Form 3160-5
(April2004)

UNITEDSTATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORMAPPROVED
OM B No. 1004-0137
Expires: March 31, 2007

RCVD DEC5'06
OIL CONS. DIV.
DIST. 3

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.

2006 DEC 1 PM 2 33

SUBMIT IN TRIPLICATE - *Other instructions on reverse side.*

RECEIVED
070 FARMINGTON NM

5. Lease Serial No.
SF 078197

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
NYE FEDERAL COM 3N

2. Name of Operator
Burlington Resources Oil & Gas

9. API Well No.
30-045-33669

3a. Address
PO BOX 4289 Farmington NM 87401

3b. Phone No. *(include area code)*
(505)326-9597

10. Field and Pool, or Exploratory Area
Blanco Mesaverde/Basin Dakota

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1555 NORTH 2030 WEST
UL: F, Sec: 9, T: 29N, R: 10W

11. County or Parish, State
SAN JUAN
NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☒ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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.)

ConocoPhillips requests to change intemediate depth and cementing/centralizer program as per the attached drilling plan. Our request to deepen the intermediate TD is because we anticipate wet Cliffhouse.

Verbal approval received from Wayne Townsend on 12/01/06
Verbal approval received from Henry Villaneeva on 12/01/06

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Juanita Farrell

Title Regulatory Specialist

Signature Juanita Farrell

Date 12/01/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Wayne Townsend

Title Pet. Eng.

Date 12/4/06

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 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)

NMOCD

CONOCOPHILLIPS

San Juan Business Unit - Drilling Program

In case of Major Emergency Call 911

Give the following information to Operator:

Well Name:	NYE Federal Com 3N	**County:**	San Juan
Latitude:	36.74362° N	**State:**	New Mexico
Longitude:	107 .89229° W		

From the Post office in Blanco, NM, take highway 64 East for 3.2 miles.
Turn right and go northwesterly 1.8 miles.
Turn right and go northeasterly 0.3 miles.
Turn left and go northerly 1.4 miles to new acess at existing NYE No. 8 location.
New access continues northeast 77'

Well Name:	NYE Federal Com 3N				
Formation:	Blanco Mesaverde/ Basin Dakota New Drill				
Location:	T - 29 N	R - 10 W	Sec.: 9	DP #	8531050
Footage:	1555' FNL & 2030' FWL			AFE#	25352
County:	San Juan	State:	New Mexico		
Rig:	Patterson 749	API #:	30-045-33669		
APD/BLM	04/17/06	Lease#:	SF-078197		
GL:	5,780'	BLM Phone #: 599-8907		Est. Cost/ft:	$67.06
KB:	5,793'	EST DAYS: 11		Like Kind Cost:	$452,923
TD:	6,754'				

Geology

	226'	Surf	
	947'	Ojo Alamo	
	1062'	Kirtland	
If needed	1794'	Stage Tool	
	1894'	Fruitland	
	2172'	Pic Cliffs	
	2289'	Lewis	
	2805'	Huerfanito Bent	
	3165'	Chacra	
	3696'	Upper Cliff House	
	3774'	Massive Cliff House	
	3823'	Menefee	
	3973'	Int. TD	
	4446'	Massive Pt Lookout	
	4867'	Mancos Shale	
	5709'	Gallup	
	6460'	Greenhorn	
	6520'	Graneros	
	6584'	Two Wells	
	6640'	Paguate	
	6699'	Cubero	
	6754'	Encinal	
	6751'	Est. PBTD	
TD:	6754'		

Hydraulics

12 1/4

6-1/4" Used Diamond Air Marquis CV462 on Halco Hammer

2 - 4K WOB

30-40 RPM

If hole gets wet: Mist drill to top of Mancos w/ hammer. Mud up, drill to 2 Wells top w/ STR-505Z PDC & drill to TD w/ STR-44C (3 14s drop ball). Must run Dev Surveys

Drlg Fluids

Spud

Nitrogen/Air:

400-500 psi

1800-2100 SCFM

Use N2 membrane unit from ICP down to TD.

Must have 92% N2 on the well by the Gallup

Cement

Surface hole is already preset & cmt'd by MOTE @ 226' w/9-5/8" csg

Excess Cement: 50%
Pre-flush:
10 bbls viscosified gel
10 bbl 2% KCl w/
10 bbls viscosified gel

Tail:
50:50 POZ/ Mountain G cmt. w/ .25 Cellophane Flakes (lb/sk), 3% Bentonite, 1(lbs/sk) Gilsonite extender, .25% Fluid Loss, .15% Dispersant,.10% Retarder, .10% Antifoamer, 3.5 (lb/sk) Pheno seal

320 sks
81 bbls, displaced
13 ppg
1.42 cu.ft./sk
6.47 gal/sk (mix water)

Add 25lb. bag of sugar to 1st displacement
If mud drilled, use 30% excess factor.

