



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
SF-078997 (WC)
3162.3-2 (07100)

441 10 2002

CERTIFIED – RETURN RECEIPT REQUESTED

7106 4575 1292 2684 3600

Ms. Patsy Clugston
Phillips Petroleum Company
5525 Highway 64 NBU 3004
Farmington, NM 87401

Dear Ms. Clugston:

Reference is made to the following well on Federal oil and gas lease SF-078997:

**San Juan 30-5 Unit # 49M, located 660' FNL and 660' FWL, Section 9, T. 30 N., R. 5 W.,
Rio Arriba County, New Mexico.**

We received your Sundry Notice of Intent dated March 26, 2002, outlining the plug back and side track effort on the referenced well. That Sundry was in essence an after the fact Subsequent report. This office has no record of prior approval, written or verbal, being given to conduct these operations. If this office had received your notice of intent prior to commencing these operations, the approval would have been granted with certain conditions recommended by our geologist. Do to off-setting gas production in the Chacra and Mesaverde intervals, cement plugs would have been required to be set at the top of these formations. Enclosed, herewith, is the approved notice of intent to conduct the three and one-half inch (3 ½") liner operations.

Because of the foregoing, you are in violation of 43 CFR 3162.3-2, Subsequent Well Operations, which requires prior approval before commencing a plug back and redrill operations. In addition, you are also subject to a \$500 assessment pursuant to 43 CFR 3163.1-6(b)(3), for failure to obtain approval of a plan of well abandonment prior to commencement of such operations. You will be billed for the amount of \$500 by this office.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review 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 and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request will not result in a suspension of the order unless the reviewing official so determines. Procedures governing appeals from

instructions, orders or decisions are contained in 43 CFR 3154.4 and 43 CFR 4.400 *et seq.*

If you have any questions regarding the above, contact Matt Halbert at (505) 599-6350 or Stephen Mason at (505) 599-6364.

Sincerely,

/s/ David J. Mankiewicz

Dave Mankiewicz
Assistant Field Manager for Minerals

1 Enclosure

cc:

NMOCD, Aztec, NM

NMOCD, Santa Fe, NM

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 abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Phillips Petroleum Company

3a. Address

5525 Highway 64, NBU 3004, Farmington, NM 87401

3b. Phone No. (include area code)

505-599-3454

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit D, 660' FNL & 660' FWL
Section 9, T30N, R5W

5. Lease Serial No.

NMSF078997

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or N

NMNM78419A & B or E

8. Well Name and No.

SJ 30-5 Unit #49M

9. API Well No.

30-039-26803

10. Field and Pool, or Exploratory Area

Basin Dakota and
Blanco Mesaverde

11. County or Parish, State

Rio Arriba, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other 3-1/2" liner
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleate 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 shall be filed within 30 day following completion of the involved operations. If the operation results in a multiple completion or recompleation 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 final site is ready for final inspection.)

Due to water problems & lost fish, the initial 6-1/4" hole was lost during drilling. We cemented plugs and then sidetracked the production interval to a depth of 7753' before setting the 4-1/2" casing and cementing (see Subsequent sundry dated 3/26/02).

Plans are now to drill out the float collar and 4-1/2" shoe with a 3-7/8" bit & water. Circ. and changed over to mud. Drill a 186' of new hole to TD of 7888'. Circ. hole clean. COOH. RIH w/3-1/2" 9.3# J-55 casing and set @ TD. Pump a 5 bbls preflush followed by a 5 sx (2.12 ft/sx) Premium Lite High Strength + 3#/sx CSE + 0.4% FL-25 + 0.1% R-3 + 0.3% R-8. Drop wiper plug and displaced w/10 bbls FW. COOH. WOC. Run GR/CCL/CBL & GSL. PT casing for 10 minutes @ 500 psi, then increase pressure to 5000 psi for 30 minutes and chart results.

Complete Dakota interval as planned.

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

Patsy Clugston

Title

Sr. Regulatory/Production Clerk

Date

4/4/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

St Stephen M. Mason

Title

PE

Office

FFO

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.

FARMINGTON OFFICE
BY [Signature]

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

NMOCD