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District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	30-045-07802
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name SHEPHERD & KELSEY	
8. Well Number	1
9. OGRID Number	217817
10. Pool name or Wildcat	BASIN DAKOTA
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

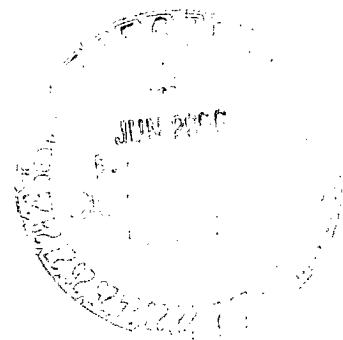
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ConocoPhillips requests approval to permanently abandon this well as per attached procedure.

Verbal approval received from Steve Hayden 6/1/06.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Juanita Farrell TITLE Regulatory Analyst DATE 06/01/2006

Type or print name Juanita Farrell
For State Use Only

E-mail address: juanita.r.farrell@conocophillips.com Telephone No. (505)326-9597

APPROVED BY: H. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JUN 06 2006
Conditions of Approval (if any):

PLUG AND ABANDONMENT PROCEDURE

June 1, 2006

Sheperd & Kelsey #1

Basin Dakota

1450' FSL & 900' FWL, Section 29, T29N, R11W

San Juan County, New Mexico, API 30-045-07802

Lat: 36° 41' 35.99" N / Long: 107° 1' 13.08" W

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures.
All cement will be ASTM Type III, mixed at 14.8 ppg with a 1.32 cf/sx yield.

- Handwritten mark: A*
1. Project will not require a Pit Permit (C103) from the NMOCD; using steel waste pits.
 2. *A-Plus Well Service Rig #4 is currently on this well. A workover to repair the bradenhead issue found the casing leaking and probably parted at 2743'. ConocoPhillips has elected to plug and abandon this well. Please note, the casing pressure tested from a RBP at 5378' up to 2753' to 600# on 5/22/06. The RBP has been removed and a temporary cement plug from 3912' to 4012' is being drilled out.*
 3. **Plug #1 (Dakota perforations and top, 6060' - 5960')**: The Dakota perforations are currently covered with fill from the casing leak. TIH with a sawtooth collar and tag fill as deep as possible. Circulate the casing clean with water. Mix 15 sxs cement and spot a balanced plug above the existing fill to isolate the Dakota perforations. PUH to 5130'.
 4. **Plug #2 (Gallup top, 5130' - 5030')**: Mix 15 sxs cement and spot a balanced plug inside the casing to cover the Gallup top. TOH with tubing.
 5. **Plug #3 (Mesaverde top, 3110' - 3010')**: Perforate 3 squeeze holes at 3110'. Attempt to RIH with a wireline or tubing set 4.5" cement retainer and set at 3060'. Establish rate into squeeze holes. Mix and pump 46 sxs cement, squeeze 35 sxs outside the casing and leave 11 sxs inside the casing to cover Mesaverde top. TOH with tubing. If unable to get a CR past the casing problem at 2743', then: 1) TIH with open ended tubing to 3110' and spot 25 sxs inside the 4.5" casing from 3110' up to 2800'; TOH with tubing and PU 4.5" CR and TIH; 3) set CR at 2650' and then squeeze 50 sxs below the CR and spot 5 sxs above up to 2600'; 4) PUH and reverse circulate at 2550'; and 4) Pressure test casing to 800#. *If casing does not test, then spot or tag subsequent plugs as appropriate.*
 6. **Plug #4 (Chacra top, 2520' - 2420')**: Perforate 3 squeeze holes at 2520'. Attempt to establish rate into squeeze holes if the casing pressure tested. Set 4.5" cement retainer at 2470'. Establish rate into squeeze holes. Mix and pump 46 sxs cement, squeeze 35 sxs outside the casing and leave 11 sxs inside the casing. PUH to 1516'.
 7. **Plug #5 (Pictured Cliffs top, 1516' - 1416')**: Mix 15 sxs cement and spot a balanced plug inside the casing to cover the PC tops. TOH with tubing.



