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 District I
 1625 N. French Dr., Hobbs, NM 88240
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 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Jun 19, 2008

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-32977
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name San Juan 32-7 Unit
8. Well Number 250A
9. OGRID Number 217817
10. Pool name or Wildcat Basin Fruitland Coal

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
ConocoPhillips Company

3. Address of Operator
P.O. Box 4289, Farmington, NM 87499-4289

4. Well Location
 Unit Letter **F** : **1450** feet from the **North** line and **1565** feet from the **West** line
 Section **16** Township **32N** Range **7W** NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6659' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: _____	Re-Cavitation <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ConocoPhillips requests permission to Re-Cavitate the subject well per the attached procedures. Pit has been filed.

RCVD JAN 20 '09
 OIL CONS. DIV.

DIST. 3

Attached: Well Schematic

Spud Date:

Rig Released Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE TITLE Regulatory Technician DATE 1/16/09

Type or print name Kelly Jeffery E-mail address: jeffekr@conocophillips.com PHONE: 505-599-4025

For State Use Only

APPROVED BY: TITLE Deputy Oil & Gas Inspector, District #3 DATE JAN 21 2009

Conditions of Approval (if any):

ConocoPhillips
San Juan 32-7 250A (FRC)
Re-Cavitation

Lat 36° 59' 11" N Long 107° 34' 32.8" W

Prepared By: Dryonis Pertuso **Date: 12/23/2008**
Production Engineering Peer review/approved By: **Date: / /**

Scope of work: Pull rods and tubing, pull 5-1/2" liner, under-ream, recavitate and clean out to PBTB, RIH with 5-1/2" liner and production BHA with a new pump. Uplift is estimated at 600 Mcfd by returning the well to rod pump, and the payout is estimated at 6.98 months with \$4.02/mcf gas.

WELL DATA:

API: 300453297700
Location: 1450' FNL & 1565' FWL, Unit F, Section 16 - T32N- R07W
PBTB: 3538' **TD:** 3540'
Perforations: 3190'- 3488' (FRC) Perforated

<u>Casing:</u>	<u>OD</u>	<u>Wt., Grade</u>	<u>Connection</u>	<u>ID/Drift (in)</u>	<u>Depth</u>
	9-5/8"	32.3#, H-40	ST&C	9.001/8.845	230'
	7"	20.0#, J-55	-	6.456/6.331	3161'
<u>Liner:</u>	5-1/2"	15.5#, J-55		4.950/4.825	3540'- 3102'

Note: Liner set with "H"-Latch Drop-off tool

<u>Tubing:</u>	2-3/8"	4.70#, J-55	EUE	1.995/1.901	3492'
<u>F Nipple:</u>	2-3/8"	4.70#, J-55	-	1.780	3492.5'
<u>Mud Anchor:</u>	2-3/8"	4.70#, J-55	-	1.995	3512'
<u>Cross Over:</u>	2-3/8"x2-1/16"				3512.2
<u>F Nipple:</u>	2-1/16"			1.500	3512.6'
<u>SawTooth Cllr:</u>	2-1/16"			1.500	3513'

Well History/ Justification: This well was completed in 2005 as a Fruitland Coal producer, the well was cavitated for almost three weeks when it was completed and no other intervention has been made ever since. This well has been included in the study carried out by the Asset & Optimization team in the San Juan Business unit, where it was observed that the re-cavitation workovers seem to be more effective within a given window of a percentage of reservoir pressure. The study showed that the greater uplifts during the re-cavitations performed in this area over the last 18 years were obtained from those wells whose percentage of reservoir pressure were within 40% to 88% of depletion (with a low reservoir limit of 300 psi). This well is currently at 51% of depletion, therefore it has been identified as one of the candidates for re-cavitation as part of this study, the well is currently making 1200 Mcfd and the uplift expected after the job is completed is ~600 Mcfd (based on its reservoir pressure). Therefore it is recommended to pull the liner, recavitate and then put it back to rod pump operations.

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

Artificial lift on well (type): Churchill CH-80-119-64P

Est. Reservoir Pressure (psig): 350 (FRC)

Well Failure Date: N/A

Current Rate (Mcf/d): 1200 **Est. Rate Post Remedial (Mcf/d):** 1800

Earthen Pit Required: YES **(LARGE BLOW PIT REQUIRED)**

Special Requirements: Several joints of 2-3/8" tubing for elongation of the tubing string, two 2-3/8" x 10' 4.7# J-55pup joints, one of them with a 1/2" vent hole below top upset, new 2"x 1-1/4"x8' x12' RHAC-Z Pump with 1" x12" strainer, 8' 3/4" guided rod, shear tool and two 8' 3/4" ponies. 5 1/2" New liner as per procedure, 9-1/2" under-reamer, drill pipe and drill collars, etc, 5-1/2" liner joints as per procedure.

