Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W Grand Ave , Artesia, NM 88210
District III
1000 Rio Brazos Rd , Aztec, NM 87410
District IV
1220 S St Francis Dr , Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
June 19, 2008

WELL API NO. 30-025-39211	
5. Indicate Type of Lease STATE ☒ FEE ☐	
6. State Oil & Gas Lease No.	
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)	7. Lease Name or Unit Agreement Name: State D-15
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 02
2. Name of Operator: ConocoPhillips Company	9. OGRID Number 217817
3. Address of Operator: P.O. Box 51810, Midland Texas 79710	10. Pool name or Wildcat: Hardy:Tubb/Drinkard, Oil Center: Blinebry
4. Well Location Unit Letter A : 479 feet from the North line and 579 feet from the East line Section 15 Township 21S Range 36E NMPM County Lea	
11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3572' GL	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☒	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER: ☐		OTHER: ☐	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ConocoPhillips Company respectfully submits this intent to change the cement program on the 5.5" 17# production casing. COP is experiencing losses at its current depth of 4525' and wishes to add a DV tool and perform a 2 stage cement job as outlined in the attached procedure.

Spud Date: 02/18/2009 Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Justin Firkins TITLE Regulatory Specialist DATE 02/25/2009

Type or print name Justin C. Firkins E-mail address: justin.c.firkins@conocophillips.com PHONE: 432-688-6913

For State Use Only

APPROVED BY: TITLE PETROLEUM ENGINEER DATE MAR 04 2009

Conditions of Approval (if any):

State D-15 #2 Revised 25Feb09
Contingency - Two-Stage Production Casing and Cementing Procedure

Note: When the decision to do a two stage job is made, notify the regulatory agencies that it will be a two stage job during your normal cementing notifications.

PRODUCTION CASING

Size	TVD	Feet	Wt			ID	Drift	Max OD	Burst	Coll.	Tens	MU Torq (ft-lbs)		
(in)	(ft)	(ft)	(ppf)	Gd	Con	(in)	(in)	(in)	(psi)	(psi)	(klbs)	Min	Opt	Max
5 ½"	7,210'	7,210'	17#	L-80	LT&C	4.892	4 767	6.050	7740	6290	348	2610	3480	4350

Shoe Track:
- Float Shoe
- 1 joint casing
- Float Collar

Centralizers:
1 on joint between float shoe and float collar over Stop Collar
1 on joint above float collar on casing collar
1 per 3 joints over casing collar to surface.
Total = 52 centralizers, 1 stop collar

External Casing Packers:
1. Weatherford/Gemoco SC400 – Pinned to set at 1,825 psi differential pressure. The length of the External Casing Packer is 10' and an 8' handling sub will be made up to it in the shop. The overall assembly length will be 18'. The element is 4' long. Position the element ~5,500' MD RKB
2. Weatherford/Gemoco SC1000 – Pinned to set at 1,825 psi differential pressure. The length of the External Casing Packer is 18' and an 8' handling sub will be made up to it in the shop. The overall assembly length will be 26'. The element is 10' long. Position the element ~3,900' MD RKB.

Stage Tool: Weatherford/Gemoco Model 754 "O" Hydraulic Opening Multiple Stage Cementing Tool pinned to set at 2825 psi differential pressure. The Stage Tool will be made up to the handling sub above the SC400 External Casing Packer (i.e. above the upper packer). No **cement basket** is needed on this job – we have the External Casing Packer right below the stage tool.

Marker Joints:
Place one 20'x20' double marker joint positioned with the top of the joint at approximately 6,200'-6,250'

***NOTE**: No free fall object is required to open this stage tool. *However, in the event that the tool does not hydraulically open, ensure that both opening and closing cones are on location prior to cementing.*

PRODUCTION HOLE INTERVAL CEMENT: Stage 1							
Stage 1	Interval	SX	Wt (ppg)	Yield Cuft/sk	Slurry Volume (bbl)		Mix Water (gal/sk)
Spacer –	20 bbls Fresh Water						
Stage 1 Slurry **Lead:** Interfill C + 0.1 % Econolite + 0.2% Halad 9 Fluid Loss Additive + 0.25 lb/sk Pheno Seal Blend	3,900' to 5,400'	**215**	11.8	2.52	90		14.62
Stage 1 Slurry **Tail:** 50% Premium Cement 25% Poz + 5% Salt (bwow) + 0.4% Halad 9 Fluid Loss Additive + 0.2% CFR-3 Dispersant + 0.25 lb/sk D-AIR 3000 Antifoam + 1% WellLife 734 (Lost Circ Additive)	5,400' to 7,210'	**470**	14.2	1.32	82		6.13
Dislacement – **Fresh Water** from Float Collar to Stage Tool **Mud** from Stage Tool to Surface				Calculate ~ 70 bbls FW + ~ 94 bbls Mud			