Analysis

Mud Logs:
None

Open-Hole Logs:
None

Notify Phoenix Service to acquire deviation survey at rig down: Phone # 325-1125

Materials

1 Cameron wellhead
1 Wellhead fuzz cap
226 feet 9-5/8" 32.3# H-40 STC
1 Weatherford Sawtooth Guide Shoe
3 Bow Type Centralizers
(1 centralizer per joint on the bttm 3 jts)
1 *Wooden Plug for Displacement*

Casing total:
6754 feet **4-1/2" 10.5#, J-55 ST&C to surface**

Centralizers:
Centralizers placed on every other jt across DK for air holes,
top of 1, 3, 5, 7

4 Total centralizers

If mud drilling is necessary, run 40' shoe jt and 4-1/2" x 6-1/4" centralizers as shown above, w/ additional centralizers above DK every 4th joint to top of MV

Sundry Notice: 7" casing must be set through the Cliffhouse, which is wet in this area in order to air drill to the Dakota.
Sundry Notice: Cement and centralizer program have been planned in accordance with heritage ConocoPhillips practices and sundry notice is to be filed accordingly.

Offset Summary:

Grenier B #4E (MV/DK, 1996, .6 mi N, mud drilled): Drilled 12-1/4" surface hole w/ 9# MW down to 365', ran & cmt'd 8-5/8" csg w/200% excess and circ 35 bbls cmt to surf. Drilled 7-7/8" prod. hole (w/ FW 365' to 1000', 8.9 MW to 2500', 9.0 to 9.2 MW to 7090'. . Lost circulation @ 4976' w/ total loss of 400 bbls. @ 5348' w/ total loss of 135 bbls. @ 5955' w/ total loss of 75 bbls.Production casing (7-7/8") set @ 7088' & cmt'd w/ 2 stgs (85 % excess for both stages and circ 20 bbls & 82 bbls on the 1 st and 2 nd stages respectively)

***Stage E Gas Com #2 (MV, 2000, .8 mi SE, mud drilled)**: Drilled 12-1/4" surface hole w/ 8.5 MW down to 353', ran & cmt'd* 8-5/8 csg w/ 100% excess and circ 20.5 bbls cmt to surf. Drilled 7-7/8" prod. hole w/ avg. 9# mud to TD of 4752'. Lost circulation @ 4512' w/ total loss of 560 bbls, @ 4591' w/ total loss of 30 bbls. Production casing (7-7/8") set @ 4752' & cmt'd in 1 stage (100% excess and circ 1/4 bbl, foamed cmt'd), had to pump 130 sks of cmt on back side, to cap cmt.

Rock Island Federal #1M (MV/DK, 2004, .5 mi SE, air drilled): Drilled 12-1/4" surface hole w/ 8.6 MW & bit balled up at 258' (2 cones locked up). Cmt'd 9-5/8" csg @ 321' w/200% excess and circ 23 bbls cmt to surf. Drilled 8-3/4" Intermediate hole w/ Reed TD44YM (58 FPH) from 326'-3966' w/FW. Cmt'd 7" csg @ 3966' in a single stage w/ 100% excess cmt & circ 23 bbls to surface. Air drilled 6-1/4 hole to 6712' and cmted 4-1/2" csg w/ 35% excess & overlap of 1246'.

***NYE Fed Com 2A (MV, 1999, .5 mi SW, mud drilled)**: Drilled 12-1/4" surface hole w/ 8.4 FW down to 347', ran & cmt'd* 8-5/8" csg w/ 250% excess and circ 20 bbls cmt to surf. Drilled 7-7/8" prod. hole w/ 8.5 to 9.3 MW. Trip for bit from 4258' when well started flowing and had to increase mud wt to 9.3. Drilled to 5075' and proceeded to POOH to log, when well kicked, had 5 DC layed dn (killed well w/9.8 MW). Production casing (7-7/8") set @ 5070' & cmt'd in 2 stages (125% excess and loss circ during the 1st stage, 2nd stage circ 58 bbls)

Hare #16M (MV/DK, 2005, 1 mi NE, air drilled): Drilled 12-1/4" surface hole w/ 8.4 MW. Cmt'd 9-5/8" csg @ 216' w/ 100% excess and circ 2 bbls cmt to surf. Drilled 8-3/4" Intermediate hole w/ 8.4 MW. Cmt'd 7" csg @ 4229' in a single stage w/ 40% excess cmt & circ 39 bbls to surface. Air drilled 6-1/4" hole from 4234' to 6922 (TD) and cmted 4-1/2 csg w/ 40% excess & 559' overlap.

