Form 3160-5
(August 2007)

OCD-HOBBS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires. July 31, 2010

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 page 2.

5. Lease Serial No.
LC031695B

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit of CA/Agreement, Name and/or No.
Warren Unit NM71052E

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Warren Unit B/T WF # 91

2. Name of Operator
ConocoPhillips Company

9. API Well No.
30-025-27566

3a. Address
P O. Box 51810
Midland, Tx 79710

3b. Phone No. *(include area code)*
432-688-6943

10. Field and Pool or Exploratory Area
Warren Blinebry Tubb O&G

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1650 FNL & 2310 FWL
UL F of 33-20S-38E

11. Country or Parish, State
Lea County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other Intent to Convert to WSW and TA Extension
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 Company respectfully request to convert the above well to a San Andres water supply well to support the Phase I waterflood implementation. Please see attached converstion procedure.

The application filed with the State of New Mexico (Copy attached) will take about two months for processing. COP respectfully request to extend the current TA approval through October 31, 2010. This will allow for processing of the application and the conversion work to be finished.

Approval to convert to water supply well. Submit subsequent report along with new completion report with 90 days. TA status is Denied, as per two previous TA request.

RECEIVED
JUL 16 2010
HOBBSOCD

14 I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
Donna Williams

Title Sr. Regulatory Specialist

Signature

Date 07/12/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ JD Whitlock Jr ECG 7-19-10 Title CPET Date 7/15/10

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 CFO

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)

P.M.

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and grantingapproval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

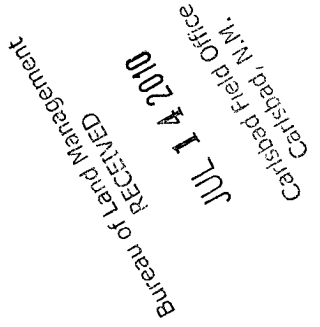
The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240



CONOCOPHILLIPS COMPANY
Permian Basin Area
March 29, 2010
WARREN UNIT #91
REACTIVATE AS SAN ANDRES WATER SUPPLY WELL
PROJECT RFE #_____
****

COPC WI: 37.5%	COPC NRI: 32.8125%	State: New Mexico
Well Status: Temp Abandoned	Well Type: Oil Producer	County: Lea
Area: Permian	Field: Warren	Team: Hobbs East
Venting: Permit not required	Flaring: Permit not required	H_2S: Possible
Well Control: Class 2 Category 2	(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 reactivate the Warren Unit #91 as a water supply well completed in the San Andres. The water produced from this well will be used to provide make-up water to the Warren Unit Blinebry-Tubb Waterflood. An electrical submersible pump will be used to produce the San Andres fluid in the subject well. The Warren Unit #91 is currently a temporarily abandoned well that previously produced from the Blinebry formation. ConocoPhillips is the operator of the subject well with a 37.5% working interest and a 32.8125% net revenue interest.

The Warren Unit #91 was drilled to 6314' in May 1982 and was initially completed in the lower Blinebry with perforations from 6041-6206' and in the upper Blinebry with perforations from 5835-5912'. During the initial completion, the Blinebry was acidized with 588 gallons of 15% NEFE HCl and fracture treated with 23,000 gallons of gelled water, 23,000 lbs of 20/40 mesh sand, and 2700 lbs of 10/20 mesh sand. Initial production was approximately 22 bopd, 30 mcfd, and 79 bwpd on a 24-hour test dated 6/2/82. During January 1987, Blinebry perforations were added from 5868-6004', and the well was acidized with 4226 gallons of 15% NEFE HCl. During May 1990, Blinebry perforations were added from 6152-6285', and the Blinebry perforations from 5955-6285' were acidized with 1260 gallons of 15% NEFE HCl and fracture treated with 45,000 gallons of gelled water and 91,500 lbs of 16/30 mesh sand. The well was shut in because it was not economical to produce in April 1993, and was temporarily abandoned by setting a CIBP at 5785' on 6/9/96.

API Number 30-025-27566

Location 1650' FNL & 2310' FWL; Sec. 33, T-20-S, R-38-E, Lea County, NM

Depths TD = 6314' PBTD = 5785'

Elevation GR = 3512' DF = 3521' KB = 3522' (reference datum)

Casing Data

Existing & Proposed Casing, Tubing and Packer Information

	OD (in)	Depth (ft)	ID/Drift (inches)	Weight (#/ft)	Grade	Burst (psi)	Burst w/ 1.15 D.F.	Collapse (psi)	Collapse w/ 1.05 D.F.	Volume (Bbls/Ft)
Surf. Csg	8⅝	1447	8.097/7.972	24	K-55	2950	**2565**	1370	**1305**	0636
Prod. Csg	5½	6275 6314	4.950/4.825 4.892/4.767	15 5 17	K-55 K-55	4810 5320	**4183** **4626**	4040 4910	**3848** **4676**	.0238 .0232
Prod Tbg	2⅞	4200±	2.441/2 347	6.5	J-55	7260	**6313**	7680	**7314**	.00579

