State of New Mexico District II

District III

District III

District III

Form C-101 June 16, 2008

1000 Rio Brazos Road, Aztec, NM 87410 OCT 0 7 2009

1220 S St. Francis Dr., Santa Fe, NM BBSOCD

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUCRACK OR ADD A ZONE

| LUGDE | xcix, c | | TELOTILE | | | | | | | |
|-----------------------|-----------|-----------|------------------------------|--------------|----------------------------------|------------------|-------------------------|-------------------------|---------------------------|--|
| | | | Operator Name | | ² OGRID Number 217817 | | | | | |
| | | | ConocoPhillips P.O. Box 5 | , , | | | | | | |
| | | | | | | | ³ API Number | | | |
| | | | Midland, Texas 7 | 9/10-1810 | | 30 - 025 - 0 | | | | |
| ³ Prope | rty Code | | | 5 | | | ⁶ We | ll No. | | |
| | 31487 | | | | M.E. Wantz 🔀 | | | ! | 9 2 | |
| | | 9 | Proposed Pool 1 | | | 10 Prop | oosed Pool 2 | | | |
| | | | Blinebry O&G (oil) | | | | | | | |
| ⁷ Surface | Locatio | n | | | | | | | | |
| UL or lot no | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| J | 21 | 215 | 37E | | 1980 | South | 1980 | East | / Lea | |
| ⁸ Proposed | Bottom I | Iole Loca | tion If Different | From Surface | ; | | | | | |
| UL or lot no | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| Additiona | al Well | Informa | tion | <u> </u> | | | | <u></u> | <u> </u> | |
| 11 Work | Type Code | T | 12 Well Type Cod | е | 13 Cable/Rotary 14 L | | Lease Type Code | 15 Grou | 15 Ground Level Elevation | |
| | A G/O | | | R | | A P | | 3448' | | |
| ¹⁶ M | lultiple | | 17 Proposed Deptl | 1 | 18 Formation | 19 Contractor | | ²⁰ Spud Date | | |
| No | | | 6630 | | ABO | | Nabors | | | |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 17.75" | 13.375" | 54.5# | 191' | 200 | Surface |
| 12.25'" | 9.625" | 36# | 2749' | 500 | Surface |
| 8.75" | 7" | 23# | 6627' | 500 | Surface |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

ConocoPhillips currently produces this well from the Tubb formation with perforations at 6120-6190 & 6350-6465, A correlation log is attached which shows the top of the Tubb at ~6085'. COP would like to add perforations in the Blinebry formation with perforations at 5573-5931. It would be COP's intent at some point to commingle these perforations with the Tubb and Drinkard perfs above the CIBP at 6472'.

Please see the attached procedure for more specific information.

Fermit Expires 2 Years From Approval Date Unless Brilling Underway

| | Mading | | | | | |
|---|---|--|--|--|--|--|
| 23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. | OIL CONSERVATION DIVISION Approved by: | | | | | |
| Signature: July | | | | | | |
| Printed name: Justin C. Firkins | Title: PETROLBUM ENGINEER | | | | | |
| Title: Regulatory Specialist | Approval Date: DEC 0 8 2009 Expiration Date: | | | | | |
| E-mail Address: justin.c.firkins@conocophillips.com | Condition of Assessed Assessed to dell 2 total larger range | | | | | |
| Date: 10/06/2009 /Phone: 432-688-6913 | Conditions of Approval Approval to drill & test all new zones separate, but cannot produce Downhole commingle until DHC is approved in Hobbs District office according to R-11363 | | | | | |

District I

District IV

State of New Mexico 1625 N. French Dr., Hobbs, NM 8817 CE WILLIAM Minerals & Natural Resources Department District II

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

1301 W. Grand Avenue, Artesia, NM 882107 0 7 2009 OIL CONSERVATION DIVISION District III District III 1000 Rio Brazos Rd., Aztec, NM 874HOBBSOCD

