

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

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

Type of Submission	Type of Action		
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Other - Plugback MV
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction	
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging	<input type="checkbox"/> Non-Routine Fracturing	
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off	
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection	

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-102 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 [Signature] 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

NMOCD
[Signature]

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 (mcf/d): 0 **Est. Rate Post Remedial (mcf/d):** 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

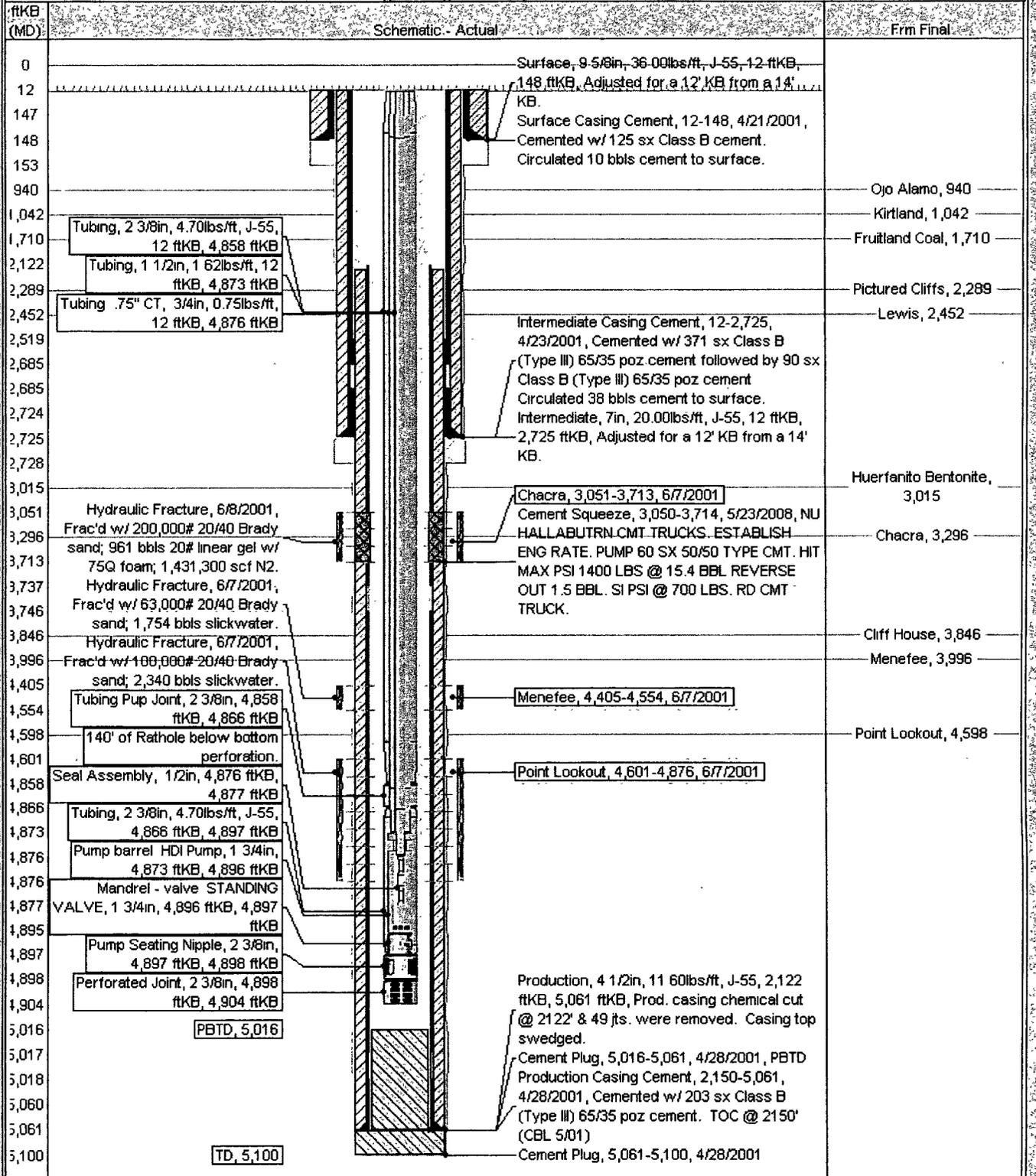
CURRENT SCHEMATIC

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