PRODUCTION HOLE INTERVAL CEMENT: Stage 2							
Stage 2	Interval	SX	Wt (ppg)	Yield Cuft/sk	Slurry Volume (bbl)		Mix Water (gal/sk)
Spacer	20 bbls Fresh Water						
Stage 2 Lead Slurry Interfill C + 0.1 % Econolite + 0.2% Halad 9 Fluid Loss Additive + 0.25 lb/sk Pheno Seal Blend	Surface to 3,900'	**650**	11.8	2.52	297		14.62
Stage 2 Tail Slurry Class C Neat		**100**	14.8	1.32	23		6.32
Displacement – **Fresh Water**				Calculate ~ 94 bbls FW			

Production Hole Interval Cementing Job Procedure:

Note: Notify the BLM/NMOCD inspector of the decision for a two stage cement job when making the normal notification.

1. Test Lines to 5,000 psi (i.e. approximately 2,000 psi above the highest anticipated pump pressure when opening or closing the stage tool).

2. Pump Spacer and 1st Stage Cement.

3. Wash lines before displacing cement and drop shut-off plug (wiper dart.)

4. Displace with 63 bbls fresh water (from float collar to Stage Tool) followed with 93 bbls drilling fluid (brine).

5. Bump plug with 500 psi over final pump pressure. (Final pump pressure before bumping the plug should be approximately 1,000 psi - Therefore your maximum pressure when bumping the plug should be approximately 1,500 psi).

6. Continue pumping and pump until External Casing Packers set and inflate at approximately 2,300 psi. Hold pressure at the cementing unit and fill the backside to see if losses have been shut off by the ECP. If the losses have not been shut off by the ECP, call the Drilling Superintendent to discuss path forward.

7. Bleed off pressure and check to see if floats are holding.
   - If the floats hold, proceed to Step 8
   - If the floats do not hold, pump the plug back down and re-bump it, and hold the plug down with 200 psi over bump pressure and wait on cement.

8. If the floats hold, pressure up to open stage tool. It should open at approximately 2,800 psi to 3,200 psi. Do not exceed 6,200 psi which is 80% of the casing burst pressure.

9. Circulate any cement out. Report how much cement (bbls) we circulate out off the top of the stage tool.

Note: If we do not circulate out cement from the top of the stage tool we must get permission from BLM and NMOCD to continue.

10. Pump Spacer and 2nd Stage Cement. (We don't need to wait for the first stage to set up because we have the ECP set below the stage tool).

11. Wash lines before displacing cement and drop closing plug. Displace with (fresh) rig water (No Biocide or KCL). Document the volume of cement returns to surface (bbls) on the Daily Drilling Report. If no cement returns are obtained, contact Drilling Superintendent immediately.

12. Bump plug, and continue pumping to approximately 2,300 psi to close Stage Tool (The closing function requires 1,500 psi over the final pump pressure before bumping the plug). Do not exceed 4,200 psi which is 80% of the casing burst pressure. Release pressure and verify that Stage Tool is closed by observing volume of fluid returned during pressure release.

13. R/D. As a precaution in case the Stage Tool fails, the cement head can be left on (with valves open) for ±4 hours (time to 50 psi compressive strength in the cement) while R/D and preparing rig for move.

14. If well is dead proceed with lifting BOP stack otherwise rinse the BOP stack and shut the well in and WOC at least 4 hrs to achieve 50 psi compressive strength in lead slurry.

Wellhead Program

Lift BOP stack. Install 5-1/2" slip-type casing hanger. Cut casing. ND BOPE. Install 11" 5M X 7-1/6" 5M tubing head and test. Test flange connections and primary seals to rated working pressure of flange (5000 psi.)

ConocoPhillips

State D-15 #2
Drilling Schematic (Proposed)

Datum: RKB (16' 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 60' 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 ____ %
T.O.C. SURFACE

Surface Casing Shoe set at 1,380' MD RKB

Production Cement
Stage 2:
See attached slurry recipes

Production Casing:

[X] New
[ ] Used

Size 5 1/2 in
Wt. 17 ppf
Grade: L-80 ppf
Conn: LTC ppf

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

Wiper Plug

Stage Tool to be positioned at 3,900'

Stage 1
See Attached Slurry Recipes

Fluid inside casing both above and below the Stage Tool is Fresh Water

External Casing packers above production zone and above loss zone

Production Casing: 5-1/2" 17# L-80 LTC
Float Collar at 7,165'
Float Shoe at 7,210'

TD of 7-7/8" hole at 7,220' MD RKB

Schematic prepared by:
Jason Tilley, Drilling Engineer
25 February 2009