1220 S. St. Francis Dr., Santa Fe, NM 87505

1220 South St. Francis Dr. Santa Fe, NM 87505

☐ AMENDED REPORT

Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

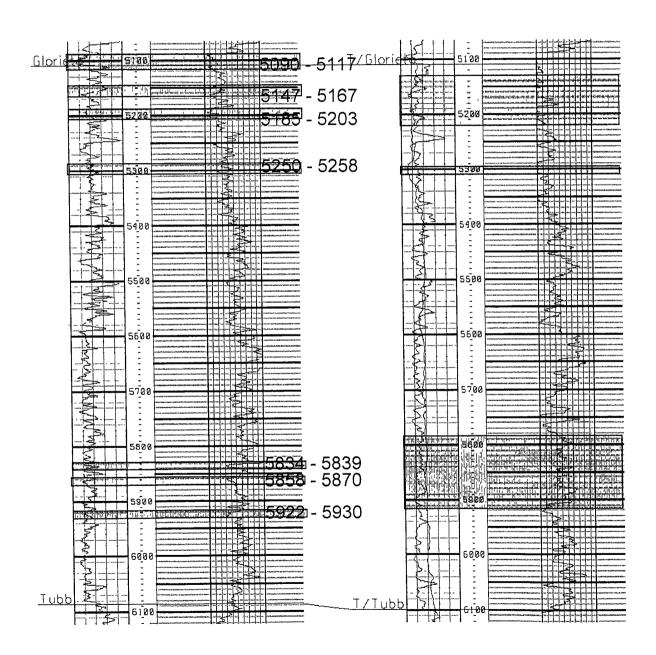
| 1 | · | ² Pool Code | | | ³ Pool Name | | | | | | |
|-------------------------|------------------------|--|---|------------|-------------------------|------------------|-------------|-------------------------------|------------------------|--|--|
| 30-025-06703 | | | 6660 | | Blinebry O&G (oil) | | | | | | |
| ⁴ Property (| | I | ⁵ Property Name M.E. Wantz | | | | | ⁶ Well Number 9 | | | |
| 31487 | | | | | | <i></i> | | | | | |
| OGRID ! | No. | | | | ⁸ Operator I | Name | | | ⁹ Elevation | | |
| 217817 | l l | | | | ConocoPhillips (| Сотрапу | j | 3448' GR | | | |
| | | ······································ | | | ¹⁰ Surface | Location | | | | | |
| UL or lot no. | Section | Township | Township Range Lot Idn Feet from the North/South line Feet from the Eas | | | | | | County | | |
| J | 21 | 218 | 37E | | 1980 | South | 1980 | East | Lea, NM | | |
| | | | 11 Bo | ottom Ho | le Location It | f Different From | n Surface | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from t | he East/West | line County | | |
| 12 Dedicated Acres | ¹³ Joint or | r Infill 14 (| Consolidation | Code 15 Or | der No. | | | | | | |
| 40 | | | | ŀ | | | | | | | |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

| 3 | | | | ¹⁷ OPERATOR CERTIFICATION |
|---|----------|-----------|---------------|---|
| | | | | I hereby certify that the information contained herein is true and complete |
| | | | | to the best of my knowledge and belief, and that this organization either |
| | | | | owns a working interest or unleased mineral interest in the land including |
| | | | | the proposed bottom hole location or has a right to drill this well at this |
| | | | | location pursuant to a contract with an owner of such a mineral or working |
| | | | | interest, or to a voluntary pooling agreement or a compulsory pooling |
| | | | | order heretofore entered by the division. |
| | | | | 19/06/2009 |
| | | | | Just Just |
| | | | | Signature Date |
| | | | , | Justin C Firkins |
| | | | | Printed Name |
| | | | | |
| | | | | |
| | | | | |
| | | 11111 | | ¹⁸ SURVEYOR CERTIFICATION |
| | _ | _ | | I hereby certify that the well location shown on this |
| | | - | - | |
| | _ | ٠, | _ | plat was plotted from field notes of actual surveys |
| | <u>-</u> | l o . | L | made by me or under my supervision, and that the |
| | | | | same is true and correct to the best of my belief. |
| | | - | - | |
| | _ | , , , , , | | |
| | | 1111 | | Date of Survey |
| | | | | Signature and Seal of Professional Surveyor |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | Certificate Number |
| L | l | | | |

WANTZ M 9

WANTZ M 3 E



WANTZ #9

WBS ELEMENT – WA5.CNM.____ WellView Well Name – Wantz 09

Recompletion Procedure

September 29, 2009

Objective: Recomplete to the Blinebry, reenter the Drinkard, and downhole commingle the

Blinebry/Tubb/Drinkard.

