

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 ☐ Other2. Name of Operator
ConocoPhillips Co.3a. Address P.O. Box 2197, WL3-6085 Houston Tx 77252
3b. Phone No. (include area code) (832)486-24634. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 32 T28N R7W SWNE 1700FNL 1700FEL

5. Lease Serial No.

NMSE078498

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

NMNM78413A

8. Well Name and No.

San Juan 28-7 Unit #69

9. API Well No.

30-039-07258

10. Field and Pool, or Exploratory Area

Basin FC/Blanco Mesaverde/Pictured Cliffs

11. County or Parish, State

Rio Arriba

NM

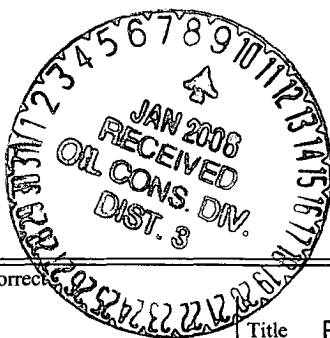
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 checked="" 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 Allocation
	<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 recompleat 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 days following completion of the involved operations. If the operation results in a multiple completion or recompleat 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.)

In reference to San Juan 28-7 Unit (MV)
3162.7 (21120)

ConocoPhillips requests allocation on this well as per attached. We are changing the method of allocation from a subtraction method to a fixed percentage. This is in reference to DHC#2908.

2005 DEC 19 PM 2 31
RECEIVED
070 FARMINGTON NM14. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed)

Christina Gustartis

Title Regulatory Specialist

Signature

Date 12/16/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

PETER ENG

Date

12/29/05

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.

Office

BLM-FFO

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

(Instructions on page 2)

NMOC

Allocation for the San Juan 28-7 Unit #69 (API 30-039-07258) - Conversion from Subtraction/Fixed to Fixed

The San Juan 28-7 Unit #69 was originally completed as a Mesaverde (MV) single producer in 1957. In July 2001, the #69 was recompleted to the Fruitland Coal/Pictured Cliffs (FC/PC) with resultant production commingled with existing Mesaverde production (a FC/PC/MV trimingle). Mesaverde cumulative recovery at the time of recompletion was 2.93 Bcfg, with (then) daily rates of approximately 105 Mcfgd.

Based on an interpretation of production log data acquired from the FC/PC on 7/20/01 (FC/PC was fracture stimulated simultaneously with MV isolated under a cement retainer & bridge plug), allocation percentages **for the FC/PC only** are as follows:

Fruitland Coal (2-3/8" tubing set at 2,183', Perfs 2,398-2,579' OA, retainer at 3,406')
7/20/01 1/4" choke 300 psi tbg press. 300 psi csg press. 130 MCFPD + 0 BOPD + 0 BWPD

Pictured Cliffs (2-3/8" tubing set at 2,183', perfs 2,594-2,650' OA, retainer at 3,406')
7/20/01 1/4" choke 300 psi tbg press. 300 psi csg press. 424 MCFPD + 0 BOPD + 0 BWPD

Fixed Allocation (Gas)	Fruitland Coal	23%
	Pictured Cliffs	77%

Fixed Allocation (Oil)	Fruitland Coal	0%
	Pictured Cliffs	0%

Based on the historical performance of the #69 with all three zones producing, little uplift was realized over and above the daily rates existing in the #69 (after a steep initial FC/PC transient decline period of ~9 months). Plunger lift operations designed to keep the well unloaded have been in place since the time of trimingling, and well work has been performed as needed. While there is some variation in rate contributed by the FC/PC utilizing the existing subtraction allocation method, overall contribution of the FC/PC is roughly 8% of gas produced. Splitting this contribution utilizing the above fixed percentages yields the following total well, fixed percentage allocation:

Fixed Allocation (Gas)	Fruitland Coal	2%
	Pictured Cliffs	6%
	Mesaverde	92%

No oil was produced during the testing of the FC/PC, and offset producers are very dry in these horizons. All oil production should be allocated to the Mesaverde.

Please allocate production based on the above estimated percentages.

Call with questions

Tom Johnson
832-486-2347

San Juan 28-7 Unit #69
Monthly Production

Month	Total Well Production	PC/FC Production	Days Produced	PC/FC Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
May-02	3,439	228	31	7	3211	31	104	93%
Aug-02	1,546	407	11	37	1139	11	104	74%
Sep-02	2,129	161	19	8	1968	19	104	92%
Oct-02	1,697	351	13	27	1346	13	104	79%
Nov-02	1,304	268	10	27	1036	10	104	79%
Dec-02	1,437	298	11	27	1139	11	104	79%
Jan-03	892	88	8	11	804	8	101	90%
Feb-03	1,648	241	14	17	1407	14	101	85%
Mar-03	2,234	224	20	11	2010	20	101	90%
Apr-03	1,787	179	16	11	1608	16	101	90%
May-03	2,305	194	21	9	2111	21	101	92%
Jun-03	2,128	168	20	8	1960	20	98	92%
Jul-03	451	59	4	15	392	4	98	87%
Oct-03	1,197	119	11	11	1078	11	98	90%
Dec-03	1,827	357	15	24	1470	15	98	80%
Jan-04	2,255	143	22	7	2112	22	96	94%
Feb-04	1,776	48	18	3	1728	18	96	97%
Mar-04	2,339	227	22	10	2112	22	96	90%
Apr-04	2,449	145	24	6	2304	24	96	94%
May-04	1,103	143	10	14	960	10	96	87%
Jul-04	3,087	111	31	4	2976	31	96	96%
Sep-04	2,647	55	27	2	2592	27	96	98%
Oct-04	2,400	96	24	4	2304	24	96	96%
Nov-04	2,760	72	28	3	2688	28	96	97%
Dec-04	3,022	46	31	1	2976	31	96	98%
Mar-05	2,470	52	26	2	2418	26	93	98%
Apr-05	2,502	270	24	11	2232	24	93	89%
May-05	2,158	19	23	1	2139	23	93	99%
Jun-05	2,659	520	23	23	2139	23	93	80%
Jul-05	2,379	54	25	2	2325	25	93	98%
Aug-05	2,530	112	26	4	2418	26	93	96%
Sep-05	2,305	73	24	3	2232	24	93	97%
	66,862	5,528			61,334			

Total Mesaverde Production =	61,334
Total Fruitland Coa/Pictured Cliffs Production =	<u>5,528</u>
Total Production both zones =	66,862

Recommended Mesaverde Fixed Gas % Allocation For All Future Production=	92%
Recommended total FC/PC Fixed Gas % Allocation For All Future Production=	8%
Based on additional testing, the 8% allocated to FC/PC is split further to=	2%/6%

Note: Tabular data was edited to remove the initial transient (~9 mos), downtime, and obviously incorrect/inaccurate data.