Production Engineer: Dryonis Pertuso Office: 599-3409, Cell: 320-6568

Backup Engineer: Juan Alvarez Cell: 330-5310

MSO: James Kirby Cell: 486-1909

Lead: Howard Self Cell: 320-2495

Area Foreman: Mark Poulson Cell: 320-2523

ConocoPhillips
San Juan 32-7 250A (FRC)
Re-Cavitation

Lat 36° 59' 11" N Long 107° 34' 32.8" W

PROCEDURE:

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 workover rig. Check casing, tubing, and bradenhead pressures and record them in Wellview.
3. RU blow lines from casing valves and begin blowing down casing pressure. Kill well with 2% KCl, if necessary.
4. Pressure test tubing to 1000 psi before unseating the pump.
5. POOH and w/ rods and pump as follows. Make note of any damage incurred to rods or pump in Wellview. Make note of any paraffin or scale in Wellview.
Top to Bottom
 - 1- 1-1/4" 22' Polished Rod
 - 1- 3/4" pony rod (2') (not clear in report, instead of this pony, it could be a 4' pony right above pump)
 - 136- 3/4" x 25' Grade "D" Sucker Rods
 - 3- 1-1/4" x 25' Sinker Bars
 - 1- 2" x 1-1/4" x 12' RHAC-ZDV Pump w/ 12"x1' strainer nipple (not clear in report, therefore strainer might or might not be installed)
6. ND wellhead and NU BOPE.
7. PU and release tubing hanger and tag for fill, PBTD is at 3538'. TOO H with tubing (detail below), currently landed @ 3513", LD tubing.
Top to Bottom
 - 1- 2-3/8" x10' 4.7# J-55 full joint
 - 1- 2-3/8" x 10' pup joint
 - 111- 2-3/8" 4.7# J-55 Tubing joints
 - 1- 2-3/8" F Nipple
 - 1- 2-3/8" x 20' Mud Anchor (eight 0.25" x 8" holes below upset)
 - 1- 2-3/8" x 1-1/16" crossover
 - 1- 2-1/16" F nipple
 - 1- 2-1/16" Saw tooth collar

Visually inspect tubing and record findings in Wellview. Make note of corrosion or scale and replace any bad joints.
8. RIH W/5-1/2" Spear on 2-7/8" AOH Drill Pipe, Spear liner work free, POOH and LD liner. (5 1/2" 15.5# J-55, LT/C) top of liner @ 3102' (type "H" latch drop off tool).
9. PU 9-1/2" under-reamer, 4-3/4" DRILL COLLARS to cover open hole. RIH w/ drill collars and drill pipe. Under-ream from 3170' to 3540'. POOH and LD under-reamer.

10. Set pitot at surface and obtain flow rate. And perform shut in test for 60 minutes recording the pressure every 15 minutes; **Call Production Engineer with results.**
11. PU 6-1/4" bit, RIH w/ drill pipe. Perform natural and assisted surges w/ air/mist. Tag fill and clean out after each surge.
12. Obtain flow rates and perform shut in test for 60 min to obtain pressure profile after each surge. POOH and LD bit and drill pipe. **Call Production Engineer with results.**
13. PU 5-1/2" 15.50# J-55 liner in the following configuration and RIH to TD at 3540'.
 Liner Configuration (bottom to top):
 - 1- 2.2' x 5-1/2" Tapered cut-rite shoe
 - 1- ~42' x 5-1/2" 15.5# J-55 Blank Liner
 - 1- ~42' x 5-1/2" 15.5# J-55 Pre-perforated liner (Al or Mg plugs)
 - 2- ~42' x 5-1/2" 15.5# J-55 Blank liner
 - 4- ~42' x 5-1/2" 15.5# J-55 Pre-perforated liner (Al or Mg plugs)
 - 1- ~21' x 5-1/2" 1 5.5# J-55 Pre-perforated pup joint
 - 1- ~42' x 5-1/2" 15.5# J-55 Blank liner
 - 1- 5-1/2" Drop off tool or latch collar
14. RIH with liner on setting tool and set TOL at +/- 3137' (bottom of 7" casing at 3161'). POOH w/ drill pipe and setting tool, LD. RIH and mill out plugs on liner.
15. TIH with the following 2-3/8" Price type BHA string (detail below). Recommended landing depth is 3518'. Land FN @ 3496'.
Bottom to Top
 - 1- 1-1/2" Mule Shoe (ID: 1.61")
 - 1- 1-1/2" x 2-3/8" Crossover
 - 1- 2-3/8" x 10' Pup Joint
 - 1- 2-3/8" x 10' Pup Joint (w/ 1-1/2 vent hole below top upset)
 - 1- 2-3/8" F Nipple
 - 110- 2-3/8" 4.7# J-55 Tubing joints
 - Use pup joints as necessary to achieve proper landing depth
 - 1- 2-3/8" 4.7# J-55 tubing joint
16. ND BOPE. NU sucker rod wellhead assembly.
17. RIH with pump specified by the Production Engineer and space out pump using pony rods as necessary to obtain proper stroke length.
Bottom to Top
 - 1- 1" x12" strainer (160 x 3/16" diameter holes)
 - 1- 2" x 1-1/2" 8' x12' RWAC-Z Insert pump with -0.006" total clearance between plunger and barrel, CA pattern balls, double standing valve, and single traveling valve
 - 1- 1' x 1" lift sub
 - 1- 8' x 3/4" guided pony rod
 - 1- Shear coupling (22 K)
 - 3- 1-1/4" Sinker bars
 - 2- 8' x 3/4" Grade "D" pony rods to be rotated
 - 135- 3/4" x 25' Grade "D" Sucker Rods
 - 1- 1-1/4" x 22' polished rod
18. Load tubing with water and test tubing to 1500 psig. Stroke pump to 500 psig and tie polished rod to pumping unit. Verify well pumps up before moving out. Plumb flowline to new wellhead assembly.
19. Contact MSO of finished project so that he can return well to production.

