

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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 reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. CONT 64
2. Name of Operator CONOCO INC.		6. If Indian, Allottee or Tribe Name
Contact: DEBORAH MARBERRY E-Mail: deborah.moore@usa.conoco.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address P.O. BOX 2197 DU 3066 HOUSTON, TX 77252	3b. Phone No. (include area code) Ph: 281.293.1005 Fx: 281.293.5466	8. Well Name and No. JICARILLA BR E 12
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T25N R4W SWSW 1095FSL 931FWL		9. API Well No. 30-039-05982
		10. Field and Pool, or Exploratory BLANCO P.C. SOUTH
		11. County or Parish, and State RIO ARRIBA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomple 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Conoco proposes to plug and abandon this well using the attached procedure. Also attached is a current and proposed wellbore schematic.



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

**Electronic Submission #8315 verified by the BLM Well Information System
For CONOCO INC., sent to the Rio Puerco
Committed to AFMSS for processing by Angie Medina-Jones on 10/30/2001 ()**

geo-park - 11/8/01

Name (Printed/Typed) DEBORAH MARBERRY	Title SUBMITTING CONTACT
Signature (Electronic Submission)	Date 10/29/2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>[Signature]</i>	Lands and Mineral Resources	Date <i>12/18/01</i>
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.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

surface restoration requirements attached

PLUG AND ABANDONMENT PROCEDURE

10/16/01

Jicarilla BR E #12

So. Blanco Pictured Cliffs

1095' FSL & 931' FWL, (M) Section 17, T25N, R4W

Rio Arriba County, New Mexico

Note: 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/sx yield.

1. Install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM, and Conoco safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. NU relief line and blow down well; kill with water as necessary. ND wellhead and NU BOP. Test BOP.
2. TOH w/115 joints 1-1/4" EUE tubing, visually inspect. If necessary, LD tubing and PU and tally tubing workstring. Round-trip 5-1/2" gauge ring or casing scraper to 3622' or as deep as possible.
3. **Plug #1 (Pictured Cliffs perfs, Fruitland top, Kirtland top, and Ojo Alamo top, 3622' – 3065')**: Set 5-1/2" wireline CIBP or CR at 3622'. TIH with tubing and tag CIBP. Load casing with water and circulate well clean. Pressure test casing to 500#. If casing does not test, spot or tag subsequent plugs as appropriate. Mix 69 sxs cement and spot a balanced plug inside casing above the CIBP to isolate the Pictured Cliffs interval and to cover through the Ojo Alamo top. TOH with tubing.
- ✓ 4. **Plug #2 (Nacimiento top, 1630' – 1530')**: Perforate 3 HSC squeeze holes at 1630'. Set 5-1/2" cement retainer at 1580'. Pressure test tubing to 1000#. Establish rate into squeeze holes. Mix 46 sxs cement, squeeze 29 sxs cement outside 5-1/2" casing and leave 17 sxs cement inside casing to cover Nacimiento top. TOH and LD tubing.
5. **Plug #3 (8-5/8" Surface casing, 183' - Surface)**: Perforate 3 HSC squeeze holes at 183'. Establish circulation out bradenhead valve. Mix and pump about 56 sxs cement down the 5-1/2" casing, through the squeeze holes, and up the 5-1/2" annulus and out the bradenhead valve, circulate good cement to surface. Shut well in and WOC.
6. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

Jicarilla BR E #12

Current

So. Blanco Pictured Cliffs

(M) Section 17, T-25-N, R-04-W, Rio Arriba County, NM

Lat N 36° 23' 43.008" / Long W 107° 16' 49.8"

Today's Date: 10/16/01

Spud: 4/23/59

Completed: 7/15/59

Elevation: 7329' GL
7340' KB

12-1/4" hole

8-5/8" 32# Casing @ 133'

Cmt w/105 sxs (Circ. to Surface)

Nacimiento @ 1580'

*✓ any
part
11/3/01*

1-1/4" Tubing @ 3661'

(115 jts, EUE, 2.4#)

Ojo Alamo @ 3115'

TOC @ 3100' (TS)

Kirtland @ 3365'

Fruitland @ 3460'

Pictured Cliffs @ 3672'