Top of Cement: Surface Casing Fluid: Fresh Water (0.433 psi/ft)

Proposed Cased Hole Perforations

Formation	Perforations (MD)	Frac Grad	Perf Feet	SPF	Phase	Zero Hole	Holes	Anticipated Reservoir Pressure	Anticipated Reservoir Temperature
San Andres	4150-4170'	.75	20	2	60°	No	40	2070 psi	103°
San Andres	4255-4310'	.75	55	2	60°	No	110	2070 psi	103°
San Andres	4340-4350'	.75	10	2	60°	No	20	2070 psi	103°
San Andres	4355-4378'	.75	23	2	60°	No	46	2070 psi	103°
San Andres	4390-4410'	.75	20	2	60°	No	40	2070 psi	103°
San Andres	4420-4430'	.75	10	2	60°	No	20	2070 psi	103°
San Andres	4460-4470'	.75	10	2	60°	No	20	2070 psi	103°

Recommended Procedure

1. MIRU well service unit. ND wellhead and NU shop tested, Class 2 Hydraulic BOP and environmental tray. Load casing with fresh water, test to 800 psi, and hold for 30 minutes. Haul in 4200'± of 2⅞", 6.5#/ft, J-55 production tubing and enough 2⅞", 6.5#/ft, J-55 workstring to spot cement at 5770'± in Step #2. Use production tubing as a workstring during well work.

2. PU and TIH with 2⅞", 6.5 lb/ft, J-55 workstring open ended to 5770'±. Dump 35' of cement on top of CIBP at 5785'. Pull up and spot cement plug from 5480-5330'. TOOH with 2⅞" workstring.

3. TIH with 4¾" bit on 2⅞" workstring to 4200'±, circulating well clean with fresh water. TOOH with 2⅞" workstring and 4¾" bit. Stand back 2⅞" workstring in derrick. LD 4¾" bit.

4. MIRU Schlumberger wireline/perforating unit. RU 5000 psi lubricator w/ grease injector. Test lubricator to 4500 psi. RIH w/ GR/CCL tool and perforating gun. Correlate to Dresser Atlas Compensated Densilog/Compensated Neutron/Gamma Ray Log dated 2/2/1982. Perforate the San Andres from 4150-4170', 4255-4310', 4340-4350', 4355-4378', 4390-4410', 4420-4430', and 4460-4470' with 2 SPF, 60° phasing (296 holes total), using Schlumberger 3⅛" PowerFrac 3106 frac gun system. Verify that all shots have fired after each perforating run.

5. RDMO Schlumberger lubricator and wireline/perforating unit.

6. TIH with 5½" treating packer on 2⅞" workstring. Test 2⅞" workstring to 6000 psi while TIH. Set packer at 4100'±.

7. MIRU Schlumberger pumping services equipment. RU and test all lines to 6000 psi and monitor for 5 min. Make sure pressure loss does not exceed 200 psi over 5 minutes. Pressure up casing/tubing annulus to 500 psi and monitor during job.

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

8. Perform acid ballout with 7400 gals 15% HCl acid (50 gals/perforated foot) at 6-10 BPM with 355 1.3 SG bio-balls as per Schlumberger procedure. When acid is on perfs, bring rate up to 15 BPM. Set treating line pop-off at 5200 psi. Set pump trips at 5000 psi. Monitor and set annulus pop-off at 700 psi. Acidize with maximum wellhead treating pressure of 4000 psi. Flush with a total of 1400 gals fresh water. Obtain ISIP and 5 minute, 10 minute, 15 minute shut-in pressures. Close Hydraulic master valve. RD Schlumberger pumping services equipment.

9. RU swab and swab acid water. Unseat 5½" packer. TOOH with 5½" packer and 2⅞" workstring.

10. MIRU ESP spooler. PU and TIH w/ Centrilift ESP, ESP cable, and 2⅞", 6.5#, J-55 production tubing as per WellView tubing design. Connect surface equipment and electrical equipment. Load tubing. Start pump and confirm returns to surface. RDMO ESP spooler.

11. ND BOP and NU new WH to accommodate ESP. RDMO well service unit. Release any ancillary equipment. Clean up location.

12. Turn well over to Operations and place well on production. Report well tests on morning report. Place stabilized well test in Avocet. Contact chemical representative to place well on corrosion inhibition program if needed. Submit change of status report.

Jack T. Lowder
3/29/2010