COPC WI: 100%

COPC NRI: 87.5%

State: New Mexico

Well Status: Active

Well Type: Gas Well

County: Lea

Area: Permian

Field: Tubb Oil & Gas

Team: Hobbs East

Venting: Permit not required

Flaring: Permit not required

H₂S: Possible

Well Control: Class 2 Category 1 (post perforating & post stimulation)

IMPORTANCE OF SAFETY

Safe operations are of utmost importance at all ConocoPhillips properties and facilities. To further this goal, the ConocoPhillips Supervisor at the location shall request tailgate safety meetings prior to initiation of work and also prior to any critical operations. All company, contract, and service personnel then present shall attend these tailgate safety meetings at the location. All parties shall review the proposed upcoming steps, procedures, and potentially hazardous situations. Occurrence of these meetings shall be recorded in the WellView daily operations report.

History / Justification

The purpose of the proposed project is to recomplete the Wantz #9 to the Blinebry formation, reenter the Drinkard, and downhole commingle the Blinebry/Tubb/Drinkard. The subject well was originally drilled to 6630' and completed in the Drinkard during January 1948. The well was completed in the Tubb and produced as a dual Tubb/Drinkard completion in September 1950. The Drinkard was fracture treated in April 1959 with 3000 gallons of lease oil and 2000 lbs of sand. During November 1975, the lower Drinkard was abandoned, the upper Drinkard was perforated and fracture treated with 39,500 gallons of gelled water and 75,000 lbs of 20-40 mesh sand, and the well was placed back on production as a dual Tubb/Drinkard completion. The upper Drinkard was abandoned in December 1990, and the Tubb was placed on rod pump during January 1991. The Drinkard produced 90,971 BO, 278,781 MCFG and 5155 BW during its lifetime. The Tubb has produced 33,514 BO and 3.57 BCFG thru October 2008. NMOCD Order #DHC-1995 was approved on 7/21/1998 to allow the Tubb and Drinkard to be downhole commingled. The Tubb is currently producing (0 BO, 0 BW, and 1.5 MCFD on a 24-hour test dated 2/1/2009), but Operations suspects the tubing is partially plugged since the well cannot be swabbed. The initial setup will be Blinebry only until the zone can be pumped down from the virgin BHP. This is to prevent cross flow from the Blinebry to the partially depleted Tubb zone. The composite plug and RBP will be removed the first time the well goes down and requires a rig for maintenance. The Tubb and the Drinkard should contribute 1 BOPD and 50 MCFD with the use of rod pumping equipment.

An initial rate of 20 BOPD with 50 MCFD is projected based upon the initial rates of nearby wells and log data. Economics were performed using an exponential decline rate of 25% per year, 2010 LRP (08/09) prices, a recompletion cost of \$440,000, a facilities cost of \$68,445, and an operating cost of \$7.92/BOE per year. ConocoPhillips owns a 100% WI and a NRI of 87.5% below 4250' in the 40-acre tract that the well is located. This project yields an ATAX ROR of 30.8% with a NPV of \$180M at 13%.

Wantz #9

Recomplete to Blinebry

AFE Number:

WA5.CNM.

API Number:

30-025-06703

Field:

Tubb Oil & Gas

Location:

1980' FSL & 1980' FEL, Sec. 21, T-21-S, R-37-E, Lea County, NM

Depths:

TD = 6630' PBTD = 6305'

Elevation:

GL = 3448.5'

DF = 3458' (reference datum)

KB = 3459'

Casing Data:

Existing & Proposed Casing, Tubing and Packer Information

| | OD (in) | Depth (ft) | ID/Drift (inches) | Weight (#/ft) | Grade | Burst | Burst w/ 1.15 D.F. | Collapse (psi) | Collapse w/ 1.05 D.F. | Volume (Bbls/Ft) |
|------------|------------|---------------|----------------------|------------------|-------|-------|-----------------------|-------------------|--------------------------|---------------------|
| Surf. Csg. | 13% | 191 | 12 715/12.559 | 48 | H-40 | 1730 | 1504 | 770 | 733 | .1573 |
| Int. Csg. | 9% | 2749 | 8.921/8.765 | 36 | J-55 | 2560 | 2226 | 1740 | 1657 | .0773 |
| Prod. Csg | 7 | 5687 | 6.366/6.241 | 23 | J-55 | 4360 | 3791 | 3270 | 3114 | 0393 |
| Prod. Csg | 7 | 6627 | 6.366/6.241 | 23 | N-80 | 6340 | 5513 | 3830 | 3648 | .0393 |
| Prod. Tbg | 23/8 | 6450± | 1.995/1.901 | 4.7 | J-55 | 7700 | 6696 | 8100 | 7714 | .0038 |