Nye Federal #1M (MV/DK, 2002, 1.2 mi W, mud drilled): Drilled 12-1/4" suface hole down to 352' w/8.5 MW, ran & cmt'd 8-5/8" csg (125% excess and circ 19 bbls cmt to surf). First bit used on surface hole (0'-171') was wore down on all teeth and had a loose cone. Drilled 7-7/8" production hole w/ 3 bits (HC GT09C 355'-4739' / 49 ft/hr, HTC 536G2 4739'-6484' / 28 ft/hr, & HTC HR-38CH 6484'-6906' / 9 ft/hr). Bit balled up @ 5867' while drilling. Csg (4-1/2") set @ 6902' & cmted in 2 stgs w/40% excess and circ 65 bbls & 50 bbls on the 1st and 2nd stages respectively)

Nye Federal #2M (MV/DK, 2002, .7 mi SW, mud drilled): Drilled 12-1/4" surface hole w/8.5 MW down to 356', ran & cmt'd 8-5/8" csg (125% excess and circ 19 bbls cmt to surf). Drilled 7-7/8" production hole w/ 9.0 to 9.3 MW & w/ 3 bits (HC GT09C 360'-4846' / 52 ft/hr, HTC ATJ-22C 4846'-4872' / 9 ft/hr, HTC 536G2 4872'-6574' / 38 ft/hr, HTC HR38CH 6574'-6906' / 6 ft/hr, & HTC HR-38CH 6484'-6906' / 9 ft/hr). Csg (4-1/2") set @ 6903' & cmted in 2 stgs (25% excess and circ 12 bbls & 60 bbls on the 1st and 2nd stages respectively)

***NYE 8 (Pictured Cliffs, 1972, 432' SE, mud drilled)**: Drilled 12-1/4" surface hole to 138'. Cmt'd & csg (8-5/8") w/ 9 bbls* cmt to surf. Drilled 6-3/4" production to 2279' w/ fresh water. Casing (2-7/8") cmt'd w/ good returns.

Operations Notes:

- Drill Intermediate hole w/ FW mud w/ sweeps as needed. Disperse mud for Lewis. Transfer mud to next location--notify *Regulatory*
- Received verbal approval for proceeding with certain hCOPC drilling practices (cement slurry, surface hole diameter, pressure tests) that are contrary to the approved APD.
- Install rotating rubber after drill collars are buried on 8-3/4" hole
- Rig up blooie line before drilling into Kirtland formation
- *Fill out all Check Sheets (MIRU, Pre-spud) and take pictures of location.*
- Surface pits MUST be lined according to the APD.
- Disperse mud & spin bit to remove bit ball while drilling the Lewis during connections and short trip.
- Circulate 7" casing down every 15-20 joints and wash the last 5 joints to TD.
- Pump Intermediate cement job using SLB Services at 4 bpm or less to reduce ECD's.
- Call all appropriate regulatory agencies 24 hours in advance of spud, cementing, or running casing. Leave message if after hours.
- **Barricade offset wellhead and production equipment before MIRU.**

Prepared: 11/27/2006

Prepared: Alexander D. Galindo - Drilling Engineer

Reviewed: Reviewed - Optional

Approved: Jim Fodor - Drilling Superintendent

CONOCOPHILLIPS

San Juan Business Unit - Drilling Program

Well Name:	NYE Federal Com 3N		
Formation:	Blanco Mesaverde/ Basin Dakota New Drill		
Location:	T - 29 N R - 10 W Sec.: 9	DP # 8531050	
Footage:	1555' FNL & 2030' FWL	AFE# 25352	
County:	San Juan State: New Mexico		
Rig:	Patterson 749 API #: 30-045-33669		
APD/BLM	04/17/06 Lease#: SF-078197		
GL:	5,780' BLM Phone #: 599-8907	Est. Cost/ft:	$67.06
KB:	5,793' EST DAYS: 11	Like Kind Cost:	$452,923
TD:	6,754'		

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Give the following information to Operator:

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Turn right and go northwesterly 1.8 miles.
Turn right and go northeasterly 0.3 miles.
Turn left and go northerly 1.4 miles to new acess at existing NYE No. 8 location.
New access continues northeast 77'

Sundry Notice: 7" casing must be set through the Cliffhouse, which is wet in this area in order to air drill to the Dakota.
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Geology / Hydraulics / Drlg Fluids / Cement / Analysis / Materials

