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AUG 28 2012

Farmington Field Office
Bureau of Land Management

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

5 Lease Serial No **SF-078863**

6 If Indian, Allottee or Tribe Name

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 page 2

7. If Unit of CA/Agreement, Name and/or No.

1 Type of Well

[ ] Oil Well [X] Gas Well [ ] Other

8 Well Name and No **Krause WN Federal 4E**

2 Name of Operator **ConocoPhillips Company**

9. API Well No **30-045-24486**

3a Address **PO Box 4289, Farmington, NM 87499**

3b Phone No (include area code) **(505) 326-9700**

10 Field and Pool or Exploratory Area **Basin Dakota**

4 Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
Surface Unit P (SESE), 1025' FSL & 975' FEL, Sec. 33, T28N, R11W

11 Country or Parish, State **San Juan , New Mexico**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[ ] Other
	[ ] Change Plans	[X] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] 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 recomplete 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 must be filed within 30 days following completion of the involved operations If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once Testing has been completed Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection)

ConocoPhillips requests permission to P&A the subject well per the attached procedure, current and proposed wellbore schematics.

RCVD SEP 4'12
OIL CONS. DIV.
DIST. 3

Notify NMOCD 24 hrs prior to beginning operations

14 I hereby certify that the foregoing is true and correct Name *(Printed/Typed)*

Dollie L. Busse Title **Staff Regulatory Technician**

Signature Dollie L Busse Date 8/27/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason Title Date AUG 29 2012

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.

(Instruction on page 2)

NMOCD

ConocoPhillips
KRAUSE WN FEDERAL 4E
Expense - P&A

Lat 36° 36' 51.012" N Long 108° 0' 9.72" W

PROCEDURE

This project requires a NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.

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 work over rig Check casing, tubing, and bradenhead pressures and record them in Wellview

3 When an existing primary valve (i e casing valve) is to be used, the existing piping should be removed and replaced with the appropriate piping for the intended operation

4 RU blow lines from casing valves and begin blowing down casing pressure Kill well with water, as necessary, and at least pump tubing capacity of water down tubing

5 ND wellhead and NU BOPE Pressure and function test BOP PU and remove tubing hanger

Note: The Dakota perforation and formation top were isolated per the temporary abandon procedure dated 3/5/2012 The rig moved on the well on 8/1/2012 and set a CIBP @ 6099' on 8/2/2012 OCD requested a pressure test, and the test failed The Dakota cement plug was pumped from 6099' to 5941' On 8/3/2012, TOC was tagged @ 6047' Attempted to pressure test casing, test failed Plug #1A was mixed and pumped from 6047' to 5889' A casing inspection log was run **On 8/6/2012 TOC was tagged @ 5956' and attempted to pressure test again; the test failed.** The log was reviewed, and it was recommended to move from a TA of the Dakota formation to a P&A of the full wellbore **Holes in the casing are suspected to be between 3700' and 4300' - not expected to pass pressure test before this point.**

6 TOH with tubing string (per pertinent data sheet - 5889' 2-3/8" tubing with plugging sub)

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/sk yield.

7. Plug 1 (Gallup, 5193-5293', 12 Sacks Class B Cement)
Pressure test tubing to 1000 psi Load casing with water and attempt to establish circulation Mix 12 sx Class B cement and spot a balanced cement plug inside the casing to isolate the Gallup formation top PUH

8. Plug 2 (Mancos, 4313-4413', 12 Sacks Class B Cement)
Mix 12 sx Class B cement and spot a balanced cement plug inside the casing to isolate the Mancos formation top POOH

9. Plug 3 (Mesaverde, 3110-3210', 52 Sacks Class B Cement)
Perforate 3 HSC holes @ 3210' Set a 4-1/2" cement retainer @ 3160' Establish injection rate into squeeze holes Mix 52 sx Class B cement Squeeze 40 sx Class B cement into HSC holes and leave 12 sx inside the casing to isolate the Mesaverde formation top POOH

10 Pressure test the casing after Plug 3 If the casing passes the pressure test, run a CBL If it does not pass the pressure test, pump the next plug and pressure test again Continue to pump and pressure test until a successful test, then run a CBL

11. Plug 4 (Chacra, 2512-2612', 12 Sacks Class B Cement)
Perforate 3 HSC holes @ 2612' Set a 4-1/2" cement retainer @ 2562' Establish injection rate into squeeze holes Mix 52 sx Class B cement Squeeze 40 sx Class B cement into HSC holes and leave 12 sx inside the casing to isolate the Chacra formation top. PUH

12. Plug 5 (Pictured Cliffs, 1588-1688', 12 Sacks Class B Cement)
Mix 12 sx Class B cement and spot a balanced plug inside the casing to isolate the Pictured Cliffs formation tops PUH

