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JUL 16 2013

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

Farmington Field Office
Bureau of Land Management

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

ConocoPhillips Company

3a. Address

PO Box 4289, Farmington, NM 87499

3b. Phone No. (include area code)

(505) 326-9700

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface UL N (SESW), 990' FSL & 1850' FWL, Sec. 22, T31N, R8W

5. Lease Serial No.

NM-03402

6. If Indian, Allottee or Tribe Name

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

San Juan 32-8 Unit

8. Well Name and No.

San Juan 32-8 Unit 7

9. API Well No.

30-045-60297

10. Field and Pool or Exploratory Area

Blanco MV

11. Country or Parish, State

San Juan, New Mexico

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☒ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once Testing has been completed. Final Abandonment Notices must 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 permission to P&A the subject well per the attached procedure, current & proposed wellbore schematics. The Pre-Disturbance site visit was held on 7/9/13 w/ Bob Switzer. The Re-Vegetation Plan is attached. A Closed Loop System will be utilized for this P&A.

RCVD JUL 25 '13
OIL CONS. DIV.
DIST. 3

Notify NMOC 24 hrs
prior to beginning
operations

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

Kenny Davis

Title Staff Regulatory Technician

Date 7/16/2013

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

JUL 23 2013

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

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.

NMOC

ConocoPhillips
SAN JUAN 32-8 UNIT 7 (MV)
Expense - P&A

Lat 36° 52' 42.456" N Long 107° 39' 53.64" W

Prepared by: Erica Herring Date: 05/28/13
Peer Reviewed by: Chandler Wittel Date: 05/28/13
Supervisor: Chris Pierson

Twinned Location: No Currently Surface Commingled: No

Scope of Work: Plug and Abandon the Entire Wellbore

Est. Rig Days: 5 Area: 5 Route: 510
Formation: MV

WELL DATA

API: 3004560297 Spud Date: 6/2/1955
LOCATION: 990' FSL & 1850' FWL, Spot N, Section 22 -T 031N - R 008W

Artificial lift on well (type): Plunger Lift Est. Reservoir Pressure (psia): 200 (MV)

Well Failure Date: May 24, 2012 Earthen Pit Required: NO

H2S: 0 ppm Always verify!

Special Requirements:

This project requires a 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. 3 Cement retainers (1 5-1/2", 2 7-5/8"), handling tools for 5-1/2", 2 CBLs

Contacts	Name	Office #	Cell #
PE Production Engineer	Erica Herring	326-9854	608-4631
PE Backup	Kaylie Plunkett	599-4098	215-7088
MSO	Ashton Hemphill		608-1293
Spec	Fasho Trujillo		486-2556
Area Foreman	Jim Peace	324-5173	320-0210

Well History/Justification

The SJ 32-8 7 is a standalone Mesa Verde producer that was drilled and completed in 1955. The well began having issues running the plunger in early 2012. It was suspected that there was a hole in the tubing. A rig was on location in May 2013. During cleanout the well began producing very large amounts of water (in excess of 300 BWPD). A water sample indicates chloride levels that would be in the range of Mesa Verde produced water. Given anticipated water and gas production levels, this well would not be profitable. Additionally, the current artificial lift mechanism on the well and surface facilities would not be adequate to handle the water production.

Recommendation

It is recommended to plug and abandon the entire wellbore.

ConocoPhillips
SAN JUAN 32-8 UNIT 7
Expense - P&A

Lat 36° 52' 42.456" N

Long 107° 39' 53.64" W

PROCEDURE

This project requires a 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.

1. Hold pre-job safety meeting. Comply with all NMOCD, BLM, and COPC safety and environmental regulations. Test rig anchors prior to moving in rig.
2. MIRU work over rig. Check casing, tubing, and bradenhead pressures and record them in Wellview.
3. When an existing primary valve (i.e. casing valve) is to be used, the existing piping should be removed and replaced with the appropriate piping for the intended operation.
4. RU blow lines from casing valves and begin blowing down casing pressure. Kill well with water, as necessary, and at least pump tubing capacity of water down tubing.
5. ND wellhead and NU BOPE. Pressure and function test BOP. PU and remove tubing hanger.
6. TOOH with tubing (per pertinent data sheet).

Tubing:	Yes	Size:	2-3/8"	Length:	5423
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All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type II mixed at 15.6 ppg with a 1.18 cf/sk yield.

8. RIH with 5-1/2", 10.5# CR and set at 5,344'. Load 5-1/2" casing and hold at 500# during CBL. Run a CBL from 5344' to surface. Contact engineer with new TOC.

9. Plug 1 (Mesa Verde Perforation and Formation Top, 5092-5344', 36 Sacks Class B Cement)

→ Plug Chen equiv. 4059'-3999' inside - corr. 5/2" casing

Mix 36 sx Class B cement and spot a plug inside the casing above CR to isolate the Mesa Verde perforations and formation top.

