

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office 1235 La Plata Highway, Suite A Farmington, New Mexico 87401 - Či. COREDADIA DV

02 JUL 19 PH 4:00

IN REPLY REFER TO: NM SF-078640 (WC) 3162.3-2 (07100)

JUL 1 8 2002



CERTIFIED--RETURN RECEIPT REQUESTED 7106 4575 1292 2684 4041

Ms. Deborah Marberry Conoco Inc. P.O. Box 2197, DU 3066 Houston, TX 77252

Dear Ms. Marberry:

Reference is made to the following well on Federal oil and gas lease SF-078640:

No. 155 San Juan 28-7 Unit, located 1650' FSL and 1650' FWL, Sec. 22, T. 27 N., R. 7 W., Rio Arriba County, New Mexico.

We received your Subsequent Report dated May 28, 2002, outlining your procedures used in repairing the casing on the referenced well. This office has no record of prior approval, written or verbal, being given to conduct these operations. We received your Sundry Notice of Intent, dated June 20, 2002, to unseat packer, test casing, and clean out the well. Enclosed, herewith, is a copy of the processed notice of intent to conduct these operations (Enclosure 1).

In view of the foregoing, you are in violation of 43 CFR 3162.3-2, Subsequent Well Operations, which requires prior approval before commencing casing repairs. Conoco has had violations of this sort in the past (Enclosures 2 and 3). In addition, you are also subject to a \$250 assessment pursuant to 43 CFR 3163.1-6(b)(3), for failure to obtain approval of a plan for well casing repairs prior to commencement of such operations. You will be billed for the amount of \$250 by this office.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review, before the State Director either with or without oral presentation, of the assessment described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice with the State Director, Bureau of Land Management (NM-93000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the orders unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions regarding the above contact Matt Halbert at (505) 599-6350 or Jim Lovato at (505) 599-6367.

Sincerely,

/s/ Charlie Beecham

Charlie Beecham Acting, Assistant Field Manager for Minerals

2 Enclosures:

- 1 Processed Sundry Notice (4 pp)
- 2 Violation Notice dated 2/21/02 (3M Michener LS) (2 pp)
- 3 Violation Notice dated 11/4/98 (249M SJ 28-7 Unit) (1 p)

cc:

NMOCD, Aztec, NM (w/enclosure 1) NMOCD, Santa Fe, NM (w/enclosure 1) Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an

C ICL E All C T I N

5. Lease Serial No. NMSF 078640

abandoned well. Use form 3160-3 (APD) for such proposals.				Illottee or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on reverse side.				7. If Unit or CA/Agreement, Name and/or No.	
1. Type of Well				8. Well Name and No. SAN JUAN 28-7 155	
☐ Oil Well S Gas Well ☐ Other				9. API Well No.	
2. Name of Operator CONOCO INC. Contact: DEBORAH MARBERRY E-Mail: deborah.a.marberry@conoco.com			1	30-039-20430	
3a. Address 3b. Phone No. (included process) P.O. BOX 2197 DU 3066 Ph: 281.293.100 HOUSTON, TX 77252 Fx: 281.293.5466				10. Field and Pool, or Exploratory PICTURED CLIFFS, CHACRA, DAKOT	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			11. County or	Parish, and State	
Sec 22 T27N R7W NESW 1650FSL 1650FWL			RIO ARR	RIO ARRIBA COUNTY, NM	
12. CHECK APPE	ROPRIATE BOX(ES) TO INDICA	TE NATURE OF 1	NOTICE, REPORT, OR	OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				
Notice of Intent	☐ Acidize ☐ □	Deepen	☐ Production (Start/Resu	ame) 🔲 Water Shut-Off	
_	☐ Alter Casing ☐ F	racture Treat	☐ Reclamation	☐ Well Integrity	
☐ Subsequent Report		lew Construction	☐ Recomplete	☐ Other	
☐ Final Abandonment Notice	☐ Change Plans ☐ P	lug and Abandon	☐ Temporarily Abandon		
	☐ Convert to Injection ☐ P	lug Back	☐ Water Disposal		
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.) This notice of intent is being filed after the fact to unseat packer, pull tubing, test casing, and clean out this well. The following was the proposed procedure. 1) Move in workover rig, hold safety meeting, note prevailing wind direction at location, designate muster point, review procedure, identify potential hazards, isolate lines and facilities, blow down lines, lock out tag out, spot equipment, rig up, WORK SAFELY! 2)Tubing (Dakota) is dead, avoid or minimize KCl, PC is flowing 90 Mcfgd up back side, unseat 4.5" Baker Lok-Set Packer (pull upstrain 3,000#, rotate right 10 turns at tool, continue to rotate right while moving up to ensure dogs are fully retracted, POOH 2.375" tubing standing back. (Lee at Baker says there is NO ON/OFF tool above packer.) 3)If there is a casing leak, it is suspected to be somewhere between 5,641' –					
14. I hereby certify that the foregoing is true and correct. Electronic Submission #12188 verified by the BLM Well Information System For CONOCO INC., sent to the Farmington Committed to AFMSS for processing by Matthew Halbert on 07/03/2002 ()					
Name (Printed/Typed) DEBORAL	H MARBERRY		TTING CONTACT	1 4 4 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Signature (Electronic S	<u> </u>	Date 06/20/2		M	
	THIS SPACE FOR FEDE	RAL OR STATE	OFFICE USE	7	
certify that the applicant holds legal or equivalent would entitle the applicant to conductive the applicant to conductive the second to the s	d. Approval of this notice does not warrant uitable title to those rights in the subject leas	Office Office	SLM, FFS willfully to make to any depar	Date TISO	
Sames any raise, memoral or maddiche	or representations as to any matte	, January III			

