

District I
1025 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

WELL API NO.	30-039-20683
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	E 2825-6
7. Lease Name or Unti Agreement Name	SAN JUAN 28-7 UNIT
8. Well No.	171
9. Pool name or Wildcat	BLANCO PC SOUTH

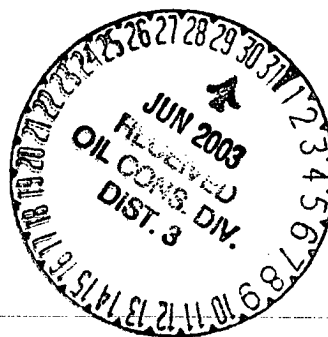
SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:	Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator	CONOCO, INC.
3. Address of Operator	P.O. BOX 2197 WL3 4061 HOUSTON TX 77252
4. Well Location	Unit Letter <u>I</u> : <u>1570</u> feet from the <u>SOUTH</u> line and <u>1150</u> feet from the <u>EAST</u> line Section <u>16</u> Township <u>27N</u> Range <u>7W</u> NMPM County <u>RIO ARRIBA</u>
10. Elevation (Show whether DR, RKB, RT, GR, etc.)	

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/></p> <p>CASING TEST AND CEMENT JOBS <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>

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

Conoco attempted to plug and abandon this well in November. We will again attempt to plug as per the attached procedure. Also attached is a current schematic with PC casing plugged.



I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Deborah Marberry TITLE REGULATORY ANALYST DATE 06/25/2003

Type or print name DEBORAH MARBERRY

Telephone No. (832)486-2326

(This space for State use)

APPROVED BY Charles Pen TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JUN 30 2003

Conditions of approval, if any:

PLUG AND ABANDONMENT PROCEDURE

June 11, 2003

San Juan 28-7 Unit #171

Undesignated Chacra
1570' FSL 1150' FEL, Section 16, T27N, R7W
Rio Arriba County, New Mexico, API #30-039-20683
Long: N 36° 34.13' / Lat: 107° 34.29'

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Well History:

Completed in 1974, this Chacra / Pictured Cliffs dual well has 2 strings of 2-7/8" casing. The TOC in the annulus is at 2150' by TS. In 1978, 1-1/4" tubing was run in the Chacra casing and a packer was set at 3931' to isolate a casing leak. Then in 1979, 1-1/4" tubing was run in the Pictured Cliffs casing and a packer was set 3037' to isolate a casing leak. Then in 1981, the Chacra zone was abandoned with a 32 cf cement plug set in the 2-7/8" casing, filling the Chacra perforations and possibly covering the top of the PC (no report of plug being tagged). The PC continued to produce with the casing leak isolated.

Pictured Cliffs Casing Plugging:

In December 2002, it was planned to plug both sides of this dual well. The PC tubing and packer were pulled and a CIBP set at 3036'. PC plug #1 of 30 sxs was set from 3036' to 1950'. After WOC, the TOC was tagged at 2218'. Then plug #1a of 20 sxs was set from 2218' to 1492'; this plug was not required to be tagged. Then plug #2 of 28 sxs was set from 451' to surface, cement was circulated out the casing valve. After WOC, the tubing was run back to 451' and no cement was tagged. Apparently, plug #2 cement went downhole to a casing leak at an unknown depth. Then plug #2a of 84 sxs was set from 451' to surface, with cement circulated to the surface again. Note: the inside of the 2-7/8" casing volume from 451' is only 13 sxs, so approximately 70 sxs went outside the PC casing into the annulus and the Chacra casing. The next day cement was tagged at 32' in the PC casing and at 224' in the Chacra casing. Cement was drilled from 224' to 386' in the Chacra casing. Then the bit free fell down to 450' where cement was found again. Cement was drilled from 450' to approximately 490' when the blade 2-1/4" bit apparently went outside the 2-7/8" casing indicated by high torque and formation in the returns. The bit was removed and open ended 1-1/4" tubing was unable to get below 490'. Pumped 30 bbls water down the Chacra casing, unable to establish circulation out the bradenhead. Pumped 10 bbls down the bradenhead valve and observed 2 holes in the 9-5/8" casing head or surface casing below the BOP.

