

submitted in lieu of Form 3160-5

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Sundry Notices and Reports on Wells

FEB 22 2012

Farmington Field Office
Bureau of Land Management

1. Type of Well	X - Gas	Oil	5. Lease Number	NMMN-27024
2. Name of Operator	ConocoPhillips c/o BHP Billiton San Juan Coal		6. If Indian, All. or Tribe Name	
3. Address & Phone No. of Operator	PO Box 561, Waterflow, NM 87421 (505) 598-2000		7. Unit Agreement Name	
Location of Well, Footage, Sec., T, R, M	1825' FSL & 990' FWL, Section 30, T-30-N, R-14-W,		8. Well Name & Number	Twin Mounds 30 #2
			9. API Well No.	30-045-25816
			10. Field and Pool	Basin Dakota Gallup
			11. County & State	San Juan County, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment

Type of Action

☒ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☐ Other -

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut off

☐ Conversion to Injection

Notify NMOCD 24 hrs
prior to beginning
operations

13. Describe Proposed or Completed Operations

ConocoPhillips as the operator, agrees with BHP Billiton San Juan Coal's plan to re-enter, mill out the 4.5" casing and then re-plug and abandon this well per the attached procedure.

Also request approval to set an underground plate instead of a 4" above ground marker to prevent stray electrical currents from entering the underground coal mine.

for a below grade marker file a C-102 using a current survey with the subsequent report of P/A

14. I hereby certify that the foregoing is true and correct.

Signed Derek Rawson Title Superintendent Business Analysis Date February 20, 2012

(This space for Federal or State Office use)

APPROVED BY Original Signed: Stephen Mason Title Date FEB 23 2012
CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly 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 A

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
Farmington, New Mexico 87499
505-325-2627 * fax: 505-325-1211

PLUG AND ABANDONMENT PROCEDURE

February 20, 2012

Mesa Twin Mounds 30 #2

Basin Dakota / Wildcat Gallup
1825' FSL and 990' FWL, Section 30, T30N, R14W
San Juan County, New Mexico / API 30-045-25816

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Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be water or drilling mud with sufficient weight to balance all exposed formation pressures. Cement is Class B mixed at 15.6 ppg with 1.18 cf/sxs yield or Class B with 18% salt by weight of water (for expansion, MSHA requirement through the Fruitland Coal zone).

RE ENTRY & PLUGGING PROCEDURE:

1. This project requires a NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Complete a hot work permit. Test the inside of the p&a marker for methane by hot tapping the 4.5" pipe approximately 12" above ground level. Then dig out and remove the p&a marker with a backhoe. Weld a casing extension onto the 5.5" casing and install a tubing head. Orange peel the 8.625" casing onto the 5.5" casing and install a 2" outlet onto this bradenhead annulus.
3. Comply with all applicable MSHA, NMOCD, BLM and San Juan Coal Mine safety regulations. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. Lay relief line to the waste pit; kill the well with water as necessary. ND wellhead and NU BOP on the tubing head. Function test operation and then pressure test the BOP to 1000 PSI. Set cat walk and pipe racks.
4. Rig up a drilling system with a mud pit, mud pump and power swivel. Pick up a 4.75" mill tooth bit and a 4-1/2" drill collar with the power swivel. Drill out cement inside the 5.5" casing from surface to approximately 892' with water; use 6 drill collars and 2.875" PH-6 tubing or equivalent work string. Then clean out the 5.5" casing to 1050' (Note: PBTD should be at least 200' below the bottom of Coal Seam #8). TOH with this BHA and LD the bit. Round trip 5.5" casing scraper to PBTD.
5. **Rig up Jet West wireline and run a Gamma - Neutron log, Cement Bond Log and a directional survey log. Adjust the milling intervals as appropriate from these logs. All reported depths should be from ground level.**

PLUG AND ABANDONMENT PROCEDURE

February 20, 2012

Mesa-Twin Mounds 31 #1

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Re-entry & Plugging Procedure Continued:

6. **Perforate the 5.5" casing below the Basel Fruitland Coal Seam (#8);** [after making the correcting depth adjustments]: Perforate 6 squeeze holes in a 2 foot interval from 1027' to 1025'. Attempt to establish a rate into these squeeze holes, up to 1500 PSI. If the CBL log indicates less than adequate cement quality in the 5.5" x 7-7/8" open hole annulus from 1025' to 850', then perforate at the appropriate depth(s) from the CBL and attempt to establish an injection rate outside the casing into the annulus after each set of perforations. (May need to perforate every 50' if necessary at 975', 925' and 875'). Then set a 5.5" wireline cement retainer at the appropriate depth depending on if and at what depth an injection rate was established. If no injection rate(s) were obtained, then set a CR at 995' and pressure up to 2500 PSI. If the CR is set at a different depth, then modify the following plug as appropriate.
7. **Plug #1 (Pictured Cliffs interval, 1025' – 800');:** TIH with workstring and sting into CR. Establish rate below the CR and into the squeeze holes. Mix and pump 60 sxs Class B cement with 18% salt (by weight of water), squeeze 30 sxs outside 5.5" casing and leave 30 sxs inside the 5.5" casing. PUH out of the cement and then pressure up on the casing to 1000 PSI. Hesitation squeeze the exposed perforations as appropriate. After WOC for 2 hours, TIH and reverse circulate the casing clean at 815'. TOH with workstring. WOC.
8. PU a flat bottom mill, the 4.625" section milling tool and the 6 - 4-1/2" drill collars (this is the under reaming bottom hole assembly, BHA). TIH with BHA and work string to 780'. Rig up drilling equipment and establish circulation with a high viscosity low solids fresh water mud.
9. **Note: The intervals to be milled out below are from ground level - not KB.**
10. **Mill out the 5.5" casing from 780' to 804'.** Start milling out the 5.5" casing from 780' to 804'. Mill per the tool hands instructions for weight on mill, circulation rate and power swivel's RPM. Circulate well clean with mud. TOH with section mill and workstring; stand back the drill collars. TIH with bit and clean out to 815'. Circulate the well clean. TOH with the bit.
11. Rig up a wireline truck and run a caliper log through the milled interval to insure all the 5.5" casing from the planned milling depths (780' to 804') has been removed. Re-mill as appropriate. Re-log as necessary.
12. **Perforate the 5.5" casing with 3 SPF at 677' and 671'.** This is the top and bottom of Coal Seam #9 and the depths should be modified as appropriate from the logs run in step #5.

