

ConocoPhillips Company
3401 E. 30th Street
Farmington, NM 87402



Monica Kuehling
Oil Conservation Division
1000 Rio Brazos Rd
Aztec, NM 87410

April 19, 2011

RE: San Juan 30-5 Unit 50
API# 30-039-22571
Sec. 6, T30N, R5W
Lease #: SF-080066
Reference: RBDMS MPK1104136792



Dear Ms. Kuehling:

On February 24, 2011 a letter was received regarding the subject well indicating a bradenhead failure and requesting remedial activity. A proposal to not repair the intermediate casing is attached for your review. Also attached are a current wellbore schematic, gas sample analysis and the two most recent bradenhead tests.

If further detail or information is needed regarding the subject well please contact me at 326-9837.

Sincerely,

A handwritten signature in cursive script, reading "Crystal Tafoya".

Crystal Tafoya
Staff Regulatory Technician

B.P. Denied

A

San Juan 30-5 Unit #50
Proposal to Not Repair the Intermediate Casing

Gas samples from intermediate and production casing indicate the same gas is flowing through both strings. Pressure readings taken during the bradenhead test and re-test indicate that there is not an integrity issue with the bradenhead (no pressure in bradenhead)

Pertinent data for this well is summarized below:

Formation: Mesa Verde/Dakota

TD: 7955'

PBTD: 7914'

Surface Casing: 9-5/8" 36.0#/ft set at 367' with cement circulated to surface
Intermediate Casing: 7" 20.0#/ft set at 3732' w/ TOC @ 2760' by 75% efficiency
Production Casing: 4-1/2" 10.5#/ft set at 7955' w/ TOC @ 4514' by CBL (12/2002)

Perforations:

5372-5642' (MV)

5668-5786' (MV)

7768-7792' (DK)

Formation Tops:

Ojo Alamo	2605'
Kirtland	2693'
Fruitland	3003'
Pictured Cliffs	3163'
Lewis	3530'
Cliffhouse	5320'
Point Lookout	5559'
Mancos	5872'
Gallup	6697'
Greenhorn	7600'
Graneros	7752'
Dakota	7768'

Given the lack of pressure on the bradenhead, the gas on the intermediate head is most likely coming from the production casing. Gas samples taken February 2008 for a sundry filed with the BLM (attached) from the intermediate and production casing strings showed similar samples. Samples taken again March 2011 from the intermediate and production casing strings also showed similar samples (see attachment). Additionally, freshwater aquifers are not threatened since there is no pressure on the bradenhead. ConocoPhillips proposes to repair this well if pressure is found on the bradenhead.

ConocoPhillips would like to propose the following:

- Lease operator will continue to monitor wellhead pressures as normal.
- If the bradenhead pressure continues to reflect 0 to 24 psig, continue to operate as normal.
- If the bradenhead pressure reflects a pressure 25 psig or greater, the NMOCD will be notified
- ConocoPhillips will meet with NMOCD representatives if necessary to further discuss the proposal.

ConocoPhillips will continue to operate in a safe and environmentally friendly manner. The company will continue to notify the NMOCD within five days of known casing failures, as directed. The company will also immediately address necessary plans to repair known wellbore integrity issues that indicate obvious casing and/or cement failures. ConocoPhillips will continue to operate in a prudent manner.