Well Status:

- The PC side of this well is plugged and meets NMOCD requirements.
- Records indicate the Chacra perforations are plugged and the PC top in the Chacra casing may be covered also.
- Not in conformance with plugging requirements are the covering of the Fruitland, Kirtland and Ojo Alamo formations tops in the Chacra side of this dual 2-7/8" well.

San Juan 28-7 Unit #171

Current with PC Casing Plugged

South Blanco Pictured Cliffs/Undesignated Chacra

1570' FSL & 1150' FEL, Section 16, T-27-N, R-7-W, Rio Arriba County, NM

Long: N 36° 34.13' / Lat: W 107° 34.29' / API # 30-039-20683

Today's Date: 6/11/03

Spud: 9/22/73

Comp: 2/14/74

Elevation: 6615' GL
6625' KB

Nacimiento @ 340'

Chacra Casing Parted at 490'

Ojo Alamo @ 2200'

Kirtland @ 2410'

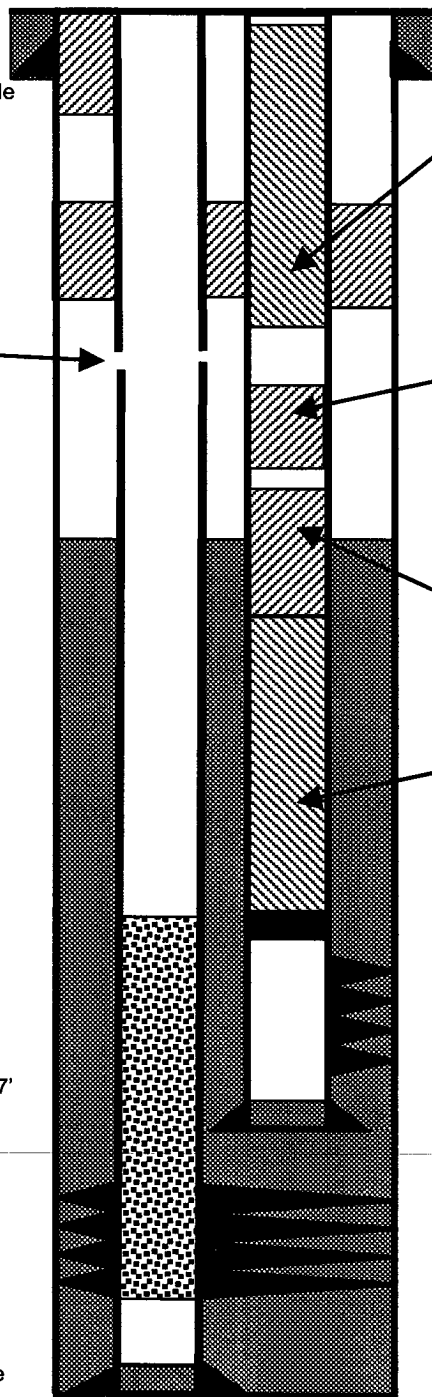
Fruitland @ 2820'

Pictured Cliffs @ 3055'

8-3/4" Hole to 3237'

Chacra @ 4052'

7-7/8" & 6-3/4" Hole



9-5/8" 32.3#, H-40 Casing set @ 125'
Cement with 142 cf, Circulated to Surface

PC Plug #2a from 451' to 32' (2002)
Pumped 84 sxs cement to circulate to surface (inside of casing holds 13 sxs). Tag cement at 32' from surface,, then found cement inside the Chacra casing from 224' to 386', drilled out cement and then found casing parted at 490', unable to get deeper than 515'.

PC Plug #2 from 451' to Surface (2002)
with 28 sxs inside casing. WOC and TIH to 451', no tag - cement went down hole and / or outside casing.

TOC @ 2150' (T.S.)
PC Plug #1a from 2218' to 1492' (2002)
Set 20 sxs inside casing

PC Plug #1 3036' - 2218' (2002)
Set 30 sxs cement inside casing above CIBP, cement top fell back from 1950' to 2218' after WOC overnight

Set CIBP @ 3036'

Pictured Cliffs Perforations:
3086' - 3162'

2-7/8" PC 6.4#, J-55 Casing set @ 3237'
Cemented with 567 cf

Chacra Perforations:
4052' - 4062'
Plugged with 32 cf cement
(1981)

2-7/8" Chacra 6.4#, J-55 Casing set @ 4129'
Cemented with 405 cf

TD 4129'