Form 3160-5
(April2004)

UNITEDSTATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORMAPPROVED
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.

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

8. Well Name and No.
MCA Unit 479

2. Name of Operator
ConocoPhillips Company

9. API Well No.
30-025-39352

3a. Address
3300 N. "A" St., Bldg. 6 Midland TX 79705

3b. Phone No. *(include area code)*
(432)688-6813

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec. 28, T17S, R32E, SESW "N", 660' FSL & 1480' FWL

11. County or Parish, State
LEA County
New Mexico

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	[X] Other 2-Stage Cement
	[ ] 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.)

ConocoPhillips requests to do a 2-stage cement on the MCA Unit 479. Waterflow was encountered @ ~1600' and @ ~3200'. DV tool will be set @ 800' - 850' with external packers @ 800' - 850' and @ 3740' - 3790'. See attached procedure and schematic.

RECEIVED
AUG 03 2009
HOBBSOCD

SEE ATTACHED FOR CONDITIONS OF APPROVAL

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

Title Regulatory Specialist

Signature Jalyn N. Fiske

Date 07/22/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **/s/ Roger Hall**

Title Petroleum Engineer

Date JUL 29 2009

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 KM

APPROVED

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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)

CONDITIONS OF APPROVAL
MCA Unit 479
API # 30-025-39352
ConocoPhillips Company
July 18, 2009

1. The minimum required fill of cement behind the 5 1/2 inch production casing is:

   a. First stage to DV tool, cement shall:

   ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with second stage cement job.

   b. Second stage above DV tool, cement shall:

   ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.

RGH 071809

ConocoPhillips

MCA 479
Schematic
Proposed

API # 30-025-39352
Datum: RKB (12' above ground level)
Rig: Precision 194

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

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

Surface Casing
Size 8 5/8 in
Wt. 24 ppf
Grade: J-55 ppf
Conn: STC ppf

[X] New
[ ] Used

Hole Size 12 1/4 in
Excess Cmt 136 %
T.O.C SURFACE

Surface Casing Shoe set at 874' MD RKB
TD of 12-1/4" hole at 897' MD RKB

Double Marker Joint @ ~4,000'

Waterflow at approximately 1,600' MD RKB

Production Cement
Stage 2:
Date Cemented: Pending

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

Stage 1
Date Cemented: Pending

Wiper Plug at 799' MD RKB

Stage Tool at 800' - 850' MD RKB

External Casing Packer at 800' - 850' MD RKB

Waterflow at approximately 3,200' MD RKB

External Casing Packer at 3,740' - 3,790' MD RKB

Production Casing: 5-1/2" 17# J-55 LTC
Float Collar at 4,145'
Float Shoe at 4,190'

TD of 7-7/8" hole at 4,200' MD RKB

Tilley, Jason
Drilling Engineer 20 July 2009

MCA 479
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.	Joint	MU Torq (ft-lbs)		
(in)	(ft)	(ft)	(ppf)	Gd	Con	(in)	(in)	(in)	(psi)	(psi)	(klbs)	Min	Opt	Max
5-1/2"	4,115' to 4,200'	4,115' to 4,200'	17#	L-80	LT&C	4.892	4.767	6.050	7740	6290	338	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 = 35 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 between 3,750' and 3,790' MD RKB
2. 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 (in casing). Position the element between 800' and 850' 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 3,800'

*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.*

Stage 1							
Stage	Interval	Excess %	Sx	Vol bbl	Density ppg	Yield ft3/sx	Mix Wtr gps
Spacer – Fresh Water	20 bbls Fresh Water						
Lead Slurry Class C (Econocem)	3,500'– 920'		600	271	11.8	2.54	14.83
Tail Slurry 50:50 Poz : Class C + 1 % LAP-1 + 0.4% Halad© -322 + 3 lbm/sk KCL + 0.25 % D-air 3000 +0.2% Econolite (Note: This tail slurry blend is a CO_2 Resistant Cement)	4,200' – 3,500'		200	47	14.8	1.33	6.34
Dislacement – Fresh Water (FC to DV Tool) and brine(DV Tool to surface)				~ 81 bbls Fresh Water ~26 bbls Brine			

Stage 2							
Stage	Interval	Excess %	Sx	Vol bbl	Density ppg	Yield ft3/sx	Mix Wtr gps
Spacer – Fresh Water	20 bbls Fresh Water						
Class C Neat	920' – Surface		200	47	14.8	1.33	6.34
Displacement – Fresh Water (No Biocide or KCL)				~ 26 bbls Fresh Water			

Production Hole Interval Cementing Job Procedure:

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 80 bbls fresh water (from float collar to Stage Tool) followed with 26 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 observe flow line to see if water flow has been shut off by the ECP. If the water flow has 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 9
   - 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 4,200 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.)