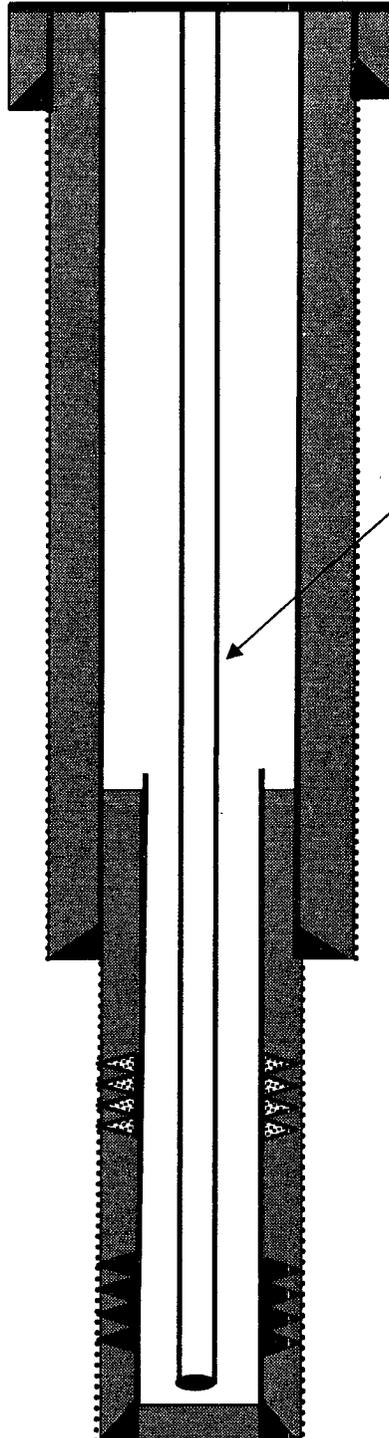
Today's Date: 12/1/08

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'

8.75" Hole

4.5" TOC @ 2150' ('01 CBL)

Chacra @ 3296'

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

Mesaverde @ 3846'

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 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

Ojo Alamo @ 940'

Kirtland @ 1042'

Fruitland @ 1710'

Pictured Cliffs @ 2289'

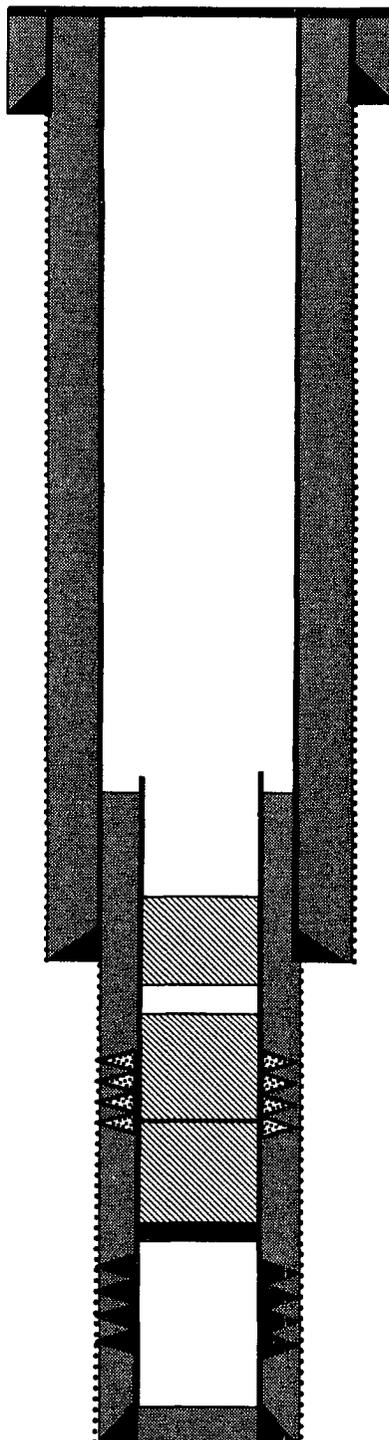
Chacra @ 3296'

Mesaverde @ 3846'

12.25" hole

8.75" Hole

6.25" Hole



7" TOC @ surface, per sundry

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

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 Perforations:

3051' – 3713'

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

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

Set CR @ 4355'

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

Mesaverde Perforations:

4405' – 4876'

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.**