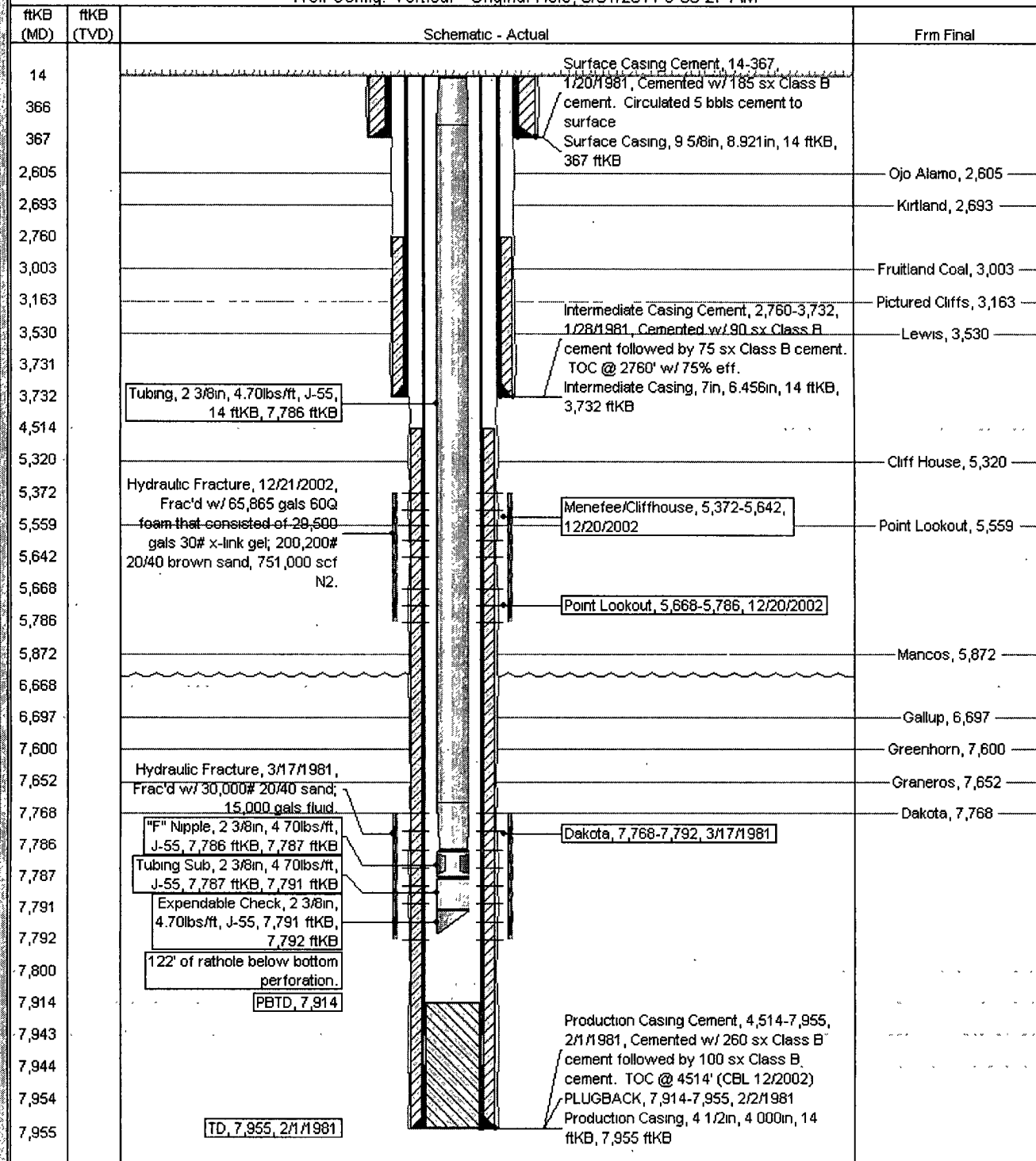
Current Schematic

ConocoPhillips

Well Name: SAN JUAN 30-5 UNIT #50

API/UNIT	Surface Legal Location	Field Name	License No	State/Province	Well Configuration Type	Edit
3003922571	NMPM-30N-05W-06-M	MV/DK COM		NEW MEXICO	Vertical	
Ground Elevation (ft)	Original KID/RT Elevation (ft)	KID-Graded Distance (ft)	KID-Casting Flange Distance (ft)	KID-Tubing Hanger Distance (ft)		
6,402.00	6,416.00	14.00				

Well Config. Vertical - Original Hole, 3/31/2011 9:55:27 AM





2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-8622

ANALYSIS NO. CP280083
CUST. NO. 18300 - 15800

WELL/LEASE INFORMATION

CUSTOMER NAME	CONOCO PHILLIPS COMPANY	SOURCE	INTERMEDIATE
WELL NAME	SAN JUAN 30-5 #50	PRESSURE	133 PSI G
COUNTY/ STATE		SAMPLE TEMP	N/A DEG.F
LOCATION		WELL FLOWING	Y
FIELD		DATE SAMPLED	02/19/2008
FORMATION		SAMPLED BY	L.A. MESHARRY
CUST.STN.NO.		FOREMAN/ENGR.	
	A00006851SM		

REMARKS

ANALYSIS				
COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.153	0.0000	0.00	0.0015
CO2	0.184	0.0000	0.00	0.0028
METHANE	97.024	0.0000	982.17	0.5375
ETHANE	2.212	0.5912	39.24	0.0230
PROPANE	0.282	0.0776	7.11	0.0043
I-BUTANE	0.056	0.0183	1.83	0.0011
N-BUTANE	0.028	0.0088	0.92	0.0006
I-PENTANE	0.015	0.0055	0.60	0.0004
N-PENTANE	0.006	0.0022	0.24	0.0001
HEXANE PLUS	0.040	0.0178	2.12	0.0013
TOTAL	100.000	0.7215	1,034.23	0.5726

