

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DEC 16 2008

Bureau of Land Management
Farmington Field Office

Sundry Notices and Reports on Wells

1. Type of Well
GAS

2. Name of Operator
BURLINGTON
RESOURCES OIL & GAS COMPANY LP

3. Address & Phone No. of Operator

PO Box 4289, Farmington, NM 87499 (505) 326-9700

4. Location of Well, Footage, Sec., T, R, M

Unit N (SESW), 710' FSL & 1885' FWL, Section 26, T30N, R11W, NMPM

5. Lease Number
SF-078144

6. If Indian, All. or
Tribe Name

7. Unit Agreement Name

8. Well Name & Number
Payne Com 1B

9. API Well No.

30-045-30502

10. Field and Pool
Blanco Mesaverde

11. County and State
San Juan Co., NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment

Type of Action

☐ Abandonment

☐ Recompletion

☐ Plugging

☐ Casing Repair

☐ Altering Casing

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut off

☐ Conversion to Injection

☐ Other - Plugback MV

13. Describe Proposed or Completed Operations

Burlington Resources wishes to plugback the Mesaverde zone of this well and leave the wellbore ready to complete in the Fruitland Coal zone (at a later date) per the attached procedures and well bore schematics.

RCVD JAN 7 109
OIL CONS. DIV.
DIST. 3

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

HOLD C104 FOR C-104 FOR BFC

14. I hereby certify that the foregoing is true and correct.

Signed Tamra Sessions Tamra Sessions Title Staff Regulatory Technician Date 12/15/2008

(This space for Federal or State Office use)

APPROVED BY Petr. Eng. Title Petr. Eng. Date 1/5/09

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 fraudulent statements or representations as to any matter within its jurisdiction

NMOC

ConocoPhillips
Payne Com #1B (MV)
Plug and Abandon MV Zone to Complete the FRC Zone

Lat 36° 46' 41" N Long 107° 57' 45" W

Prepared By: Karen Work
PE Peer review/approved By:

Date: 12/05/2008
Date:

Scope of work: The intent of this procedure is to Plug and Abandon the Mesaverde and leave the wellbore ready to complete in the Fruitland Coal zone.

Est. Cost:

Est. Rig Days: 4 (1 day with coil tubing rig and 3 for P&A)

WELL DATA:

API: 3004530502
Location: 710' FSL & 1885' FWL, T30N R11W Section 26 Unit N
PBTD: 5016' **TD:** 5100'
Perforations: 3051'-3713' (CH – squeezed off); 4405'-4554' (MN); 4601'-4876' (Pt LO) - Mesaverde

Casing:	OD	Wt., Grade	Connection	ID/Drift (in)	Depth
	9-5/8"	36.0#, J-55	-	8.921/8.765	148'
	7"	20.0#, J-55	-	6.456/6.331	2519'
	7"	23.0#, N-80	-	6.366/6.241	2725'
	4 1/2" liner	11.6#, J-55	-	4.000/3.875	2122'-5061'
Tubing:	2-3/8"	4.7#, J-55		1.995/1.901	4904'
Seat Nipple:	2-3/8"	4.7#, J-55		1.78	4897'
Coiled Tubing:	1-1/2"	1.62#		1.282	4897'
Coiled Tubing:	0-3/4"	0.75#		0.532	4877'

Well History: The Payne Com #1B is a Chacra and Mesa Verde well drilled in April of 2001. Since it was drilled, the production rate had historically averaged ~ 180 Mcfd. In 2005, the production dropped drastically to almost 0 Mcfd (presumably due to a hole in the tubing). The tubing was repaired in March 2006 and a Rod Pump installed in March 2007, but the well never produced (the pump was turned off due to the enormous quantity of water production). Recently, the MSO tried to get the pump back online in order to gather a water sample, but the pump would not work. A dyno on 6/12/07 showed a bad pump. The well's lack of production is obviously attributed to the vast amount of water production (fluid level @ 1694' based on a fluid shot performed on 05/30/07 with the pump working). The RAM team has indicated that the water influx was coming from the CH Perfs that may have also flooded the MV perforations.