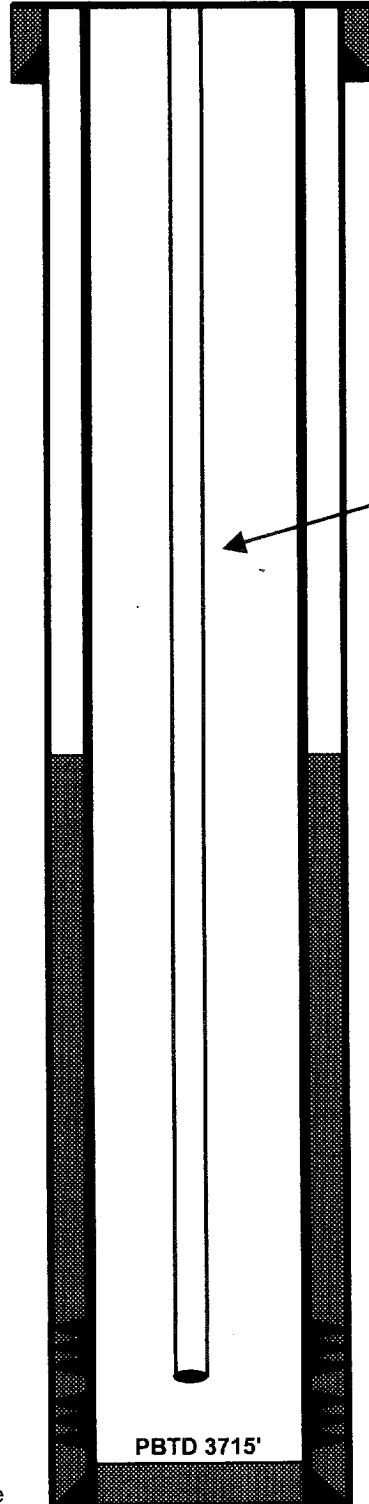
Pictured Cliffs Perforations:
3672' - 3700'

PBTD 3715'

5-1/2" 15.5# Casing @ 3741'
Cmt with 90 sx

7-7/8" hole

TD 3742'



Jicarilla BR E #12

Proposed P & A

So. Blanco Pictured Cliffs

(M) Section 17, T-25-N, R-04-W, Rio Arriba County, NM

Lat N 36° 23' 43.008" / Long W 107° 16' 49.8"

Today's Date: 10/16/01

Spud: 4/23/59

Completed: 7/15/59

Elevation: 7329' GL

7340' KB

12-1/4" hole

8-5/8" 32# Casing @ 133'
Cmt w/105 sxs (Circ. to Surface)

Perf @ 183'

Plug #3: 183' - Surface
Cmt with 56 sxs

Plug #2: 1630'-1530'
Cmt with 46 sxs, 29 sxs
outside and 17 sxs inside ✓

Cmt Ret. @ 1580'

Perf @ 1630'

Nacimiento @ 1580'

TOC @ 3100' (TS)

Ojo Alamo @ 3115'

Plug #1: 3622'-3065'
Cmt with 69 sxs ✓

Kirtland @ 3365'

Fruitland @ 3460'

Pictured Cliffs @ 3672'

Set 5-1/2" CIBP @ 3622'

Pictured Cliffs Perforations:
3672' - 3700'

5-1/2" 15.5# Casing @ 3741'
Cmt with 90 sx

7-7/8" hole

PBTD 3715'

TD 3742'

RECEIVED
2001 DEC 13 PM 12:44
320 W. WILSON BLVD, ALBUQUERQUE, NM 87102

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

**IN THE MATTER OF THE APPLICATION OF
McELVAIN OIL & GAS PROPERTIES, INC.
FOR COMPULSORY POOLING,
RIO ARriba COUNTY, NEW MEXICO**

CASE NO. 12635, *de novo*

Consolidated with:

**IN THE MATTER OF THE APPLICATION OF
D.J. SIMMONS INC. FOR COMPULSORY POOLING,
RIO ARriba COUNTY, NEW MEXICO**

CASE NO. 12705

ORDER NO. R-11663-C

ORDER OF THE COMMISSION

MINERAL RESOURCES	
COM 1	<i>BTM</i>
NATURAL MIN COORD	
SOIL & WATER	
PETROLEUM ENGINEERING	<i>2X</i>
O & G A	TEAM
ALL TEAM LEADERS	
LAND RESOURCES	
ENVIRONMENT	
FILES	