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z)	1.0020	GPM, BTU, and SPG calculations as shown above are based on current GPA factors.
BTU/CU.FT (DRY) CORRECTED FOR (1/Z)	1,036.4	
BTU/CU.FT (WET) CORRECTED FOR (1/Z)	1,019.2	
REAL SPECIFIC GRAVITY	0.5736	

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	1,030.8	CYLINDER #	50230000
DRY BTU @ 14.696	1,034.0	CYLINDER PRESSURE	124 PSIG
DRY BTU @ 14.730	1,036.4	DATE RUN	02/21/2008
DRY BTU @ 15.025	1,057.1	ANALYSIS RUN BY	AMANDA FLOREZ

CONOCO PHILLIPS COMPANY
WELL ANALYSIS COMPARISON

LEASE : SAN JUAN 30-5 #50
STN.NO. :
MTR.NO. : A00006851SM

INTERMEDIATE

2/28/2008
18300 - 15800

SMPL DATE	02/19/2008
TEST DATE	02/21/2008
RUN NR.	CP280083
NITROGEN	0.153
CO2	0.184
METHANE	97.024
ETHANE	2.212
PROPANE	0.282
I-BUTANE	0.056
N-BUTANE	0.028
I-PENTANE	0.015
N-PENTANE	0.006
HEXANE +	0.040
BTU	1,036.4
GPM	0.7215
SP.GRAV.	0.5736



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. CP280082
CUST. NO. 18300 - 15795

WELL/LEASE INFORMATION

CUSTOMER NAME CONOCO PHILLIPS COMPANY
WELL NAME SAN JUAN 30-5 #50
COUNTY/ STATE
LOCATION
FIELD
FORMATION
CUST.STN.NO. A00006851SM

SOURCE
PRESSURE 133 PSI G
SAMPLE TEMP N/A DEG.F
WELL FLOWING Y
DATE SAMPLED 02/19/2008
SAMPLED BY L.A. MESHARRY
FOREMAN/ENGR.

REMARKS

COMPONENT	MOLE %	ANALYSIS		
		GPM**	B.T.U.*	SP.GR *
NITROGEN	0.156	0.0000	0.00	0.0015
CO2	0.179	0.0000	0.00	0.0027
METHANE	97.024	0.0000	982.17	0.5375
ETHANE	2.203	0.5888	39.08	0.0229
PROPANE	0.282	0.0776	7.11	0.0043
I-BUTANE	0.056	0.0163	1.83	0.0011
N-BUTANE	0.029	0.0091	0.95	0.0006
I-PENTANE	0.015	0.0055	0.60	0.0004
N-PENTANE	0.006	0.0022	0.24	0.0001
HEXANE PLUS	0.050	0.0223	2.64	0.0017
TOTAL	100.000	0.7239	1,034.62	0.5728

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z)	1.0020	GPM, BTU, and SPG calculations as shown above are based on current GPA factors.
BTU/CU.FT (DRY) CORRECTED FOR (1/Z)	1,036.8	
BTU/CU.FT (WET) CORRECTED FOR (1/Z)	1,019.6	
REAL SPECIFIC GRAVITY	0.5738	

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650 1,031.2
DRY BTU @ 14.696 1,034.4
DRY BTU @ 14.730 1,036.8
DRY BTU @ 15.025 1,057.6

CYLINDER # 60580000
CYLINDER PRESSURE 130 PSIG
DATE RUN 02/21/2008
ANALYSIS RUN BY AMANDA FLOREZ

CONOCO PHILLIPS COMPANY
WELL ANALYSIS COMPARISON

LEASE : SAN JUAN 30-5 #50

CASING

2/28/2008

STN.NO.:

18300 -

15795

MTR.NO. : A00006851SM

SMPL DATE 02/19/2008

TEST DATE 02/21/2008

RUN NR. CP280082

NITROGEN 0.156

CO2 0.179

METHANE 97.024

ETHANE 2.203

PROPANE 0.282

I-BUTANE 0.056

N-BUTANE 0.029

I-PENTANE 0.015

N-PENTANE 0.006

HEXANE + 0.050

BTU 1,036.8

GPM 0.7239

SP.GRAV. 0.5738



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. CP110116
CUST. NO. 18300 - 20140

