

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division

enderes sed mice in Couter Progente "I succeive the Luberger, ad Source of Impairs Deces"

05-Jul-07

BURLINGTON RESOURCES OIL & GAS COMPANY LP

PO BOX 4289

Farmington NM 87499-

NOTICE of Failed **Mechanical Integrity**

Dear Operator:

The bradenhead test(s) reported on the following well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by you and/or an OCD Compliance Officer employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the full nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so a Compliance Officer may witness the test.

MECHANICAL INTEGRITY TEST DETAIL SECTION

SAN JUAN 29 4 UNIT No.022

Active Gas (Producing)

30-039-21844-00-00

Test Date:

7/3/2007

Permitted Injection PSI:

N-9-29N-4W

Actual PSI:

Test Reason:

Annual IMIT

Test Result:

Repair Due:

10/6/2007

Test Type:

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Bradenhead Test

Comments on MIT:

Steady flow of Gas. 5min - 10psi, 10min - 6psi, 15min - 5psi, casing remained the same through out @ 680psi. 5 minute shut-in - 145psi. LOUD initially.

In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, enforcement action will occur. Such enforcement may include this office issuing a NOTICE OF VIOLATION with a penalty and/or applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well for your violation of OCD rules.

Shelly & Cowlan

Aztec OCD District Office

Note: Bradenhead Tests are performed every 3 years. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. * Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas

Oil Conservation Division * 1000 Rio Brazos Road * Aztec, New Mexico 87410 Phone: 505-334-6178 * Fax: 505-334-6170 * http://www.emnrd.state.nm.us



NEW MIEXICO ENERGY, MINIERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
http://emnrd.state.nm.us/ocd/District III/3distric.htm

BRADENHEAD TEST REPORT

(submit 1 copy to above address)

Date of Test July 3, 2007 Operator	Burlington Prestures API #30-039-21844
	Location: Unit N Section 9 Township 29 Range 4
Well Status(Shut-In of Producing) Initial PSI: Tubing 47 Intermediate — Casing 67 Bradenhead 347	
OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH	
PRESSURE Testing Bradenhead INTERM BH Int Csg Int Csg	FLOW CHARACTERISTICS BRADENHEAD INTERMEDIATE
TIME 5 min 10 - 680	Steady Flow
10 min 6 - 680	Surges
15 min 5 - 680	Down to Nothing
20 min 4 - 680	Nothing
25 min 3 - 68D	Gas
30 min 3 - 680	Gas & Water
	Water
If bradenhead flowed water, check all of the descriptions that apply below:	
CLEAR FRESH SALTY	SULFURBLACK
REMARKS: Hudy flow Gas Loud/	
* No change in Casing Pressure through out testing	
Steve Boird Witness Shelly Consolen (Position) Witness Shelly Consolen Jailens	
G-mail address	
7	