Top of Cement:

Estimated at 3905'

Casing Fluid: fresh water

Proposed Cased Hole Perforations:

| Formation | Perforations (MD) | Frac Grad | Perf Feet | SPF | Phase | Zero Hole | Holes | Anticipated Reservoir Pressure | Reservoir Temp |
|-----------|----------------------|--------------|-----------|-----|-------|--------------|-------|--------------------------------------|-------------------|
| Tubb | 6120-6190' | .75 | 70 . | 4 | NA | No | 280 | NA | 105° |
| Drinkard | 6350-6465' OA | .75 | 8 | 2 | NA | No | 16 | NA | 108° |
| Blinebry | 5573-5582' | .75 | 9 | 1 | 60 | No | 9 | 2591 | 100° |
| | 5669-5677' | .75 | 8 | 1 | 60 | No | 8 | 2636 | 100° |
| | 5710-5717' | 75 | 7 | 1 | 60 | No | 7 | 2655 | 100° |
| | 5763-5768' | .75 | 5 | 1 | 60 | No | 5 | 2680 | 100° |
| | 5833-5841' | .75 | 8 | 1 | 60 | No | 8 | 2712 | 100° |
| | 5858-5865' | 75 | 7 | 1 | 60 | No | 7 | 2724 | 100° |
| | 5921-5931' | .75 | 10 | 1 | 60 | No | 10 | 2753 | 100° |

Correlation Log: Lane Wells Radioactivity log dated 1/11/48

Gun Type: 4" HEGS-DP 41B HJ SX1, 22.7 gram HMX, (API 19B: Pen – 21.67", EHD - 0.42")

Prepared by: David McPherson/Jack Lowder: Production Engineers, Permian Group Mobile: 1 (903) 316-4272 (McPherson) Home: 1 (903) 894-3547 (McPherson)

Wantz #9 Recomplete to Blinebry

GENERAL NOTES

- No project or task is to be performed unless it can be done safely and without harm to the environment. All work must comply with all State and Federal regulations and with COPC Safety and Environmental Policies.
- 2. Conduct daily safety meetings and review all procedures with all contractors prior to performing the operation.
- 3. Report all activity on the WellView Daily Completion Work-Over Report.
- 4. Insure contractors are familiar with and comply with all relevant COPC safety/environmental policies.
- 5. Spills are to be prevented. Utilize a vacuum truck as necessary.
- Throughout the entire completion process, any fluids from the well-bore that are displaced or produced must be sent through the flow-back equipment so that the fluids can be properly disposed.
- 7. Verify that all pressured lines and fittings meet or exceed the MPSP (Maximum Predicted Surface Pressure) for the treatment lines of 7500 psi for the pressure test during stimulation operations. Maximum treatment pressure during the sand frac will be 6000 psi. MPSP from the zone should not be greater than 2000 psi before and after stimulation operations of the Blinebry zone.
- 8. Well control for this well will be Class 2, Category 1 before and after stimulation. Expected Shut in Casing Pressures (SICP) before & after stimulation should not exceed 2000 psi.

Mid-Continent / Permian / Hobbs East Contact List:

| 2145 |
|------|
| 2061 |
| 1609 |
| 1223 |
| 3127 |
| 1410 |
| 3129 |
| |

Recommended Procedure

- 1. MIRU workover unit. Test anchors as needed. ND wellhead, NU BOP's and test. TOOH with 23%", 4.7 lb/ft, J-55 production tubing. Scan tubing while TOOH. If tubing is acceptable, replace bad joints and use 23%" production tubing as workstring. If 23%" production tubing is unacceptable, lay down tubing, send tubing in for inspection and haul in enough of 23%", 4.7 lb/ft, J-55 production tubing/workstring for bit trip to 6305'±.
- 2. TIH with 61/8" bit and scraper to 6305'±. Test 23/8" workstring to 6000 psi while TIH. TOOH with bit & scraper.
- 3. MIRU Schlumberger wireline. RU 5000 psi lubricator. Correlate to Lane Wells Radioactivity log dated 1/11/48. Run GR/Neutron/Sigma log from 6470'± to 3500'±. Run Cement Bond Log from 6470' to 200' above the top of cement. Set 5K composite plug at 6000'±. Perforate the Blinebry from 5573-5582', 5669-5677', 5710-5717', 5763-5768', 5833-5841', 5858-5865', and 5921-5931', loaded 1 SPF with 60° phasing using 4" HEGS-DP 41B HJ SX1, 22.7 gram HMX, (API 19B: Pen 21.67", EHD 0.42"). POOH with perforating gun and verify that all shots have fired.
- 4. RDMO wireline and lubricator.
- 5. PU 3½", 9.3#/ft, N-80 workstring. TIH with 7" packer on 3½" workstring. Test 3½" workstring to 8000 psi while RIH. Set packer at 5500'±. NU 10K frac valves on 3½" workstring.
- 6. MIRU Schlumberger pumping services equipment. RU and test all lines to 7500 psi and monitor for 5 min. Make sure the pressure does not decrease more that 200 psi over the 5 min. Pressure up casing/tubing annulus to 200 psi and monitor during job.
- 7. Perform acid ballout with 2700 gals 15% NEFE HCl acid with 65± bio-balls spaced evenly throughout the acid. Obtain ISIP and 5 min shut-in pressure. When acid is on perfs, bring rate up to 15-16 BPM. Surge the well 3-4 times to dislodge balls. Shut down for 20 minutes to allow balls to fall.

Note: It is a ConocoPhillips policy to have shower facilities on location when using acid.

8. Unseat packer and reverse out any spent acid from tubing. Reset packer. RU swab unit and swab test the Blinebry. RD swab unit.

NOTE: Contact Jack Lowder with results of swab test before proceeding.

- 9. RU Wireline. TIH with BHP bomb with 48+ hr clock. Shut well in and obtain a 48± BHP test. Do not add any water to the tubing once swabbing operations cease.
- 10. POOH with BHP bomb. Contact Doug Pecore with results of BHP survey. RD wireline unit.
- 11. Spot two 500 bbl clean, lined frac tanks and fill with 2% KCl. Add biocide to the first load of each tank.
- 12. MIRU Schlumberger pumping services equipment. RU and test all lines to 7500 psi and monitor for 5 min. Make sure the pressure does not decrease more that 200 psi over the 5 min. Pressure up casing/tubing annulus to 200 psi and monitor during job.

Wantz #9

Recomplete to Blinebry

- 13. Fracture treat the Blinebry 5573-5931' overall with 26,200 gal of YF120ST containing 65,800 lbs of 20-40 mesh sand using PropNET as per attached treating schedule. Set treating line pop off at 7000 psi. Set annulus pop off at 500 psi. Set pump trips at 6800 psi. Frac at 30± BPM with maximum wellhead treating pressure of 6000 psi.
- 14. Obtain ISIP and 5 minute, 10 minute, and 15 minute shut-in pressures. Close Hydraulic Master Valve. RD Schlumberger pumping services equipment.
- 15. Unseat packer and reverse out any excess sand from tubing if flush volume not achieved. TOOH with 7" packer and 3½" workstring. Lay down 3½" workstring.
- 16. TIH with 61/8" bit on 23/8" tubing to composite plug at 6000'±. Do not drill out plug. Circulate out any excess sand from frac job. When wellbore is clean, POOH with 23/8" tubing and bit.
- 17. TIH with 2%, 4.7 lb/ft, J-55 tubing string per tubing design in Well View. Place the EOT @ 5960'± with the tubing anchor set at 5520'±. Maintain a dynamic fluid column (DFC) while running tubing. Trickle some fresh water down the tubing head valve.
- 18. ND BOP's and NU wellhead. RIH with pump and rods as per pump and rod design in Well view. Space out pump and hang well on. Load tubing and check pump action.
- 19. RDMO well service rig. Turn well over to Operations and return well to production. Report results on morning report.
- 20. Contact chemical representative to schedule corrosion/scale inhibition treatment and place well on corrosion/scale inhibition program. Place stabilized rate in Avocet. Submit change of status report.