Additional data for EC transaction #12188 that would not fit on the form

32. Additional remarks, continued

6,000', or 3,348' - 4,000'. Pick up RBP and multi set test packer on 2.375", 4.7#, EUE tubing, RIH, set RBP @ 7250' (above DK perfs), before releasing - set packer and test RBP, if test OK, move up and begin testing for leaks. To test upper wellbore packer @ 2975' (above PC perforations), pressure up backside to test for shallow leaks. If shallow leak detected, isolate. Isolate, report, and squeeze leak(s) if necessary.

- 4) RIH with bit and scraper and drill out / clean out to PBTD @ 7575' and POOH.
- 5) RIH with mule shoe and SN on bottom 2.375", 4.7#, EUE tubing, and redressed Baker Lok-Set packer, set packer below squeeze, rabbit tubing for tight spots, be careful not to crimp or over torque tubing. Land tubing at mid Dakota @ 7260' original depth. DO NOT RUN ON/OFF TOOL ABOVE PACKER IN 4.5" CASING.
- 6) RIH gauge ring on sand line and tag seating nipple, POOH.
- 7) Unload or swab well in if necessary, rig down, move off. Notify operator to put back on production.

The state of the s

NMOCD

SAN JUAN 28-7 UNIT #155 Unseat Packer / Pull Tubing / Test Casing / Clean Out January 2, 2002 PEER REVIEWED, CEM, 3/2/02 – w/ Joe B. ---

API# 300392043000

Location: NMPM-27N-7W-22K

MSO - Herman Martinez

Objective

This well is currently dead, fluid level is high, we will unload and test casing for a leak. A Baker Lok-Set packer is set at 3297' with DV tools below it at 3348' & 5641'. It is suspected that stage cement did not reach one of the DV tools leaving a section of casing exposed and possibly developing a leak. Kill 2.375" OD production tubing, release packer, and pull tubing. Run in hole with retrievable bridge plug and packer on work string, test casing for leaks. Isolate leaks and squeeze off if necessary. Retrieve bridge plug and clean out SAN JUAN 28-7 UNIT #155 to PBTD if necessary. Previous production average was approximately 74 Mcfgd with long term production over 100 Mcfgd. Cleaning out and repairing if necessary, should recover this production providing a 75 Mcfgd uplift.

Well Data

PBTD/ TD @ 7575', GL --- 6581'; KB/GL = 10'

Surface Casing: 9.63", 32.3#, landed @ 209', cement circulated to surface.

Production Casing: 4.5" OD, 10.5#, K-55, from surface set @ 7575'KB, stage tool @ 5641' w/TOC @ 5641', &

stage tool @ 3348' w/TOC @ 2010'.

Perforations: Pictured Cliffs: 3000' -3042', Dakota: 7292' - 7513'.

Tubing: 2.375" OD, 4.7#, J-55, EUE, landed @ 7498' KB, perfed @ 7496', 7497', & 7498'; w/4SPF.

NOTE: Baker Lok-Set Packer @ 3297' - 3301'.

Procedure

- 1) Move in workover rig, hold safety meeting, note prevailing wind direction at location, described muster point, review procedure, identify potential hazards, isolate lines and facilities, blow down lines, lock out tag out, spot equipment, rig up, WORK SAFELY!
- 2) Tubing (Dakota) is dead, avoid or minimize KCl, PC is flowing 90 Mcfgd up back side, unseat 4.5" Baker Lok-Set Packer (pull upstrain 3,000#, rotate right 10 turns at tool, continue to rotate right while moving up to ensure dogs are fully retracted, POOH 2.375" tubing standing back. (Lee at Baker says there is NO ON/OFF tool above packer.)
- 3) If there is a casing leak, it is suspected to be somewhere between 5,641' 6,000', or 3,348' 4,000'. Pick up RBP and multi set test packer on 2.375", 4.7#, EUE tubing, RIH, set RBP @ 7250' (above DK perfs), before releasing set packer and test RBP, if test OK, move up and begin testing for leaks. To