1403 1303
13 Plug 6 (Fruitland Coal, ~~1080-1480~~', 12 Sacks Class B Cement)
Mix 12 sx Class B cement and spot a balanced plug inside the casing to isolate the Fruitland Coal formation top PUH

694
14. Plug 7 (Ojo Alamo, Kirtland, ~~730~~-985', ~~24~~ Sacks Class B Cement)
Mix ~~24~~ sx Class B cement and spot a balanced plug inside the casing PUH

15. Plug 8 (Surface, 0-50', 45 Sacks Class B Cement)
Mix 45 sx Class B cement and spot a balanced plug inside the casing to surface TOOH Shut in well and WOC

16 Nipple down BOP and cut off casing below the casing flange Fill production/surface casing annulus with cement as necessary using poly pipe Install P&A marker with cement to comply with regulations Rig down, move off location, cut off anchors, and restore location

Current Schematic

ConocoPhillips

Well Name: KRAUSE WN FEDERAL #4E

API / UWI	Surface Legal Location	Field Name	License No.	State/Province	Well Configuration Type
3004524486	NMPM-28N-11W-33-P	DK		NEW MEXICO	Vertical

Ground Elevation (ft)	Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
6,013.00	6,027.00	14.00	6,027.00	6,027.00

Well Config: Vertical - Original Hole, 8/8/2012 10:23:52 AM

ftKB (MD)	Frm Final	Schematic - Actual
14	NACI, 14	
95		
780	OJO ALAMO, 780	
895	KIRTLAND, 895	
934		
935		Surface, 8 5/8in, 8.100in, 14 ftKB, 935 ftKB
940		
1,130	FRUITLAND, 1,130	
1,638	PICURED CLIFFS, 1,638	
1,837	LEWIS, 1,837	
1,935		
1,937		
2,562	CHACRA, 2,562	
3,160	MESAVERDE, 3,160	Tubing, 2 3/8in, 4.70lbs/ft, J-55, 14 ftKB, 5,903 ftKB
3,197	CLIFFHOUSE, 3,197	
3,270	MENEFEE, 3,270	
4,114	POINT LOOKOUT, 4,114	
4,190		
4,363	UPPER MANCOS, 4,363	
5,243	GALLUP, 5,243	
5,903		PLUGGING SUB, 2 3/8in, 4.70lbs/ft, J55, 5,903 ftKB, 5,907 ftKB
5,907		
5,956		
6,047		
6,050	GREENHORN, 6,050	
6,099		Bridge Plug - Permanent, 6,099-6,101
6,101		
6,109	GRANEROS, 6,109	
6,149		Dakota, 6,149-6,310, 3/26/1981
6,226	DAKOTA, 6,226	Dakota, 3/27/1981, 96,000 Gal H2O w/ 323,000# 20/40 mesh sand
6,310		
6,328		Cement Retainer, 6,328-6,330
6,330		
6,344		Dakota, 6,344-6,345, 8/30/1980
6,345		
6,358		
6,359		Production1, 4 1/2in, 4.052in, 14 ftKB, 6,359 ftKB
6,360		TD, 6,360, 8/29/1980

Surface Casing Cement, 14-935, 8/20/1980, Cement w/ 630 sx Class 'B' Circulated Cement to Surface

Production Casing Cement, 95-1,937, 8/30/1980, Cemented w/ 300sx 65/35 poz TOC at 95' based on 75% eff.

Cement Plug #1A, 5,956-6,047, 8/3/2012, PLUG #1A, 6047' TO 5889', W/12 SX CLASS B CMT W/2% CACL2 @ 15.7 PPG

Cement Plug #1, 6,047-6,099, 8/2/2012, PLUG #1, 6099' TO 5941', W/12 SX CLASS B CMT @ 15.7 PPG.

Production Casing Cement, 4,190-6,359, 8/30/1980, Cemented w/655 sx reg TOC at 4190' based on CBL

Cement Plug, 6,330-6,359, 3/25/1981

Cement Plug, 6,359-6,360, 3/25/1981

Report Printed: 8/8/2012

Schematic

ConocoPhillips

Well Name: KRAUSE WN FEDERAL #4E

API / UWI	Surface Legal Location	Field Name	License No.	State / Province	Well Configuration Type
3004524486	NMPM-28N-11W-33-P	DK		NEW MEXICO	Vertical

Ground Elevation (ft)	Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
6,013.00	6,027.00	14.00	6,027.00	6,027.00