10. Plug 2 (Intermediate Shoe & Pictured Cliffs Formation Top, 3184-3397', 57 Sacks Class B Cement)

Perforate 3 HSC holes at 3397'. Set CR at 3347'. TIH with tubing and sting into CR. Establish injection rate into squeeze holes. Mix 57 sx Class B cement. Sqz 25 sx Class B cement into HSC holes and leave 31 sx cement inside casing to isolate the Intermediate shoe and Pictured Cliffs formation top. POOH.

11. RU free-point and cut production casing at 2850'. POOH and LD cut 5-1/2" production casing. If casing does not cut low or won't POOH, call Rig Superintendent and Area 5 Production Engineer for plan forward.

12. Run 7-5/8" watermelon mill to top of 5-1/2" liner @2850'. If unable to reach top of liner, contact Rig Superintendent and Area 5 Production Engineer for plan forward.

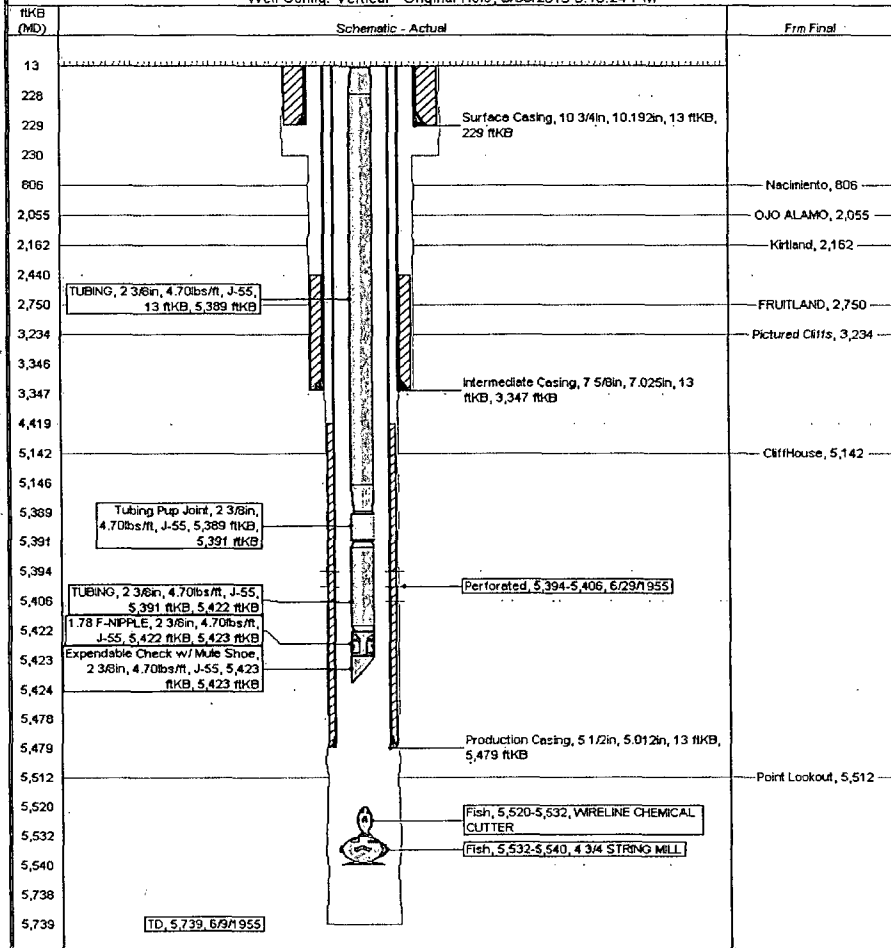
13. Hold the 7-5/8" casing at 500# during the CBL. Run a CBL from 2850' to surface to confirm top of cement (2,440' from 75% eff. calc) and pull to surface. Contact engineer with new TOC. TOOH.

ConocoPhillips

CURRENT SCHEMATIC
SAN JUAN 32-8 UNIT #7

District NORTH	Field Name MV	API / UWI 3004560297	County SAN JUAN	State/Province NEW MEXICO	Edit
Original Spud Date 2/6/1955	Surface Legal Location NMPM-31N-08W-22-N	E/W Dist (ft) 1,850.07	E/W Ref FWL	N/S Dist (ft) 990.18	N/S Ref FSL

Well Config: Vertical - Original Hole, 5/30/2013 3:10:24 PM



14. Plug 3 (Liner Top and Fruitland Formation Top, 2700-2900, 61 Sacks Class B Cement)

Mix 61 sx Class B cement and spot a balanced plug inside the casing to isolate the Liner top and Fruitland formation top.