PLUG AND ABANDONMENT PROCEDURE

February 20, 2012

Mesa-Twin Mounds 31 #1

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Re-entry & Plugging Procedure Continued:

13. **Plug #2 (Pictured Cliffs top and Fruitland Coal interval, 815' – 430'):** TIH with workstring to approximately 815' and circulate the mud from the well. Then pump an additional 5 bbls fresh water spacer ahead of the cement. Mix 50 sxs cement with 18% salt (by weight of water) and spot a balanced plug from 815' up to 200' to fill the milled interval. Displace cement with water. TOH with workstring and shut the casing valve. Then hesitation squeeze the cement down to approximately to 430' inside the 5.5" casing up to 1500 PSI.
14. WOC. Then TIH with tubing and tag cement. Pressure test the 5.5" casing to 800#.
15. **Plug #3 (7" Surface casing shoe, 297' to Surface):** Connect the pump line to the bradenhead valve. Pressure test the BH annulus to 300#; note the fluid volume to load. If the BH annulus tests, then mix approximately 50 sxs cement with or without 18% salt cement and spot a balanced plug inside the 5.5" casing from 356' (or TOC) to surface to cover the 8.625" surface casing shoe. TOH and LD the tubing. If the BH annulus does not test, then perforate at the appropriate depth and fill the bradenhead annulus and 5.5" casing with cement to surface. TOH and LD tubing. Shut in well and WOC.
16. ND BOP and cut off wellhead below surface. Install P&A marker with cement to comply with regulations. RD, MOL. Cut off anchors and clean up location.

Mesa - Twin Mounds 30 #2

As Plugged 9/14/1995

Basin Dakota / Wildcat Gallup

1825' FSL & 990' FWL, Section 30, T-30-N, R-14-W, San Juan County, NM

Lat: 36° ——— N / Long: 107° ——— W API #30-045-25816

Today's Date: 2/20/12

Spud: 10/14/83

Completion: 11/28/83

Elevation: 6404' GL

GI/Dk Plugged: 9/14/95

12.25" hole

Fruitland @ 480' (Estimate)

Fruitland Coal Seam #9: 671' to 677'

Fruitland Coal Seam #8: 786' to 798'

Pictured Cliffs @ 825'

Mesaverde @ 1782'

Point Lookout @ 3265'

Gallup @ 4248'

Dakota @ 5542'

7.875" Hole

Circulated 24 bbls to surface:

8.625", 24#, H-40 Casing set @ 219'
Cement with 177 cf, circulate to surface

Plug #6: 297' – 0'
Class B cement, 41 sxs

Plug #5: 561' – 411'
Class B cement, 17 sxs

Plug #4: 892' – 742'
Class B cement, 17 sxs

Plug #3: 1882' – 1732'
Class B cement, 17 sxs

DV Tool @ 3665'
Cement with 1227 cf

Plug #2: 3365' – 3215'
Class B cement, 17 sxs

Plug #1b: 4917' – 4298'
Class B cement, 68 sxs

Gallup Perforations:
4742' – 5160'

Dakota Perforations:
5504' – 5597'

Plug #1a: 5635' – 4917'
Class B cement, 70 sxs

5.5" 15 5# J-55 casing set @ 5689'
Cement with 544 cf

TD 5618'
PBD 5536'

Mesa -Twin Mounds 30 #2

Proposed Milled Out & Re-Plugged

Basin Dakota / Wildcat Gallup

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7.875" Hole

Circulated 24 bbl. to surface:

8,625', 24#, H-40 Casing set @ 219'
Cement with 177 cf, circulate to surface

Plug #3: 297' – Surface
Class B cement, 50 sxs

Plug #2: 800' – 430'
Class B cement, 50 sxs

Perforate at 671'

Perforate at 677'

Mill out casing from
780' to 804' (24')

Cmt Rt at 995'

Plug #1: 1025' – 800'
Class B cement, 60 sxs

Perforate at 1025' and
other depths per CBL

Existing Plug #3:
1882' – 1732'
Class B cement, 17 sxs

DV Tool @ 3665'
Cement with 1227 cf

Plug #2: 3365' – 3215'
Class B cement, 17 sxs

Plug #1b: 4917' – 4298'
Class B cement, 68 sxs

Gallup Perforations:
4742' – 5160'

Dakota Perforations.
5504' – 5597'

Plug #1a: 5635' – 4917'
Class B cement, 70 sxs

5.5" 15.5# J-55 casing set @ 5689'
Cement with 544 cf

TD 5618'
PBTD 5536'

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 2 Mesa Twin Mounds 30

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) You are required to have H2S monitoring equipment and personnel on location during plugging operations.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.