Surface (226' Surf) — Hydraulics: 12 1/4 — Drlg Fluids: Spud

Cement: Surface hole is already preset & cmt'd by MOTE @ 226' w/9-5/8" csg

Materials:
- 1 Cameron wellhead
- 1 Wellhead fuzz cap
- 226 feet 9-5/8" 32.3# H-40 STC
- 1 Weatherford Sawtooth Guide Shoe
- 3 *Bow Type Centralizers* (1 centralizer per joint on the bttm 3 jts)
- 1 Wooden Plug for Displacement

Intermediate (Int)

Geology:
- 947' Ojo Alamo
- 1062' Kirtland
- 1794' Stage Tool (If needed)
- 1994' Fruitland
- 2172' Pic. Cliffs
- 2289' Lewis
- 2808' Huerfanito Bent.
- 3165' Chacra
- 3696' Upper Cliff House
- 3774' Massive Cliff House
- 3823' Menefee
- 3973' Int. TD

Hydraulics: PDC 8-3/4" [illegible] 505ZX or [illegible] 806ZX or 8072 [illegible]; [illegible] WOB; 70-80 RPM

Drlg Fluids: Drill w/ polymer mud and adjust weight to downhole conditions. 1500-1700 psi; 400-450 GPM; 100-110 SPM. Short trip to the Drill Collars Unless Hole Dictates Differently

Cement:
150% Excess
Preflush:
20 BBL viscosified gel (15-20 cp, 8.44ppg)
Lead: (2nd stage if DV tool used)
Mtn G 3% extender .20% Antifoam [illegible] 1 CemNET (lb/bbl)
[illegible]
240 sks 2.61 cu.ft./sk
70 bbls 15.784 gal/sk
11.7 ppg
Tail: (1st stage if DV tool used)
50:50 POZ/ Mountain G cmt w/ 2% Bentonite, .15(lbs/sk) Gilsonite extender, 1% CaCl2, .10% Antifoam, .15% Dispersant, 1 (lb/bbl) CemNET
652 sks 1.27 cu.ft./sk
69 bbls 5.132 gal/sk
13.5 ppg

Analysis: In the event of losses: 1) run stage tool 200' above Fruitland; 2) pump tail slurry as first stage; 3) Pump lead slurry as second stage

Materials:
- 1 Weatherford 1305 Float Shoe
- 42 feet Shoe Joint 7" 20.0# J-55 ST&C
- 1 Weatherford 1805 Float Collar
- 2137 feet 7" 20.0# J-55 ST&C
- 1 Weatherford Model 754 Hydraulic stage tool. Install baffle in float collar (Pin stage tool to 2040 psi, 6 pins at 340 psi each)
- 1794 feet 7" 20.0# J-55 ST&C

Centralizers:
a) 10' above shoe on stop collar, and
b) top of the 2nd, 4th, 6th, 8th, & 10th joints
c) turbolizers 1 per joint thru Ojo Alamo interval
d) one on first 7" collar just above 9-5/8 shoe
e) one each on first two collars below wellhead

Casing total:
4123 feet 7" 20.0# J-55 ST&C incl. 150' extra

Centralizers:
9 7" x 8-3/4" bow type
3 7" x 8-3/4" turbo centralizers

Production

Geology:
- 4446' Massive Pt Lookout
- 4867' Mancos Shale
- 5709' Gallup
- 6460' Greenhorn
- 6520' Graneros
- 6584' Two Wells
- 6640' Paguate
- 6699' Cubero
- 6754' Encinal
- 6751' Est. PBTD
- TD: 6754'

Hydraulics: **6-1/4" Used Diamond Air Marquis CV462 on Halco *Hammer***; 2 - 4K WOB; 30-40 RPM

If hole gets wet: Mist drill to top of Mancos w/ hammer. Mud up, drill to 2 Wells top w/ *STR-505Z PDC & drill to TD w/ STR-44C (3 14s drop ball).* Must run Dev Surveys

Drlg Fluids: **Nitrogen/Air:** 400-500 psi; 1800-2100 SCFM; Use N2 membrane unit from ICP down to TD. **Must have 92% N2 on the well by the Gallup**

Cement:
Excess Cement: 50%
Pre-flush:
10 bbls viscosified gel
10 bbl 2% KCl w/
10 bbls viscosified gel

Tail:
50:50 POZ/ Mountain G cmt. w/ .25 Cellophane Flakes (lb/sk), 3% Bentonite, 1(lbs/sk) Gilsonite extender, .25% Fluid Loss, .15% Dispersant,.10% Retarder, .10% Antifoamer, 3.5 (lb/sk) Pheno seal

- 320 sks
- 81 bbls, displaced
- 13 ppg
- 1.42 cu.ft./sk
- 6.47 gal/sk (mix water)

Add 25lb. bag of sugar to 1st displacement
If mud drilled, use 30% excess factor.

