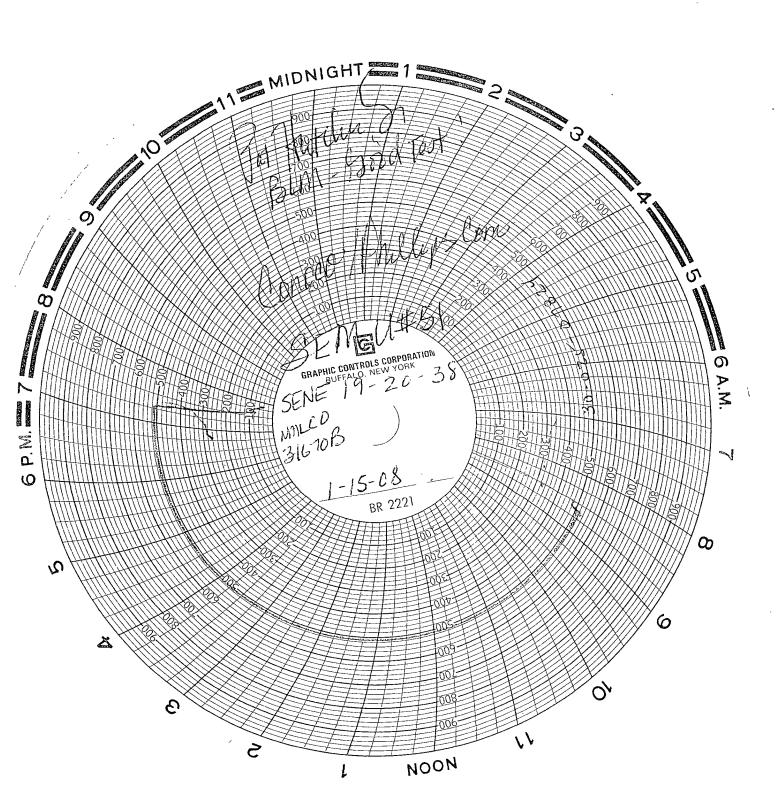
OCD-HOBBS Form 3160-5 FORMAPPROVED OM B No. 1004-0137 Expires: March 31, 2007 ARTMENT OF THE INTERIOR 5. Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS LC 031670B MARDO Rolling this form for proposals to drill or to re-enter an 6. If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. LICATE - Other instructions on reverse side. 7. If Unit or CA/Agreement, Name and/or No. Oil Well Gas Well Other 8. Well Name and No. 2. Name of Operator SEMU McKee Well # 51 ConocoPhillips Company 9. API Well No. 3a. Address 3b. PhoneNo. (include area code) 30-025-07824 3300 N. "A" St., Bldg. 6 #247 Midland TX 79705-540(505)391-3126 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Warren McKee Simpson 🗸 1650 FNL & 330 FEL Sec 19, T20S, R38E Unit letter H 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 _]Deepen Production (Start/Resume) Water Shut-Off _ Alter Casing FractureTreat Reclamation X Well Integrity Casing Repair Subsequent Report Other Change Plans Plug and Abandon Temporarily Abandon Y Final Abandonment Notice Convert to Injection __PlugBack 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.) An MIT was conducted on the above referenced well. Tested to 520 psi for 30 minutes (see attached chart) ACCEPTED FOR RECORD After 5-15-08 the well must be online FEB 2 8 2008 or plans to P & A must be submitted. BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 4A5 Been I hereby certify that the foregoing is true and correct Name (Hrinted/Typed) Jesse A \$osa Title **HSER** Lead Signature 01/28/2008 Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE OC DISTRICT SUPPRISOR/GENERAL MANA Approved by 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 Office 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)



phillips phillips Anabos) Male John Hall 1.15.07



United States Department of the Interior BUREAU OF LAND MANAGEMENT



Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88220 Tel. (505) 234-597 Fax (505) 234-5927

February 15, 2008

ConocoPhillips Company 3300 N. "A" Street, Bldg. 6 Midland, TX. 79705

RE: SEMU McKee No.51 Well

Gentlemen:

Our records indicate that the above well is Shut-in (SI) or Temporarily Abandoned (TA). The Bureau of Land Management (BLM) and Minerals Management Service (MMS) definition of a shut-in well is a completion that is physically and mechanically capable of production in paying quantities or capable of service use. The definition of a temporarily abandoned well is a completion that is not capable of production in paying quantities but which may have value as a service completion. According to our records the well referenced above has been shut-in for 6 months or longer. 43 CFR 3162.3-4 (C) requires that wells incapable of production in paying quantities be promptly plugged and abandoned and requires approval for any well temporarily abandoned for more than 30 days.

Your Sundry Notices are being Approved with the following Condition. You need to submit a plan for these wells within 90 days and do one of the following:

- 1. Return the well to production or beneficial use.
- 2. Submit notice of intent to plug and abandon.

Corrective Action to be Completed as follows:

If you decide to **plug and abandon** the well, submit a Sundry Notice (form 3160-5, original and 5 copies) describe the proposed plugging program.

If you decide to **return the well to production**, submit a Sundry Notice (form 3160-5, original and 5 copies) of intent. Include the date you anticipated the well being placed back in service. 43 CFR 3162.4-1(c) also requires you to notify the Authorized officer, not later than the fifth business day after production is resumed for any well which has been off production for more than 90 days, the date on which such production was resumed. Notification may be by letter or Sundry Notice, or orally followed by letter or Sundry Notice.

If the well is to be used for **beneficial purposes**, submit a Sundry Notice (Form 3160-5, original and 5 copies) include information concerning future use. A brief description of your proposed plans and economic feasibility and an anticipated date for placing the well in beneficial use will suffice. Beneficial use includes, but is not limited to, recompletion to other horizons, conversion to injection for secondary or enhanced recovery, and salt-water disposal or injection.