A workover was performed in May of 2008 to perform a MIT, isolate the water producing zone and squeeze it off and install a HDI pump to dewater the well. The tubing was stuck and had to be pulled several times before it released. Three tubing joints had holes and corrosion. A MIT was performed on the 4-1/2" and 7" casing which both passed. The Chacra was tested for water production and was found to be producing 380 bbls in 7 hours. The Chacra was squeezed taking several attempts and finally 300 PSI to complete. The well was tested and was still making 50 bbls wph. The HDI pump was installed and has been pumping 40-50 bbls wph since July 10, 2008.

A recent dyno shows a fluid level @ 1279'. The casing and tubing pressures are zero and have been for over a year. The well is a demand well with a last production date of April 1, 2007. Due to the fact that the water level is not decreasing and the casing pressure is not building, it is Production Engineering's recommendation to P&A the well. RAM reviewed the well and recommends using the wellbore to complete the Fruitland Coal zone. The well will be plugged back for this purpose.

B2 Adapters are required on all wells other than pumping wells.

Artificial lift on well (type): HDI pump (currently not running)

Est. Reservoir Pressure (psig): 400 (MV)

Well Failure Date: December 2005

Current Rate (mcfd): 0 **Est. Rate Post Remedial (mcfd):** N/A

Earthen Pit Required: Steel Pit

Special Requirements: P&A marker, 122 sxs Class B cement, coil tubing rig, cement retainer for 4.5", 11.6#, J-55 casing

Production Engineer: Karen Work, Office: (505)324-5158, Cell: (505)320-3753

PE Backup: Douglas Montoya, Office: (505)599-3425, Cell: (505)320-8523

MSO: John Russell Cell: (505)330-9729

Specialist: Donnie Thompson Cell: (505)320-2639

Lead: Duane Bixler Cell: (505)320-1107

Area Foreman: Terry Nelson Cell: (505)320-2503

ConocoPhillips
Payne Com #1B (MV)
Plug and Abandon MV Zone to Complete the FRC Zone

Lat 36° 46' 41" N Long 107° 57' 45" W

PROCEDURE:

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 Class B, mixed at 14.8 ppg with a 1.18 cf/sx yield.

1. This project requires the Operator to obtain an approved NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. Conduct safety meeting for all personnel on location.
3. MIRU coil tubing unit. Check casing and tubing pressures and record in WellView. RU relief line and blow well down. Kill well with 2% KCL water, if necessary.
4. TOOH with Coil tubing and HDI Pump. Examine pump, and standing valve for trash, scaling, corrosion, and other defects. Notify Engineer with findings.
5. TIH w/ slickline and retrieve standing valve from Seating Nipple @ 4897'.
6. RD coil tubing unit. RU daylight pulling unit. Conduct safety meeting for all personnel on location. ND wellhead and NU BOP. Function test BOP.
7. Rods: Yes ☐, No ☒, Unknown ☐
Tubing: Yes ☒, No ☐, Unknown ☐, Size 2.375", Length 4904'.
Packer: Yes ☐, No ☒, Unknown ☐, Type .
Round trip 4.5" gauge ring or casing scraper to 4355' or as deep as possible.
8. **Plug #1 (Mesaverde perforations and top: 4355' – 3680')**: RIH with 4.5" cement retainer and set at 4355'. Load casing and circulate well clean. Pressure test casing to 500#. *If casing does not test, then spot or tag subsequent plugs as appropriate.* Mix 50 sxs Class B cement and spot a balanced plug inside casing to cover the Mesaverde interval. PUH and reverse circulate cement. *MV perf's from 4405' - 4876'*
MV top @ ± 3840'
9. **Plug #2 (Chacra interval, 3680' – 3001')**: Mix 60 sxs cement and spot a balanced plug inside the casing to cover the Chacra interval. PUH. *Chacra sqzd 6/25/08*
Chacra top @ ± 3061'
10. **Plug #3 (7" casing shoe, 2777' – 2677')**: Mix 12 sxs cement and spot a balanced plug inside the casing to cover the 7" casing shoe. TOH and LD tubing. *7" shoe @ ± 2727'*
11. TIH with tubing and spot Cortron R-2264 corrosion inhibitor from 2677' to surface. TOH and LD the tubing. Return tubing to Tuboscope.
12. ND BOP and NU wellhead. RD and MOL. *top of cement on the*
4 1/2" csq. @ ± 2150'