8. **Plug #6 (Fruitland top, 1200' – 1000')**: Perforate 3 squeeze holes at 1200'. Attempt to establish rate into squeeze holes if the casing pressure tested. Set 4.5" cement retainer at 1130'. Establish rate into squeeze holes and attempt to circulate to surface out the bradenhead valve. If able to circulate, then cement annulus to surface after determining the cement volume with a dye test. If unable to circulate to surface then squeeze 100 sxs cement below the CR and spot 10 sxs above. Shut in the well and **WOC overnight**
9. If able to fill the annulus to surface the set the following plugs as inside only.
10. **Plug #7 (Kirtland and Ojo Alamo tops and Surface casing shoe, 413' – Surface)**: Perforate 3 squeeze holes at 413'. Establish circulation to surface out the bradenhead. Circulate the BH annulus. Mix and pump approximately 150 sxs cement down the casing to circulate good cement out the bradenhead. Shut in the well and WOC overnight.
11. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Shepherd & Kelsey #1

Current

Basin Dakota / API #30-045-07802

1450' FSL, 900' FWL, SW, Section 29, T-29-N, R-11-W, San Juan County, NM

Lat: N 36° 41' 35.988" / Long: W 108° 13.08"

Today's Date: 6/1/06

Spud: 5/26/61

Completion: 6/16/061

Elevation: 5372' GL
5384' KB

Ojo Alamo @ behind casing

Kirtland @ 363'

13.75" hole

TOC @ 1098' (Calc, 75%)

Fruitland @ 1130'

TOC @ 1325' (CBL 2006)

Pictured Cliffs @ 1466'

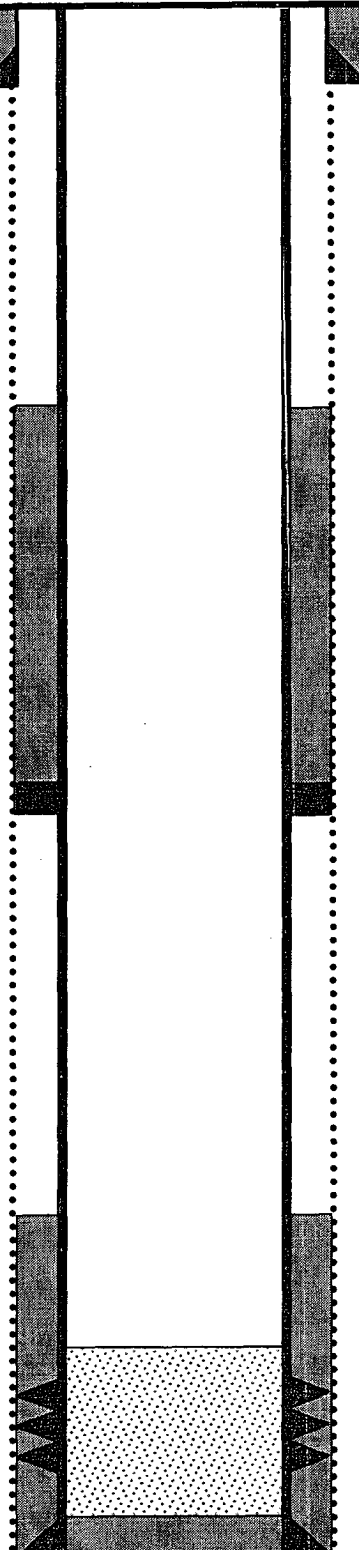
Chacra @ 2470'

Mesaverde @ 3060'

Gallup @ 5080' TOC @ 5100' (CBL 2006)

Dakota @ 6010'

7.875" hole



TD 6166'
PBD 6142'

8.625" 24#, J-55 Casing set @ 238'
Cement with 205 sxs (Circulated to Surface)

WELL HISTORY

Jan '97: Change out tubing.

Jun '05: Bradenhead test reports gas flow.
Gas analysis indicates bradenhead gas not from
the Dakota formation.

Feb '06: Ran audio log; indicates area of
concern from 1800' to surface.

May '05: Found tubing stuck; free point and cut
at 4000'. Fished out tubing and a packer. Set
RBP at 5378' and circulated well clean. Found
casing leak from 2743' to 2753'. Released and
pulled RBP; casing bad at 2743', had to work
tools through. Ran 4.5" casing scraper to 2800',
tight, hanging up. Attempt to set wireline CIBP,
hanging up at 1778'. Ran scraper to 4012'. Set
10 sxs cement at 4012'. Attempt to run a casing
alignment tool, hung up at 1980'; packer set. Mill
over the packer and fish out tools.

DV Tool @ 1720'
Cement with 100 sxs (182 cf)

TOC @ 5073' (Calc, 75%)

Dakota Perforations:
6010' - 6114' Covered with fill.

4.5" 11.6#/9.5#, J-55 Casing set @ 6166'
Cement with 200 sxs (332 cf)