15. Plug 4 (Kirtland and Ojo Alamo Formation Tops, 2005-2212', 134 Sacks Class B Cement)

Perforate 3 HSC holes at 2,212'. Set CR at 2,162'. TIH with tubing and sting into CR. Establish injection rate into squeeze holes. Mix 134 sx Class B cement. Sqz 75 sx Class B cement into HSC holes and leave 59 sx cement inside casing to isolate the Kirtland and Ojo Alamo formation tops. POOH.

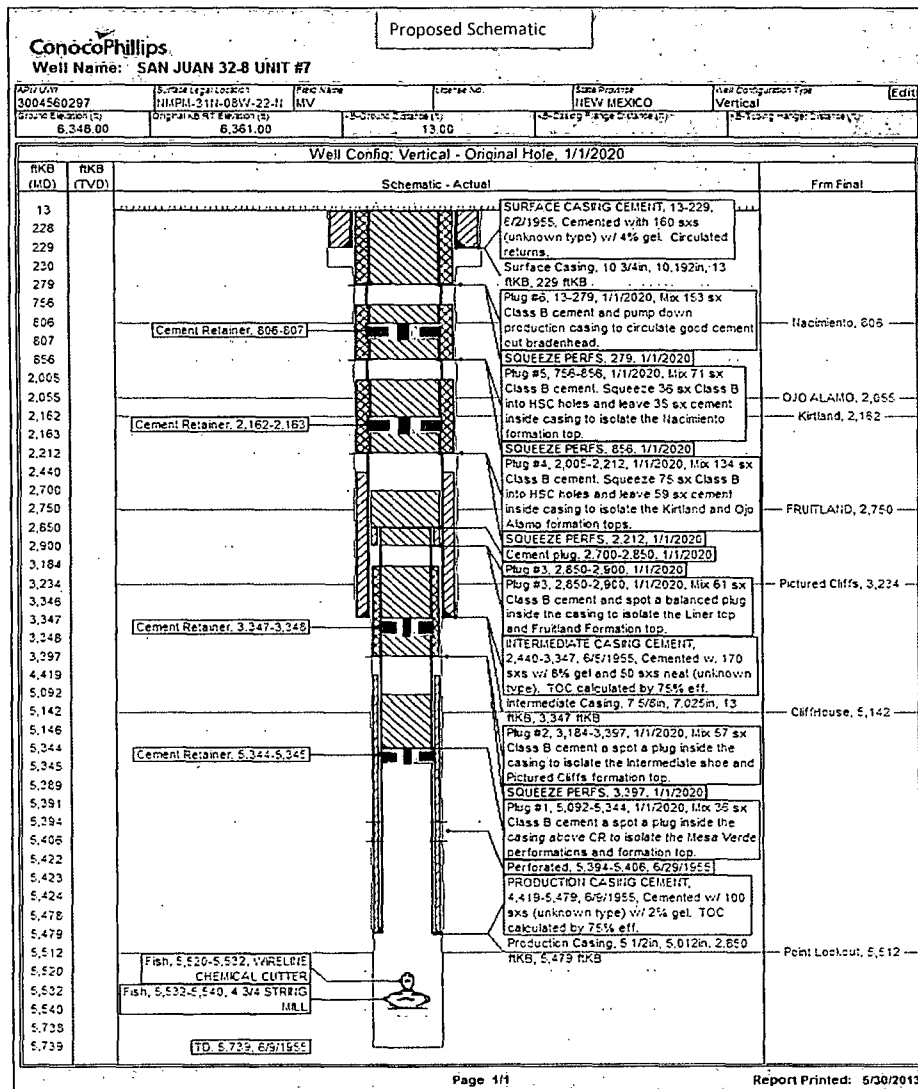
16. Plug 5 (Nacimiento Formation Top, 756-856', 71 Sacks Class B Cement)

Perforate 3 HSC holes at 856'. Set CR at 806'. TIH with tubing and sting into CR. Establish injection rate into squeeze holes. Mix 71 sx Class B cement. Sqz 36 sx Class B cement into HSC holes and leave 35 sx cement inside casing to isolate the Nacimiento formation top. POOH.

17. Plug 6 Surface Plug, 0-279', 153 Sacks Class B Cement)

Perforate 3 HSC holes at 279'. Establish circulation our bradenhead with water and circulate annulus clean. Mix 153 sx Class B cement and pump down production casing to circulate good cement out bradenhead. LD tubing. Shut in well and WOC.

18. Nipple down BOP and cut off casing below the casing flange. Install P&A marker with cement to comply with regulations. Rig down, move off location, cut off anchors, and restore location.



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 7 San Juan 32-8 Unit

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Place the Measverde (Chacra Equivalent) plug from 4039' – 3939' inside and outside the 5 ½" casing.
 - b) Place the 5 ½ Casing Stub/Fruitland plug from 2950' – 2800'.
 - c) Place the Nacimiento plug from 732' - 632' inside and outside the 7 5/8" casing.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.