" 32# casing) 50' to surface. ***surface plug***

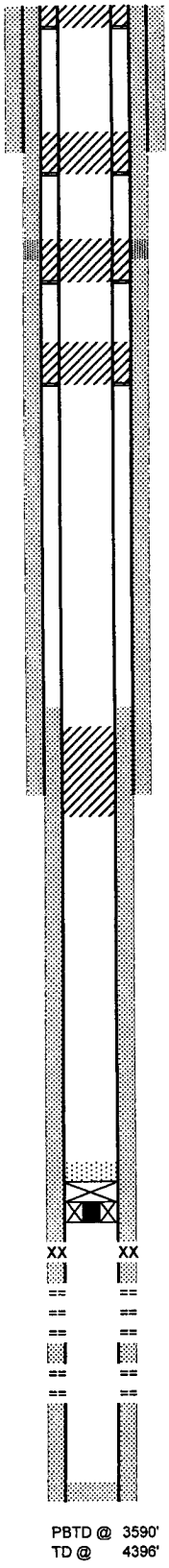
11. RDMO location. Clean steel pit & haul fluids to disposal. Cut off wellhead and anchors, install dry hole marker. Level location. Leave location clean and free of trash.

PROPOSED PLUGGED WELLBORE SKETCH

ConocoPhillips Company -- Permian Basin Business Unit

Date: October 23, 2006

RKB @ 3950.5'
DF @ 3949.5'
GL @ 3935.0'



Perf & sqz 15 sx C cmt 50' to surface circulate cmt

17-1/2" Hole

13-3/8" 61# J-55 @ 403', circ 47 sx
Cmt'd w/ 200 sx lead cmt, tail w/ 150 sx cmt
Perf & sqz 35 sx C cmt 453 - 353' TAG

DV Tool @ 735'
Perf & sqz 35 sx C cmt 785 - 650'

11" Hole

Perf & sqz 35 sx C cmt 1,100 - 1,000' TAG
Top Salt @ 1,100'

TOC 5-1/2" csg @ 2,100' by T.S.
Base Salt @ ~2,300'
25 sx C cmt 2,366 - 2,113'
8 5/8" 32# K-55 @ 2,316'
Cmt'd 1st Stage: 700 sx lead, 35 sx tail, circ 13 sx
Cmt'd 2nd Stge: 375 sx, circ 106 sx

7-7/8" Hole

circulate mud from PBTD

CIBP @ 3,625' w/ 35' cmt
Cement Retainer @ 3,650'

3710-3860 - 1 JSPF = SQZ HOLES
Grayburg 6th
3919 3922 3925 3949
3953 3957 3961 3976
3993 3997 4013 - Sqz'd & re-perforated
San Andres 7th
4106 4108 4118 4125
4130 4143 4160 4162 - 1 JSPF

DV Tool @ 4313'

5-1/2" 17# K-55 @ 4396'
Cmt'd 1st Stage: 51 sx
2nd Stage 325 sx lead
140 sx tail

PBTD @ 3590'
TD @ 4396'

Subarea :	Hobbs
Lease & Well No. :	MCA Unit **No. 370**
Legal Description :	1425' FNL & 1462' FEL, Sec. 33, T-17-S, R-32-E
County :	Lea State : New Mexico
Field :	Maljamar (Grayburg-San Andres)
Date Spudded :	Mar. 4, 1987 Rig Released: Mar. 16, 1987
API Number :	30-025-29852
Status:	Proposed Plugged

Stimulation History:

Interval	Date	Type	Gals	Lbs. Sand	Max Press	ISIP	Max Rate	Down
	4/4/87	Shot 2 set squeeze holes @ 3860-3710'						
	4/7/87	**Pump 100 sacks Class H cement**						
	4/14/87	Perf 4108-4162 (select fire) I JSPF						
4108-4162	4/15/87	15% NEFE HCl	16 Bbls			990		
	4/16/87	Hydroxypropyl						
	4/22/87	Set RBP @ 4090'						
	4/22/87	Perf 3919-4013 (select fire) 1 JSPF						
3919-4013	4/22/87	15% NEFE HCl	18 Bbls			1850		
	4/24/87	Set Cmt Retainer @ 3600', pmp 100 sx, drill out cement retainer						
	4/30/87	**Drill out CIBP @ 4072'**						
	5/1/87	Perf 5th & 6th zones 3939-4013 (select fire)						
	5/20/87	Production test: pmp 102 BO, 158 BW						
	2/1/93	**Shut-in due to low production (0 BOPD)**						
		Cum prod. 16.3 MBO, 7.4 MMCF, 449 MBW						
		May be used as a water injector at a later time						
	6/4/93	**Set cement retainer @ 3650', circ pkr fluid**						
		Temporarily Abandon						
	5/24/95	Evaluate for Queen and Yates potential						
	9/11/02	**Cmt retainer leaking - set CIBP @ 3625' w/35' cmt; TOC @ 3590'**						

TRIPLE N SERVICES INC.
MIDLAND, TX

PROPOSED PLUGGING PROCEDURE

1) circulate mud from PBTD
2) 25 sx C cmt 2,366 - 2,113'
3) Perf & sqz 35 sx C cmt 1,100 - 1,000' TAG
4) Perf & sqz 35 sx C cmt 785 - 650'
5) Perf & sqz 35 sx C cmt 453 - 353' TAG
6) Perf & sqz 15 sx C cmt 50' to surface, circulate cmt to surface

Capacities

5½" 17# csg:	7.661	ft/ft3	0.1305	ft3/ft
7⅞"openhole:	2.957	ft/ft3	0.3382	ft3/ft
8⅝" 32# csg:	2.922	ft/ft3	0.3422	ft3/ft

NOTE:
Profile water flow @ 4390' while drilling
Drilling break 3914-3925 w/18 ppm H2S
Drilling break 3946-3953 w/oil show in pits

Formation Tops:

Rustler	995'
Top Salt	1100'
Tansil	2159'
Yates	2318'
Seven Rivers	2666'
Queen	3253'
Grayburg	3623'
Grayburg 6th	3900'
San Andrews	4018'
San Andres U 7th	4025'
San Andres L 7th	4146'
San Andres 9th	4274'

SUNDRY NOTICE SPECIAL STIPULATIONS

1. Approval is granted to P/A this well with the following modifications to the program:
2. The cement squeeze for the perfs @ 1100' should leave at least 25 sack of cement inside the casing.
3. The surface plug should be at least 25 sacks of cement and 100 feet.
4. The plugs for the Base of the salt and the top of the salt must be tagged.

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

F Wright 11/02/06