Well Config: Vertical - Original Hole, 1/1/2020

ftKB (MD)	Frm Final	Schematic - Actual
14	NACI, 14	
50		
95		
730		
780	OJO ALAMO, 780	
895	KIRTLAND, 895	
934		
935		Surface, 8 5/8in, 6.100in, 14 ftKB, 935 ftKB
940		
985		
1,080		
1,130	FRUITLAND, 1,130	
1,180		
1,588		
1,638	PICURED CLIFFS, 1,638	
1,688		
1,837	LEWIS, 1,837	
1,935		
1,937		
2,512		
2,562	CHACRA, 2,562	Cement Retainer, 2,562-2,563
2,563		
2,612		SQUEEZE PERFS, 2,612, 1/1/2020
3,110		
3,160	MESAVERDE, 3,160	Cement Retainer, 3,160-3,161
3,161		
3,197	CLIFFHOUSE, 3,197	
3,210		SQUEEZE PERFS, 3,210, 1/1/2020
3,270	MENEFEE, 3,270	
4,114	POINT LOOKOUT, 4,114	
4,190		
4,313		
4,363	UPPER MANCOS, 4,363	
4,413		
5,193		
5,243	GALLUP, 5,243	
5,293		
5,903		
5,907		
5,956		
6,047		
6,050	GREENHORN, 6,050	Cement Retainer, 6,099-6,100
6,099		Bridge Plug - Permanent, 6,099-6,101
6,100		
6,101		
6,109	GRANEROS, 6,109	
6,149		
6,226	DAKOTA, 6,226	Dakota, 6,149-6,310, 3/26/1981
6,310		
6,328		Cement Retainer, 6,328-6,330
6,330		
6,344		Dakota, 6,344-6,345, 6/30/1980
6,345		
6,358		Production1, 4 1/2in, 4.052in, 14 ftKB, 6,359 ftKB
6,359		
6,360		TD, 6,360, 6/29/1980

Plug #8, 14-50, 1/1/2020, Mix 39 sx Class B cement and spot a balanced plug inisde the casing to surface. Fill production and surface annulus with cement as necessary using poly pipe.

Plug #8, 14-95, 1/1/2020

Surface Casing Cement, 14-935, 8/20/1980, Cement w/ 630 sx Class 'B'. Circulated Cement to Surface

Plug #7, 730-985, 1/1/2020, Mix 24 sx Class B cement and spot a balanced plug inside the casing to isolate the Ojo Alamo and Kirtland formation tops, and surface casing shoe

Plug #6, 1,080-1,180, 1/1/2020, Mix 12 sx Class B cement and spot a balanced plug inside the casing to isolate the Fruitland Coal formation top

Plug #5, 1,588-1,688, 1/1/2020, Mix 12 sx Class B cement and spot a balanced plug inside the casing to isolate the Pictured Cliffs formation top

Production Casing Cement, 95-1,937, 8/30/1980, Cemented w/ 300sx 65/35 poz TOC at 95' based on 75% eff.

Plug #4, 2,512-2,612, 1/1/2020, Mix 52 sx Class B cement. Squeeze 40 sx Class B cement into HSC holes and leave 12 sx inside the casing to isolate the Chacra formation top.

Plug #4, 2,512-2,612, 1/1/2020

Plug #3, 3,110-3,210, 1/1/2020

Plug #3, 3,110-3,210, 1/1/2020, Mix 52 sx Class B cement. Squeeze 40 sx Class B cement into HSC holes and leave 12 sx inside the casing to isolate the Mesaverde formation top

Plug #2, 4,313-4,413, 1/1/2020, Mix 12 sx Class B cement and spot a balanced cement plug inside the casing to isolate the Mancos formation top

Plug #1, 5,193-5,293, 1/1/2020, Mix 12 sx Class B cement and spot a balanced cement plug inside the casing to isolate the Gallup formation top

Cement Plug #1A, 5,956-6,047, 8/3/2012, PLUG #1A, 6047' TO 5889', W/12 SX CLASS B CMT W/2% CACL2 @ 15.7 PPG.

Cement Plug #1, 6,047-6,099, 8/2/2012, PLUG #1, 6099' TO 5941', W/12 SX CLASS B CMT @ 15.7 PPG

Production Casing Cement, 4,190-6,359, 8/30/1980, Cemented w/655 sx reg. TOC at 4190' based on CBL.

Cement Plug, 6,330-6,359, 3/25/1981

Cement Plug, 6,359-6,360, 3/25/1981

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 4E Krause WN Federal

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."

2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.

3. The following modifications to your plugging program are to be made:

a) Place the Fruitland plug from 1403' – 1303'.

b) Bring the top of the 8 5/8" Casing Shoe/Kirtland/Ojo Alamo plug to 694'.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.