THIS MATTER has come before the New Mexico Oil Conservation Commission (hereinafter referred to as "the Commission") on the application of McElvain Oil & Gas Properties Inc. (hereinafter referred to as "McElvain"), *de novo*, for compulsory pooling, and the application of D.J. Simmons Inc. (hereinafter referred to as "Simmons") for compulsory pooling in the same section, and the Commission, having conducted an evidentiary hearing on the applications on November 6, 2001, and being fully advised in the premises,

FINDS:

1. Due notice has been given, and the Commission has jurisdiction of these cases and their subject matter.

2. In Case No. 12635, McElvain seeks an order pooling all uncommitted mineral interests from the base of the Pictured Cliffs formation to the base of the Mesaverde formation underlying the S/2 of Section 25, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico to form a standard 320-acre lay-down gas spacing and proration unit for any pool developed on 320-acre spacing within that vertical extent, which presently includes only the Undesignated Blanco-Mesaverde Pool.

3. In Case No. 12705, Simmons seeks an order pooling all uncommitted mineral interests from the surface to the base of the Mesaverde formation (less the Fruitland Coal) underlying the E/2 of the same section to form a standard 320-acre stand-up gas spacing

Simmons Exhibit 25. McElvain's geologist testified that the trend of sand containing 8% or greater porosity is generally east-to-west and the location of the existing McElvain well was well suited to drain the resources because of the east-west trend and the east-west trend would act as a control on the drainage pattern.

12. Simmons appeared at the hearing through counsel and claimed that it is entitled to compulsory pooling of a 320-acre unit comprising the E/2 of Section 25, that it had in good faith proposed its Bishop 25 No. 1 Well to the interest owners in the proposed E/2 unit, but McElvain had not agreed to voluntary pooling of its acreage. Simmons also noted its primary objective with the Bishop 25 No. 1 Well was the Gallup-Dakota formation.

13. Simmons' experts testified that the orientation of the sand bodies are largely immaterial to the drainage issue because fracturing in the Mesaverde formation is in a north-south to north-40-degrees-east orientation, and that production patterns in nearby wells demonstrate this natural fracturing exists. Simmons claims that natural gas production would follow the north-south to north-40-degrees-east fractures, establishing an elliptical drainage pattern in a north-south to north-40-degrees-east orientation. Because of this, Simmons claims that McElvain's well, situated near the west line of Section 25, will not drain the SE/4.

14. References were made by both parties to the Division's Blanco-Mesaverde spacing case, Case No. 12069, in which 320-acre spacing was established in the Blanco-Mesaverde Pool. The Commission takes administrative notice of Order No. R-10987-A and Case No. 12069.

15. The applications of McElvain and Simmons for compulsory pooling should be denied.

16. It appears that the Mesaverde formation in the SE/4 of Section 25 is the chief issue in the competing applications. McElvain owns the working interest in the W/2 of the section and could dedicate a stand-up 320 acre unit to its Naomi Well No. 1 without the necessity of pooling, and Simmons owns the working interest in NE/4 of the section to which it could dedicate production from a Gallup-Dakota formation unit (160 acres) without the necessity of pooling. A 320-acre Mesaverde unit dedicated to the S/2 or E/2 would require pooling because four parties own the working interest in the SE/4.

17. The evidence presented suggests that the sands of the Mesaverde formation in Section 25 are fractured in a north-south to north-40-degrees-east orientation. The evidence supports a conclusion that north-south to north-40-degrees-east drainage patterns are the norm within Section 25 as a result of the natural fracturing and that fracture stimulation would follow this natural pattern.

23. Both parties urge the Commission to establish a uniform standard for establishing good faith and diligence in proposing a well. The parties devoted extensive time at the hearing attempting to establish their good faith and diligence and the opposing party's corresponding failure to meet standards in this regard.

24. It has long been the practice of the Commission to require parties to show good faith and diligence in proposing a well to other interest owners in the unit as a prerequisite of a compulsory pooling order. See Morris, Richard, Compulsory Pooling of Oil and Gas Interests in New Mexico, 3 Nat. Res. J. 316 (1963). The Oil and Gas Act may require such efforts. See NMSA 1978, § 70-2-18(A).