WELL/LEASE INFORMATION

CUSTOMER NAME	CONOCO PHILLIPS COMPANY	SOURCE	INTERMEDIATE
WELL NAME	SJ 30-5 #50	PRESSURE	98 PSI G
COUNTY/ STATE	RIO ARRIBA NM	SAMPLE TEMP	N/A DEG.F
LOCATION	NMSF-080066	WELL FLOWING	Y
FIELD		DATE SAMPLED	03/25/2011
FORMATION	DAKOTA	SAMPLED BY	DANNY ROBERTS
CUST.STN.NO.	A00006851SM	FOREMAN/ENGR.	JESSIE DUTKO

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	BTU.*	SP GR *
NITROGEN	0.079	0.0090	0.00	0.0008
CO2	1.584	0.2710	0.00	0.0241
METHANE	95.826	16.2770	967.84	0.5308
ETHANE	2.089	0.5600	36.97	0.0217
PROPANE	0.260	0.0720	6.54	0.0040
I-BUTANE	0.052	0.0170	1.69	0.0010
N-BUTANE	0.025	0.0080	0.82	0.0005
I-PENTANE	0.013	0.0050	0.52	0.0003
N-PENTANE	0.005	0.0020	0.20	0.0001
HEXANE PLUS	0.067	0.0300	3.53	0.0022
TOTAL	100.000	17.2510	1,018.11	0.5855

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG F

COMPRESSIBILITY FACTOR (1/Z)	1.0022	GPM, BTU, and SPG calculations as shown above are based on current GPA factors.
BTU/CU.FT (DRY) CORRECTED FOR (1/Z)	1,022.7	
BTU/CU.FT (WET) CORRECTED FOR (1/Z)	1,004.9	
REAL SPECIFIC GRAVITY	0.5865	

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	1,017.1	CYLINDER #	6028
DRY BTU @ 14.696	1,020.3	CYLINDER PRESSURE	247 PSIG
DRY BTU @ 14.730	1,022.7	DATE RUN	03/30/2011
DRY BTU @ 15.025	1,043.2	ANALYSIS RUN BY	PATRICIA KING

CONOCO PHILLIPS COMPANY
WELL ANALYSIS COMPARISON

LEASE :	SJ 30-5 #50	INTERMEDIATE	3/31/2011	
STN.NO.:	A00006851SM	DAKOTA	16300	- 20140
MTR.NO.:				

SMPL DATE	03/25/2011
TEST DATE	03/30/2011
RUN NR.	CP110116

NITROGEN	0.079
CO2	1.584
METHANE	95.826
ETHANE	2.089
PROPANE	0.260
I-BUTANE	0.052
N-BUTANE	0.025
I-PENTANE	0.013
N-PENTANE	0.005
HEXANE +	0.067

BTU	1,022.7
GPM	17.2510
SP.GRAV.	0.5865



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. CP110117
CUST. NO. 18300 - 20145

WELL/LEASE INFORMATION

CUSTOMER NAME	CONOCO PHILLIPS COMPANY	SOURCE	WELLHEAD/ CASING
WELL NAME	SJ 30-5 #50	PRESSURE	244 PSI G
COUNTY/ STATE	RIO ARRIBA NM	SAMPLE TEMP	N/A DEG.F
LOCATION	NMSF-080066	WELL FLOWING	Y
FIELD		DATE SAMPLED	03/25/2011
FORMATION	DAKOTA	SAMPLED BY	DANNY ROBERTS
CUST.STN.NO.	A00006851SM	FOREMAN/ENGR.	JESSIE DUTKO

REMARKS SAMPLE CONTAINED A SMALL AMOUNT OF CONDENSATE

ANALYSIS				
COMPONENT	MOLE %	GPM**	B.T.U.*	SP GR *
NITROGEN	0.087	0.0100	0.00	0.0008
CO2	1.577	0.2700	0.00	0.0240
METHANE	95.839	16.2790	967.97	0.5309
ETHANE	2.079	0.5570	36.79	0.0216
PROPANE	0.257	0.0710	6.47	0.0039
I-BUTANE	0.052	0.0170	1.69	0.0010
N-BUTANE	0.024	0.0080	0.78	0.0005
I-PENTANE	0.013	0.0050	0.52	0.0003
N-PENTANE	0.006	0.0020	0.24	0.0001
HEXANE PLUS	0.066	0.0290	3.48	0.0022
TOTAL	100.000	17.2480	1,017.94	0.5853

