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UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NOV 07 2008

Bureau of Land Management Farmington Flord Ouice Sundry Notices and Reports on Wells 5. Lease Number SF-078460 Type of Well If Indian, All. or 6. **GAS** Tribe Name 7. **Unit Agreement Name** Name of Operator San Juan 32-7 Unit ConocoPhillips Company Well Name & Number 8. Address & Phone No. of Operator San Juan 32-7 Unit #243 PO Box 4289, Farmington, NM 87499 (505) 326-9700 9. API Well No. 30-045-29931 Location of Well, Footage, Sec., T, R, M 10. Field and Pool **Basin Fruitland Coal** Unit L (NWSW), 1715' FSL & 300' FWL, Sec. 19, T32N, R7W, NMPM 11. **County and State** San Juan Co., NM 12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA Type of Submission Type of Action Abandonment X Notice of Intent Change of Plans X Other - Deepen for sump Recompletion New Construction RCVD NOV 13'08 Subsequent Report Plugging Non-Routine Fracturing OIL CONS. DIV. Casing Repair Water Shut off Final Abandonment Altering Casing Conversion to Injection DIST. 3 13. Describe Proposed or Completed Operations ConocoPhillips proposes to deepen this well for a sump. The current TD is 3836' and we would like to drill down to about 3904'. We do not anticipate any sustained gas flow from the PC, but we will use a mud logger to monitor the gas liberated during drilling. The additional footage will allow us to a 68' sump below the coal for an improved operational configuration. P.C. non-prod.; sump request granted illiolog- Et. 14. I hereby-certify that the foregoing is true and correct. Signed Rhonda Rogers Title Regulatory Technician Date 11/7/08 (This space for Federal or State Office use) Date APPROVED BY Title CONDITION OF APPROVAL, if any: Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or frauditent statements or representations as to any matter within its jurisdiction.

EEE ATTACKED FOR CONSTITUTIONS OF APPROVAL

BLM CONDITIONS OF APPROVAL

Workover and Recompletion Operations:

- 1. A properly functioning BOP and related equipment must be installed prior to commencing workover and/or recompletion operations.
- 2. If this well is in a Seasonal Closure Area, adhere to the closure requirements and timeframes.
- 3. If casing repairs are required, contact this office to obtain prior approval before conducting casing repair operations.

SURFACE USE OPERATIONS:

The following Stipulations will apply to this well unless a particular Surface Managing Agency or private surface owner has supplied to BLM and operator a contradictory environmental stipulation. The failure of operator to comply with these requirements may result in assessments or penalties pursuant to 43 CFR 3163.1 or 3163.2. A copy of these conditions of approval shall be present on location during construction, drilling and reclamation activity.

An agreement between operator and fee landowner will take precedence over BLM surface stipulations unless (in reference to 43 CFR Part 3160) 1) BLM determines that operator's actions will affect adjacent Federal or Indian surface, or 2) operator does not maintain well area and lease premises in a workmanlike manner with due regard for safety, conservation and appearance, or 3) no such agreement exists, or 4) in the event of well abandonment, minimal Federal restoration requirements will be required.

STANDARD STIPULATIONS: All surface areas disturbed during work-over activities and not in use for production activities will be reseeded. This should occur in the first 90 days after completion of work-over activities.

SPECIAL STIPULATIONS:

- 1. Pits will be fenced during work-over operation.
- 2. All disturbance will be kept on existing pad.
- 3. All pits will be pulled and closed immediately upon completion of the work-over or recompletion activities.
- 4. Pits will be lined with an impervious material at least 12 mils thick.