

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
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
ConocoPhillips Company

3a. Address 3b. Phone No. (include area code)
3300 N. "A" Street, Bldg. 6 #247 Midland TX 79705 (432)688-6884

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2309' FNL & 765' FWL
UL "E", Sec. 14, T-20-S, R-37-E

5. Lease Serial No.

NM-0557686

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

SEMU #174

9. API Well No.

30-025-38105

10. Field and Pool, or Exploratory Area

Weir; Blinbry E./Monument; Tubb/Weir,

11. County or Parish, State Drinkard/Skaggs;
Lea (Gas)
New Mexico

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 recomple 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 recomple 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 propose setting the Surface Casing @ 1325'-1375' MD RKB rather than 1550' MD RKB. This change is necessary because the current correlation/estimate for the top of the Rustler formation is 1295' MD RKB and the current correlation/estimate for the top of Salado is 1385' MD RKB. It appears that setting the surface casing at 1550' as originally proposed would be too deep and would penetrate into the Salado.

-We propose 300 ft of tail slurry instead of 500 ft of tail slurry on the Surface Casing cement job. The reason for this is to reduce the risk of lost circulation during the cement job.

-We propose the TD for this well to be 7120-7250' and we propose to set the Production Casing @ 7110'-7240' MD RKB instead of 7250' MD RKB. The reason for this is to allow enough rathole below the deepest estimated perforations for the planned pumping completion.

-We propose to use 14.2 ppg cement instead of 13.2 ppg cement for the Tail Slurry on the Production Casing. The reason for this is to provide a better performing cement in the producing interval and to avoid potential problems with mixing the cement that were observed in lab work with the previously proposed 13.2 ppg cement.

A revised diagram with the proposed changes is attached.

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

Celeste G. Dale

Title Regulatory Specialist

Signature

Date 01/22/07

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

JAN 25 2007

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

(Instructions on page 2)

GWW

FEDERICK WRIGHT
PETROLEUM ENGINEER

REVISED CASING & CEMENTING PROGRAM PROPOSAL
SEMU 174

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 100 %
T.O.C. SURFACE

Surface Casing Shoe set at 1325' to 1375' MD RKB
TD of 12-1/4" hole at 1335' to 1385' MD RKB

Production Casing:

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

Hole Size 7 7/8 in
Lead Slurry 190 % Excess Cmt on Open Hole Ann Vol
Tail Slurry 90 % Excess Cmt on Open Hole Ann Vol
T.O.C. SURFACE

Production Casing Shoe set at 7110' to 7240' MD RKB
TD of 7-7/8" hole at 7120' to 7250' MD RKB

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

Schematic prepared by:
Steven O. Moore, Drilling Engineer
22-January-2007

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:
450 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:
200 sx Class C Cement
+ 2% S1 calcium chloride
+ 0.25 pps D29 celloflake
+ CemNet if needed.
Mix Weight = 14.8 ppg,
Yield = 1.34 cuft/sx yield,
Mix Water = 6.29 gal/sx
Length of Tail Slurry: 300'
Top of Tail Slurry at 1025' - 1075' MD RKB

Production Cement

Spacer: 20 bbls fresh water

Lead Slurry:
760 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:
470 sx 50:50 POZ:Class H
+ 5% D44 Salt (bwow)
+ 2% D20 Bentonite
+ 0.4% D167 Fluid Loss Additive
+ 0.4% D65 dispersant
+ CemNet if needed
Mix Weight = 14.2 ppg,
Yield = 1.36 cuft/sx yield,
Mix Water = 6.32 gal/sx
Top of Tail Slurry at 5225' - 5275' MD RKB

Displacement: 2% KCL
or Fresh Water

SUNDRY NOTICE SPECIAL STIPULATIONS

1. Approval is granted for changes in the COA for the casing settings and cementing to read as follows:
2. 8.625" casing will be set **Above the salt; in the case that salt occurs at a shallower depth, at least 25 feet into the Rustler Anhydrite @ approximately 1375 feet,** with cement circulated.
3. 5.5 casing will be set **@ approximately 7240 feet** with cement circulated.
4. The changes in the cementing program are approved as presented in the Sundry.

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

F Wright 1/25/07