State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Tony Delfin Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



March 10, 2016

Certified Mail Return Receipt#: 7013 1090 0001 7318 4371

Ms. Lori Notor ConocoPhillips Company 3401 E 30th Street Farmington NM 87402

Re: Well Name San Juan 32-7 Unit #15, UL M Sec 34 Twn 32N Rge 7W, API # 30-045-11103

Dear Ms. Notor:

The 2016 Bradenhead test on the above well indicates a failure. In order to comply with Rule 19.15.16.11, prevent waste and protect fresh water, you are hereby directed to provide a course of action to this office before April 10, 2016 and initiate remedial activity before June 10, 2016. Initial Surface Casing psi was 0. Initial Intermediate Casing psi was 181. Initial Production Casing psi was 181. During the test the Production Casing pressure dropped while testing the Intermediate string. The test shows there is communication between the casing strings.

The wellbore schematic has been received. A request for a gas analysis on the production casing and intermediate casing was e-mailed on 2/24/2016.

Reference: RBDMS MPK1605652206 on future correspondence for this issue.

Notify the Aztec OCD 24 hours before work is initiated.

If you have any questions, please call me at 505-334-6178, ext. 116.

Sincerely yours,

randon Powell

Brandon Powell Deputy Oil and Gas Inspector District III - Aztec

CC: Well File