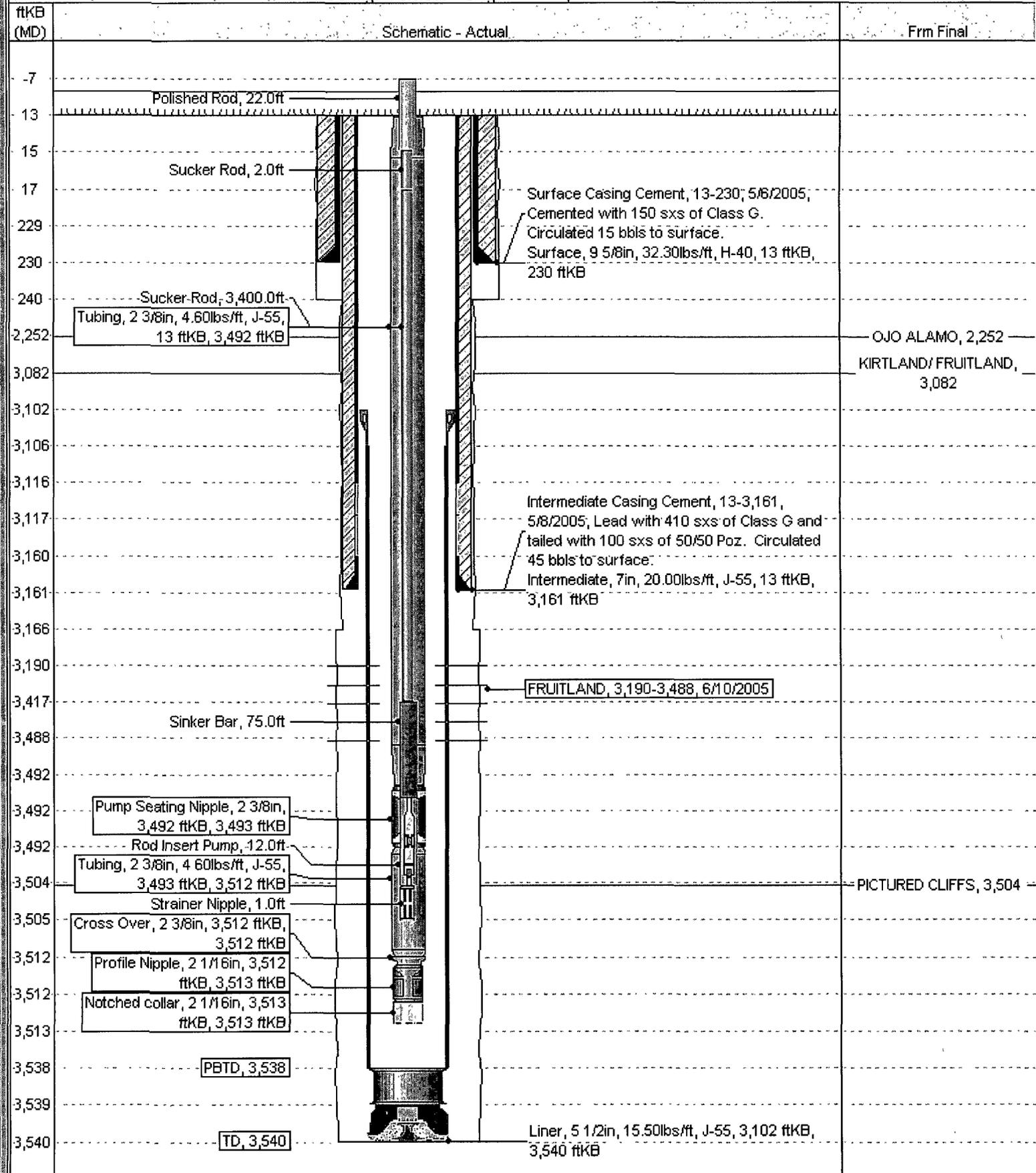
Current Schematic

ConocoPhillips

Well Name: SAN JUAN 32-7 UNIT #250A

API/UNII 3004532977	Surface Legal Location NMPM-32N-07W-16-F	Field Name FC	License No.	State/Province NEW MEXICO	Well Configuration Type Vertical	Edit
Ground Elevation (ft) 6,659.00	Original KB/RT Elevation (ft) 6,672.00	KB-Grnd/Distance (ft) 13.00	KB-Casing/Ft/Bge/Distance (ft)	KB-Tubing/Harger/Distance (ft)		

Well Config: Vertical - Original Hole, 12/29/2008 2:01:45 PM



Pertinent Data Sheet

ConocoPhillips

Well Name: SAN JUAN 32-7 UNIT #250A

API/Well 3004532977	Surface Legal Location NMPM-32N-07W-16-F	Field Name FC	License No.	State/R Province NEW MEXICO	Well Configuration Type Vertical
Ground Elevation (ft) 6,659.00	Original KB/RT Elevation (ft) 6,672.00	KB-Ground Distance (ft) 13.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Well Attributes

Orig Spid Date: _____ Latitude (DMS): _____ Longitude (DMS): _____

PBTDs

Depth (ft)	Comment
3,538.0	

Formations

Formation Name	Final Top MD (ft)
OJO ALAMO	2,252
KIRTLAND/FRUITLAND	3,082
PICTURED CLIFFS	3,504

Casing Strings

Casing Description	Run Date	Set Depth (ft)	Comment				
Surface	5/6/2005	230.0					
Item Description	OD Nominal (in)	ID (in)	Wt (lbs/ft)	Grade	Jts	Len (ft)	Top (ft)
Casing Joints	9 5/8	9.001	32.30	H-40		5	215.0
Guide Shoe	9 5/8	9.001				1	1.0
Intermediate	5/8/2005	3,161.0					
Casing Joints	7	6.456	20.00	J-55		73	3,103.0
Float Collar	7	6.456				1	1.0
Casing Joint	7	6.456	20.00	J-55		1	43.0
Shoe	7	6.456				1	1.0
Liner	6/10/2005	3,540.0					
Type "H" latch drop off tool	5 1/2					1	4.0
