State of New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division

| | Sundry Notices and Re | eports on Wells | | |
|--|----------------------------------|--|-------------------------------------|--|
| | | API | # (assigned by OCD) 30-045-21319 | |
| 1. Type of Well GAS | | 5. | Lease Number Fee | |
| | | 6. | State Oil&Gas Lease # | |
| 2. Name of Operator | | 7. | Lease Name/Unit Name | |
| BURLINGTON RESOURCES OIL & GAS COMPANY | | | Allison Unit | |
| 3. Address & Phone No. of Operato | | 8. | Well No. #18 | |
| PO Box 4289, Farmington, NM 87499 (505) 326-9700 | | 9. | Pool Name or Wildcat | |
| 4. Location of Well, Footage, Sec | 2., T, R, M | | Basin DK/WC Gallup Elevation: | |
| 825'FNL, 1850'FEL, Sec.25, T-3 | | | | |
| Type of Submission X Notice of Intent | Type of Ac Abandonment | Change of Plans | | |
| _A_ Notice of income | Recompletion | New Construc | tion | |
| Subsequent Report | Plugging Back | Non-Routine | Fracturing | |
| Direct Abandanment | Casing Repair Altering Casing | Water Shut o | II o Triection | |
| Final Abandonment | X Other - Commingle | Conversion c | o injection | |
| 13. Describe Proposed or Comple | | | | |
| It is intended to commingle | | ording to the a | ttached procedure. | |
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| SIGNATURE MAGNI OL | Regulatory Su | pervisorJanua | ary 26, 2001 | |
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| (This space for State Use) | 18. d#84c | | | |
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| Approved by | Title | | Date | |

ALLISON UNIT #18

Basin Dakota/Gallup AIN: 4404401/4404402 825' FNL & 1850' FEL Unit B, Sec. 25, T32N, R07W

Latitude / Longitude: 36° 57.36054'/ 107° 30.8816' Recommended Commingle Procedure

Project Summary:

The Allison Unit #18 was drilled in 1973 and completed in the Dakota formation. In 6/2000, the well was recompleted to the Gallup formation. At this time, the Gallup was produced through 2-3/8" tubing while the Dakota was plugged under a CIBP. The intention was to test the Gallup independently and commingle the two zones after a sufficient testing period. The Gallup has produced an average of 20 MCFD since the recompletion. Prior to sealing it off under a CIBP, the Dakota produced at approximately 54 MCFD. Anticipated uplift is estimated at 60 MCF/D.

Commingle Procedure:

- Comply with all NMOCD, BLM and Burlington safety and environmental regulations. Test rig anchors and build blow pit prior to moving in rig. Notify BROG Regulatory (Peggy Cole 326-9727) and the appropriate Regulatory Agency prior to pumping any cement job. If an unplanned cement job is required, approval is required before the job can be pumped. If verbal approval is obtained, document approval in DIMS. Allow as much time as possible prior to pump time in case the Agency decides to witness the cement job.
- MOL and RU workover rig. Conduct safety meeting for all personnel on location. NU relief line. Blow down well 2. and kill with 2% KCL water as necessary. ND wellhead and NU BOP. Test and record operation of BOP rams. Test secondary seal and replace/install as necessary.
- TOOH with 2-3/8" 4.7#, J-55, Gallup tubing (set at 7672'). Visually inspect tubing for corrosion and replace any bad 3. joints. Check tubing for scale build-up and notify Operations Engineer.
- TIH with 3-7/8" bit and bit-sub on 2-3/8" tubing and drill-out CIBP set at 7800' with air/mist. Chase CIBP to bottom 4. and clean out to PBTD of 8077'. Note: When using air/mist, minimum mist rate is 12 bph. TOOH with tubing.
- TIH with expendable check on bottom, seating nipple above expendable check, one joint of 2-3/8" tbg, one 2' pup 5. joint, then ½ of the 2-3/8" production tubing. Run a broach on sandline to insure that the tubing is clear. TIH with remaining 2-3/8" tubing, and broach this tubing. Replace any bad joints. Land tubing at ±8027' (be sure this is at least 50' above clean-out depth).
- ND BOP and NU wellhead. Pump off expendable check and blow well in. Connect to casing and circulate air to 6. assure that expendable check has pumped off. Obtain pitot gauge up the tubing. If well will not flow up the tubing, make swab run to SN.

During cleanout operations the reservoir may be charged with air. As a result of excess oxygen levels that may 7. be in the reservoir and/or wellbore, contact the Lease Operator to discuss the need for determining oxygen levels prior to returning the well to production. RD and MOL. Return well to production.

Recommended:

Operations Engineer

Approved: Bouch Boy 1.24.01

Drilling Superintendent

Regulatory Appro

Required: Yes X No

Operations Engineer:

Kevin W Book

KWB 1/22/01

Pager - 326-8452

BR Office - 326-9530

Home - 326-6236

Lease Operator: Specialist/Foreman:

Ron Miller Wayne Ritter Cell: 320-2505

Pager: 324-4380

Office: 326-9818

Cell:

320-0436

Pager: 324-2468