Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
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

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

Form C-103
May 27, 2004

WELL API NO. 30-025-08941

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. B-1536

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.)

7. Lease Name or Unit Agreement Name: State -E-

1. Type of Well: Oil Well [X] Gas Well [ ] Other

8. Well Number 7

2. Name of Operator: ConocoPhillips Company

9. OGRID Number 217817

3. Address of Operator: 4001 Penbrook Street, Odessa, TX 79762

10. Pool name or Wildcat: Eunice; Seven Rivers-Queen, South

4. Well Location
Unit Letter J : 1980 feet from the South line and 1650 feet from the East line
Section 17 Township 22-S Range 36-E NMPM County Lea

11. Elevation (*Show whether DR, RKB, RT, GR, etc.*) 3557' GR

Pit or Below-grade Tank Application [ ] or Closure [ ]

Pit type_____ Depth to Groundwater_____ Distance from nearest fresh water well_____ Distance from nearest surface water_____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[X]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	P AND A	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPL	[ ]	CASING/CEMENT JOB	[ ]		
OTHER:			[ ]	OTHER:			[ ]

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.

Procedure Attached

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 Celeste G. Dale TITLE Regulatory Analyst DATE 04/17/2005

Type or print name Celeste G. Dale E-mail address: celeste.g.dale@conocophillips.com Telephone No. (432)368-1667

For State Use Only

APPROVED BY: Chris Williams TITLE Dist. Sup. DATE 2/22/05

Conditions of Approval (if any):

Recommended Procedure

1. Notify NMOCD Hobbs Office 24 hours prior to commencement of abandonment operations.

2. MIRU well service rig. POOH & LD rods and pump. RU pump truck to kill well. ND wellhead and NU shop tested, Class 1 Hydraulic BOP and environmental tray.

3. TOOH w/ 2 7/8" tubing. Visually inspect tubing while pulling. If condition is good, tubing may be used as workstring. If not, LD tubing and PU 2 7/8" WS.

4. TIH w/ casing scraper on workstring to 3540'+/-. TOOH w/ casing scraper & workstring.

5. RIH w/ 5 1/2" CIBP on workstring. Set CIBP at 3535'+/-. Circulate well with fresh water containing 1% corrosion inhibitor. TOOH & LD workstring.

6. Dump bail 35'+/- cement on top of plug. WOC overnight. HOLD OFF UNTIL P&A GO AHEAD AND TA test.
7. Notify NMOCD. Test casing and CIBP to 500 psig for 30 minutes per NMOCD requirements.

8. ND BOP and NU WH. RDMO well service rig. Clean location.

CONOCOPHILLIPS COMPANY
Permian Basin Area
February 15, 2005
STATE E #7
TEMPORARILY ABANDON

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To: C. J. Coy
From: J. T. Lowder

A. IMPORTANCE OF SAFETY

Safe operations are of utmost importance at all ConocoPhillips properties and facilities. To further this goal, the ConocoPhillips Supervisor at the location shall request tailgate safety meetings prior to initiation of work and also prior to any critical operations. All company, contract, and service personnel then present shall attend these tailgate safety meetings at the location. All parties shall review the proposed upcoming steps, procedures, and potentially hazardous situations. Occurrence of these meetings shall be recorded in the Daily Report.

B. History / Justification

The purpose of the proposed project is to temporarily abandon the State E #7. The well has been shut in since the end of November 2004 due to a rod part. Since the State E #7 is uneconomical to repair, the well will be temporarily abandoned until approval for plugging and abandonment has been obtained.

The State E #7 was drilled and completed in the upper and lower Queen with perforations from 3719-3852' overall after being acidized with 1500 gallons in July 1959. During March 1971, the lower Queen was abandoned due to a high water cut by setting a cement retainer at 3774' and cement squeezing the perforations from 3805-3852' with 60 sacks of cement. Perforations were added in the upper Queen and Seven Rivers from 3575-3684' overall, the perforations from 3719-3745' were acidized with 2000 gallons, and the perforations from 3575-3684' were fracture stimulated with 20,000 gallons of 40# gelled water and 30,000 lbs of sand. Due to communication with the water-bearing lower Queen during the fracture stimulation, the majority of the Queen interval was plugged back to 3717' in December 1971 after pumping 1000 gallons of formgel into all the perforations and pumping 250 gallons of Saf Mark III and 10 sacks of cement with a packer set at 3700'. The well was acidized with 1850 gallons in August 1983, 750 gallons in February 1993, and 750 gallons in August 2004. The State E #7 was placed back on production during August 2004, but only produced until the end of November 2004 due to a rod part. Production averaged 3 bopd, 3 mcfd, and 169 bwpd during October 2004. Based on the most recent well test, it does not appear to be economic to place the well back on production.

C. Formation Properties:

Estimated frac gradient = 0.5 psi/ft	H2S Concentration = 22,000 ppm
Estimated BHP = < 500 psi	H2S ROE @ 100 ppm = 18'
BHT = 100°F	H2S ROE @ 500 ppm = 8'

D. Well Category:

Well Category 1 due to a 100 ppm H2S ROE < 50'. This well is not capable of hydrocarbon flow. Class 1, 1000 psi, Hydraulic BOP is required. No choke manifold is to be used. **ONE BOP EXCEPTION**: One untested barrier – dynamic fluid column.

_____ J. T. Lowder

State E #7
Temporarily Abandon

E. Recommended Procedure

1. Notify NMOCD Hobbs Office 24 hours prior to commencement of abandonment operations.
2. MIRU well service rig. POOH & LD rods and pump. RU pump truck to kill well. ND wellhead and NU shop tested, Class 1 Hydraulic BOP and environmental tray.
3. TOOH w/ 2 7/8" tubing. Visually inspect tubing while pulling. If condition is good, tubing may be used as workstring. If not, LD tubing and PU 2 7/8" WS.
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8. ND BOP and NU WH. RDMO well service rig. Clean location.

Jack T. Lowder
2/15/05