

State of New Mexico
Energy, Minerals and Natural Resources

RECEIVED
MAR 26 2010
HOBBS

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-025-20516
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-2229
7. Lease Name or Unit Agreement Name Philmex
8. Well Number #9
9. OGRID Number 217817
10. Pool name or Wildcat Maljamar; Grayburg/San Andres
11. Elevation (Show whether DR, RKB, RT, GR, etc.) RKB 4133

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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other ☐ Injection ☒

2. Name of Operator
ConocoPhillips Company

3. Address of Operator
P.O. Box 51810 Midland, Tx 79710

4. Well Location
Unit Letter B : 660 feet from the North line and 1980 feet from the East line
Section 26 Township 17S Range 33E NMPM Lea County

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Workover & MIT ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Workover 2/24/2010-3/17/2010: MIRU. Well shut in. Appeared to have casing issue in the 5 1/2" casing. Started to clean out wellbore. RIH w/tubing, pkr, & plug to 4849. Set plug at 4732. Moved pkr/plug up hole at intermediate intervals in an attempt to isolate the leak as follows:

4651' lost minimal pressure

4586' lost minimal pressure

4488' lost minimal pressure

4424' good test

2486' good test

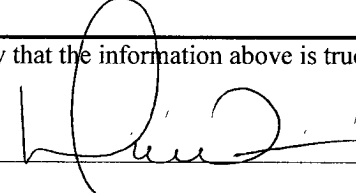
1526' good test

10' good test POOH and SWION. RIH w/plug and tbg to 500' and set plug. Pumped 20 sxs cmt with 3% calcium in & out of 5 1/2" casing. Pressure up to 500 psi. Ran down to 500' and cleaned out sand. Tested to 500 psi for 30 minutes. Good test. Retrieved plugs at 500' and 4441'. Set pkr at 4443.58. Tested well to 500 psi for 30 minutes. Good test. Pumped 1000 gls acid. Flushed w/25 bbls of water. RDMO. Ran MIT on 3/15/2010. Good test. Chart attached. Test witnessed by representative of NMOC.

Spud Date:

Rig Release Date:

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

SIGNATURE  TITLE Sr. Regulatory Specialist DATE 3/24/2010

Type or print name Donna Williams E-mail address: Donna.J.Williams@Conocophillips.com PHONE: 432-688-6943

For State Use Only

APPROVED BY:  TITLE STATE REP DATE 4-5-10

Conditions of Approval (if any):

Gonzales, Elidio L, EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, April 01, 2010 4:59 PM
To: Hill, Larry, EMNRD; Gonzales, Elidio L, EMNRD
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; Williams, Donna J; Brooks, David K., EMNRD
Subject: Packer Setting on Philmex #9 30-025-20516

Hello Again:

Researched this issue this afternoon and confirmed what Donna said.

What I found is the SWD-126 in 1972 approved disposal into the San Andres 4960 to 5090 and the well was near or in the Vacuum (GSA) area. It had some upper San Andres perms that were squeezed but later broke down – so was likely disposing/injecting into a producing oil interval (my assumption).

Phillips requested (on 7/5/88) formal approval for the well to be reclassified as an injection well and included in the Philmex Waterflood project – and clearly stated the upper perms would be part of the waterflood. One fact to keep in mind is the Philmex Waterflood Project in the Maljamar (GSA) Pool is approved for both the Grayburg and the San Andres with injection as high as 4236.

On 8/6/91, the OCD finally replied to this request, granting the move and stated “the physical characteristics including the perforated interval remain the same”. (By that time the upper perms had been open for several years.)

The Vacuum(GSA) and the Maljamar (GSA) apparently had some overlap so wells were moved and perms were added....

Donna Williams states this well may now have the packer set at 4443 feet with top perms at 4542 feet. This top injection depth is still below the top of the Philmex Waterflood.

I did not do a detailed stick diagram showing perf depths in this area – but from what I see this well may be contributing to oil recovery as part of a waterflood. The language in the permission letter was unfortunate and confusing without looking over the application and the well.

One thing I did see is the PBTD on this well (cased) may be at 5800 feet which is down in the Glorieta. The well should have originally been plugged back to within a closer distance below the bottom of the injection interval. It would be prudent to someday verify this plug still is in place. We are being careful about operators obeying written orders and careful about the packer setting depths – but may not be too careful about depths below the permitted intervals.

Anyway – I think this situation is OK. You folks may have found additional facts and have other concerns.

Conoco could take the lead and clean up items like this by re-certifying old waterfloods to the modern UIC standards at an examiner hearing. This preparation would prompt its engineers into closely examining the tubulars and the reservoir.

Happy Easter.

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St Francis