Analysis: **Mud Logs:** None. **Open-Hole Logs:** None. **Notify Phoenix Service to acquire deviation survey at rig down: Phone # 325-1125**

Materials:
- 1 4-1/2" Float Shoe (Weatherford 329E)
- 1 4-1/2" Float Collar (Weatherford 402E)
- 1 Weatherford 1014M Omega Latch Down Plug

Casing total: 6754 feet **4-1/2" 10.5#, J-55 ST&C to surface**

Centralizers: Centralizers placed on every other jt across DK for air holes, top of 1, 3, 5, 7

4 Total centralizers

If mud drilling is necessary, run 40' shoe jt and 4-1/2" x 6-1/4" centralizers as shown above, w/ additional centralizers above DK every 4th joint to top of MV

Offset Summary:

Grenier B #4E (MV/DK, 1996, .6 mi N, mud drilled): Drilled 12-1/4" surface hole w/ 9# MW down to 365', ran & cmt'd 8-5/8" csg w/200% excess and circ 35 bbls cmt to surf. Drilled 7-7/8" prod. hole (w/ FW 365' to 1000', 8.9 MW to 2500', 9.0 to 9.2 MW to 7090'. . Lost circulation @ 4976' w/ total loss of 400 bbls, @ 5348' w/ total loss of 135 bbls, @ 5955' w/ total loss of 75 bbls.Production casing (7-7/8") set @ 7088' & cmt'd w/ 2 stgs (85 % excess for both stages and circ 20 bbls & 82 bbls on the 1 st and 2 nd stages respectively)

Stage E Gas Com #2 (MV, 2000, .8 mi SE, mud drilled): Drilled 12-1/4" surface hole w/ 8.5 MW down to 353', ran & cmt'd 8-5/8 csg w/ 100% excess and circ 20.5 bbls cmt to surf. Drilled 7-7/8" prod. hole w/ avg. 9# mud to TD of 4752'. Lost *circulation* @ 4512' w/ total loss of 560 bbls, @ 4591' w/ total loss of 30 bbls. Production casing (7-7/8") set @ 4752' & cmt'd in 1 stage (100% excess and circ 1/4 bbl, foamed cmt'd), had to pump 130 sks of cmt on back side. to cap cmt.

Rock Island Federal #1M (MV/DK, 2004, .5 mi SE, air drilled): Drilled 12-1/4" surface hole w/ 8.6 MW & bit balled up at 258' (2 cones locked up). Cmt'd 9-5/8" csg @ 321' w/200% excess and circ 23 bbls cmt to surf. Drilled 8-3/4" Intermediate hole w/ Reed TD44YM (58 FPH) from 326'-3966' w/FW. Cmt'd 7" csg @ 3966' in a single stage w/ 100% excess cmt & circ 23 bbls to surface. Air drilled 6-1/4 hole to 6712' and cmted 4-1/2" csg w/ 35% excess & overlap of 1246'.

NYE Fed Com 2A (MV, 1999, .5 mi SW, mud drilled): Drilled 12-1/4" surface hole w/ 8.4 FW down to 347', ran & cmt'd 8-5/8" csg w/ 250% excess and circ 20 bbls cmt to surf. Drilled 7-7/8" prod. hole w/ 8.5 to 9.3 MW. Trip for bit from 4258' when well started flowing and had to increase mud wt to 9.3. Drilled to 5075' and proceeded to POOH to log, when well kicked, had 5 DC layed dn (killed well w/9.8 MW). Production casing (7-7/8") set @ 5070' & cmt'd in 2 stages (125% excess and loss circ during the 1st stage, 2nd stage circ 58 bbls)

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NYE 8 (Pictured Cliffs, 1972, 432' SE, mud drilled): Drilled 12-1/4" surface hole to 138'. Cmt'd & csg (8-5/8") w/ 9 bbls cmt to surf. Drilled 6-3/4" production to 2279' w/ fresh water. Casing (2-7/8") cmt'd w/ good returns.

Operations Notes:

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- **Barricade offset wellhead and production equipment before MIRU.**

Prepared: 11/27/2006

Prepared: [signature] Alexander D. Galindo - Drilling Engineer

Reviewed: ____ Reviewed - Optional

Approved: [signature] Jim Fodor - Drilling Superintendent