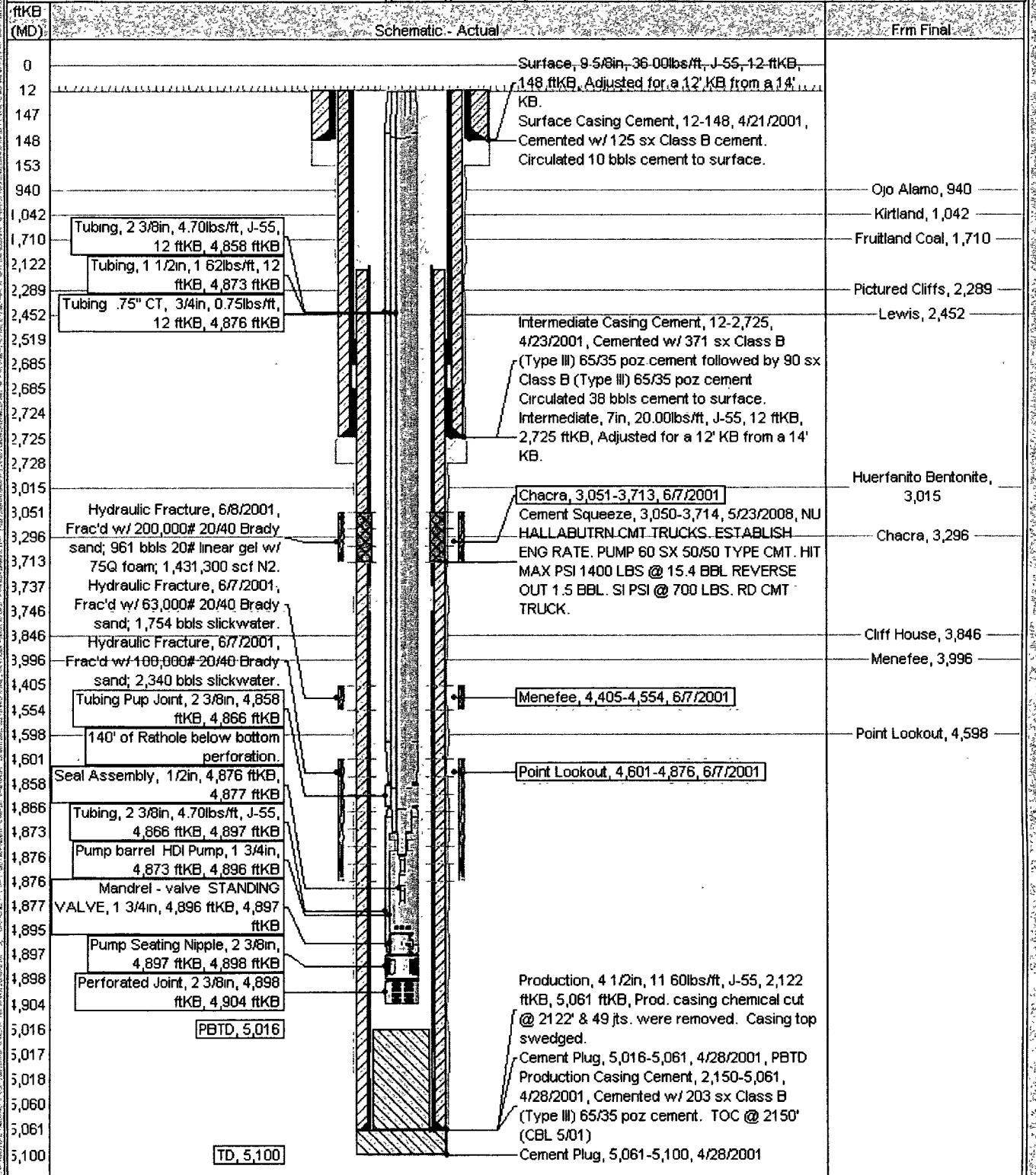
CURRENT SCHEMATIC

ConocoPhillips

PAYNE COM #1B

District NORTH	Field Name OTERO (CHACRA) GAS	API / UWI 3004530502	County SAN JUAN	State/Province NEW MEXICO	Edit
Original Spud Date 4/20/2001	Surface Legal Location NMPM,026-030N-011W	E/W Dist (ft) 1,885.00	E/W Ref VV	N/S Dist (ft) 710.00	N/S Ref S