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z)	1.0022	GPM, BTU, and SPG calculations as shown
BTU/CU.FT (DRY) CORRECTED FOR (1/Z)	1,022.6	above are based on current GPA factors.
BTU/CU.FT (WET) CORRECTED FOR (1/Z)	1,004.8	
REAL SPECIFIC GRAVITY	0.5864	

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	1,017.0	CYLINDER #	6099
DRY BTU @ 14.696	1,020.2	CYLINDER PRESSURE	247 PSIG
DRY BTU @ 14.730	1,022.6	DATE RUN	03/30/2011
DRY BTU @ 15.025	1,043.1	ANALYSIS RUN BY	DAWN BLASSINGAME

CONOCO PHILLIPS COMPANY
WELL ANALYSIS COMPARISON

LEASE : SJ 30-5 #50
STN.NO.: A000068816K
MTR.NO.:

WELLHEAD/ CASING
DAKOTA

3/31/2011
15300 . 20145

SMPL DATE	03/25/2011
TEST DATE	03/30/2011
RUN NR	CP110117
NITROGEN	0.087
CO2	1.577
METHANE	95.839
ETHANE	2.079
PROPANE	0.257
I-BUTANE	0.052
N-BUTANE	0.024
I-PENTANE	0.013
N-PENTANE	0.006
HEXANE +	0.066
BTU	1,022.6
GPM	17.2480
SP.GRAV.	0.5864

**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX (505) 334-6170
<http://emmr.state.nm.us/ocd/District/111/3district.htm>

BRADENHEAD TEST REPORT

(submit 1 copy to above address)

Date of Test 7/21/2010 Operator ConocoPhillips API # 3003922571
Property Name SAN JUAN 30-5 UNIT Well No. 50 Location: Unit M Section 06 Township 030N Range 005W
Well Status Shut-In Initial PSI: Tubing 395 Intermediate 398 Casing 398 Bradenhead 0

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

Testing TIME	PRESSURE					FLOW CHARACTERISTICS	
	BRADENHEAD			INTERM		BRADENHEAD	INTERMEDIATE
	BH	Int	Csg	Int	Csg		
5 min		398	398			Steady Flow	
10 min						Surges	
15 min						Down to Nothing	
20 min						Nothing	Y
25 min						Gas	
30 min						Gas & Water	
						Water	

If Bradenhead flowed water, check all of the descriptions that apply below:

CLEAR FRESH SALTY SULFUR BLACK

If Intermediate flowed water, check all of the descriptions that apply below:

CLEAR FRESH SALTY SULFUR BLACK

5 MINUTE SHUT-IN PRESSURE Bradenhead 0 Intermediate

REMARKS:

Opened Intermediate for 30 SEC and the casing dropped from 398 to 350 so I shut in the Intermediate. The casing is communicating with the intermediat.

Tested By LAMCSHA Witness No

**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX (505) 334-6170
<http://emmr.state.nm.us/ocd/District/III/3district.htm>

BRADENHEAD TEST REPORT

(submit 1 copy to above address)

Date of Test 5/28/2007 Operator ConocoPhillips API # 3003922571
Property Name SAN JUAN 30-5 UNIT Well No. 50 Location Unit M Section 06 Township 030N Range 005W
Well Status Flowing Initial PSI: Tubing 165 Intermediate 240 Casing 240 Bradenhead 0

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

Testing TIME	PRESSURE				
	BRADENHEAD			INTERM	
	BH	Int	Csg	int	Csg
5 min	0	240	240	30	30
10 min	0	240	240		
15 min	0	240	240		
20 min					
25 min					
30 min					

FLOW CHARACTERISTICS	
BRADENHEAD	INTERMEDIATE
Steady Flow	Y
Surges	
Down to Nothing	
Nothing	Y
Gas	Y
Gas & Water	
Water	

If Bradenhead flowed water, check all of the descriptions that apply below:

CLEAR ☐ FRESH ☐ SALTY ☐ SULFUR ☐ BLACK ☐

If Intermediate flowed water, check all of the descriptions that apply below:

CLEAR ☐ FRESH ☐ SALTY ☐ SULFUR ☐ BLACK ☐

5 MINUTE SHUT-IN PRESSURE Bradenhead 0 Intermediate 85

REMARKS:

INT. and casing communicating

Tested By LAMCSHA Witness