Casing Joints	5 1/2	4.950	15.50	J-55		10	432.0
Bit Sub	5 1/2					1	1.0
Bit	5 1/2					1	1.0

Cement

Description	Start Date	End Date	Comment
Surface Casing Cement	5/6/2005	5/6/2005	Cemented with 150 sxs of Class G. Circulated 15 bbls to surface.
Intermediate Casing Cement	5/8/2005	5/8/2005	Lead with 410 sxs of Class G and tailed with 100 sxs of 50/50 Poz. Circulated 45 bbls to surface.

Tubing - Production set at 3,513.0ftKB on 6/11/2005 00:00

Tubing Description	Run Date	Set Depth (ft)	Comment				
Tubing - Production	6/11/2005	3,513.0	Set depth adjusted from 11' KB to production KB of 13'.				
Item Description	OD Nominal (in)	ID (in)	Wt (lbs/ft)	Grade	Jts	Len (ft)	Top (ft)
Tubing	2 3/8	1.995	4.60	J-55		111	3,478.80
Pump Seating Nipple	2 3/8	1.780				1	0.60
Tubing	2 3/8	1.995	4.60	J-55		2	19.50
Cross Over	2 3/8					1	0.20
Profile Nipple	2 1/16	1.500				1	0.40
Notched collar	2 1/16					1	0.40

Rods

Rod on 6/11/2005 14:00

Run Date	6/11/2005	Set Depth (ft)	3,505.0
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Rod Components

Item Description	OD (in)	Jts	Len (ft)	Top (ft)
Polished Rod	1 1/4	1		22.0
Sucker Rod	3/4	1		2.0
Sucker Rod	3/4	136		3,400.0
Sinker Bar	1 1/4	3		75.0
Rod Insert Pump	1 1/4	1		12.0
Strainer Nipple	1	1		1.0

Perforations

Date	Top (ft)	Btm (ft)	Zone	Comment
6/10/2005	3,190.0	3,488.0	FRUITLAND COAL, Original Hole	Perf'd at 3190'-3198', 3224'-3229', 3234'-3236', 3250'-3253', 3244'-3246', 3280'-3282', 3322'-3334', 3351'-3353', 3365'-3367', 3470'-3473', 3480'-3482', and 3486'-3488' with 4 spf. 176 total holes.