Well Config: - Original Hole - 11/10/2008 10:54:24 AM



Payne Com #1B

Current

Otero Chacra / Blanco Mesaverde

710' FSL, 1885' FWL, Section 26, T-30-N, R-11-W, San Juan County, NM

Lat: N36° 46' 40.548 / Lat: 107° 57'44.64" W, API #30-045-30502

Today's Date: 12/1/08

Spud: 4/20/01

Completion: 6/21/01

Elevation: 5904' GL
5919' KB

12.25" hole

7" TOC @ surface, per sundry

9.625", 36#, J-55 Casing set @ 150'
Cement with 125 sxs, circulate to surface

Ojo Alamo @ 940'

Kirtland @ 1042'

2.375" Tubing @ 4904'
(156 joints, 4.7#, J-55
with 75" coiled tubing with HDI pump)

Fruitland @ 1710'

Chemical cut 4.5" casing at 2122'
and 4.5" casing. Swedge liner top at
2122' (2001)

Pictured Cliffs @ 2289'

4.5" TOC @ 2150' ('01 CBL)

8.75" Hole

7" 23#/20#, N-80/J-55 Casing set @ 2727'
Cement with 461 sxs (914 cf)
Circulate 38 bbls to surface per Sundry

Chacra @ 3296'

Chacra Perforations:
3051' – 3713'
Sqz'd w/ 200 sxs cmt. DO/No
test. Re-sqz w/60 sxs. No
test. Re-sqz w/another 300
sxs cmt and 1236 gals of 300
PSI. PT okay.

Mesaverde @ 3846'

Mesaverde Perforations:
4405' – 4876'

6.25" Hole

4.5" 11.6#, J-55 casing set @ 5061'
Cemented with 203 sxs (402 cf)

TD 5100'
PBD 5016'

Payne Com #1B

Proposed P&A

Otero Chacra / Blanco Mesaverde

710' FSL, 1885' FWL, Section 26, T-30-N, R-11-W, San Juan County, NM

Lat: N36° 46' 40.548 / Lat: 107° 57'44.64" W, API #30-045-10929

Today's Date: 12/1/08

Spud: 4/20/01

Completion: 6/21/01

Elevation: 5904' GL
5919' KB

12.25" hole

7" TOC @ surface, per sundry

9.625", 36#, J-55 Casing set @ 150'
Cement with 125 sxs, circulate to surface

Ojo Alamo @ 940'

Kirtland @ 1042'

Fruitland @ 1710'

Pictured Cliffs @ 2289'

8.75" Hole

Chemical cut 4.5" casing at 2122'
and 4.5" casing. Swedge liner top at
2122' (2001)

4.5" TOC @ 2150' ('01 CBL)

7" 23#/20#,N-80/J-55 Casing set @ 2727'
Cement with 461 sxs (914 cf)
Circulate 38 bbls to surface per Sundry

Plug #3: 2777' – 2677'
Class B Cement, 12 sxs

Chacra @ 3296'

Chacra Perforations:

3051' – 3713'

Sqz'd w/ 200 sxs cmt. DO/No test. Re-sqz w/60 sxs. No

test. Re-sqz w/another 300
sxs cmt and 1236 gals of 300
PSI. PT okay.

Set CR @ 4355'

Plug #2: 3680' – 3001'
Class B Cement, 60 sxs
Plug #1: 4355' – 3680'
Class B Cement, 50 sxs

Mesaverde @ 3846'

Mesaverde Perforations:

4405' – 4876'

6.25" Hole

4.5" 11.6#, J-55 casing set @ 5061'
Cemented with 203 sxs (402 cf)

TD 5100'
PBTD 5016'

BLM CONDITIONS OF APPROVAL

Workover, Plugback 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. Also, if casing leaks are identified each plug must be tagged to verify TOC.**
- 4. File your plans for the Fruitland Coal recompletion within 30 days of commencing plug back operations.**
- 5. Contact this office within 24 hours of commencing plug back operations (505) 599-8907**

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.**