25. The Commission has not set out specific standards for establishing what constitutes good faith and diligence, preferring to address these issues on a case-by-case basis.

26. Both McElvain and Simmons adopted a slightly different methodology to gain the other party's consent to their project. But in general, each party seems to have met reasonable standards of good faith and diligence, and because of this, the Commission declines the invitation to set forth more explicit standards. It is also unnecessary to reach this issue as the applications fail for other reasons.

IT IS THEREFORE ORDERED, AS FOLLOWS:

1. The applications for compulsory pooling shall be and hereby are denied.
2. McElvain should dedicate its completion in the Mesaverde formation in its Naomi Well. No. 1 to the W/2 of Section 25, and Simmons should dedicate its completion in the Basin-Dakota formation in its Bishop 25-1 Well to the NE/4.
3. Simmons' Exhibit No. 34, submitted after the close of evidence in this case but without objection of McElvain to its admission, should be and hereby is admitted.
4. Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.
5. Should voluntary agreement be reached concerning the lands described in the two applications subsequent to the date of this order, the parties may apply to the Commission for any necessary amendment pursuant to the continuing jurisdiction of the Commission of this matter.

IN REPLY REFER TO
3162.3-1 (017)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

Albuquerque Field Office
435 Montano N.E.
Albuquerque, New Mexico 87107

Company Conoco Inc.

Well No. Jicarilla BR E #12

Location 1095' FSL & 931' FWL Sec. 17, T25N, R4W, NMPM

Lease No. Jicarilla Contract 64

Government Contacts:

Bureau of Land Management , Albuquerque Field Office Office 505.761.8700
Manager: Steve Anderson, Assistant Field Manager 505.761.8982
Petroleum Engineer: Brian W. Davis 505.761.8756, Home 505.323-8698,
Pager 505.381.0346, Cell 505.249.7922,
Petroleum Engineering Technician: **Bryce Hammon, Office 505.759.1823, x-31, Cell 505.320.9741**
BLM Geology / Environmental Contact: Patricia M. Hester 505.761.8786

GENERAL REQUIREMENTS
FOR
OIL AND GAS OPERATIONS FEDERAL & INDIAN LEASES

1. Plugging operations authorized are subject to the "General Requirements for Permanent Abandonment of Wells on Federal and Indian Leases."
2. For wells on Indian leases, Bryce Hammond with the Jicarilla Nation Tribal Oil and Gas Office is to be notified at least 24 hours (48 hours if possible) before the plugging operations commence. His phone number is (505) 759-1823, x-31 office, (505) 320-9741 cell. Office hours are 7:45 a.m. to 4:30 p.m.
3. Blowout prevention equipment is required.
4. The sundry is approved with the following change:

N/A

BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work can be submitted with a Sundry Notice. Questions? Call Pat Hester at (505) 761-8786.

1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location. Non-retrieved flowlines and pipelines will be abandoned in accordance with State Rule 714. Information supporting the non-retrieval will be included in the subsequent report or final abandonment Sundry Notice.

2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils can be remediated on-site according to these guidelines or disposed of in an approved facility.

3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped to a minimum of 12" in depth before reseeding.

4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to deter vehicle travel. Access will be ripped to a minimum of 12" in depth, water barred and reseeded. All erosion problems created by the development must be corrected prior to acceptance of release. Water bars should be spaced as shown below along the fall line of the slope:

% Slope	Spacing Interval
Less than 10%	200'
2 to 5 %	150'
6 to 9 %	100'
10 to 15 %	50'
Greater than 15%	30'

5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required). Seed mix must be certified weed free to avoid the introduction of noxious weeds. Refer to the original APD for seed mix.

6. Notify Surface Managing Agency seven (7) days prior to seeding so that they may be present to witness.

7. The period of liability under the bond of record will not be terminated until the well is inspected and the surface rehabilitation approved.

Other Surface Managing Agencies (SMA's) may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us.

On private land, a letter from the fee owner stating that the surface restoration is satisfactory will be provided to the office. Questions? Call Pat Hester at (505) 761-8786.