

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2019

RECEIVED
MAY 06 2016

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.

| | | |
|--|---|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 7. If Unit of CA/Agreement, Name and/or No. San Juan 30-6 Unit |
| 2. Name of Operator Burlington Resources Oil & Gas Company LP | | 8. Well Name and No. San Juan 30-6 Unit 426S |
| 3a. Address PO Box 4289, Farmington, NM 87499 | 3b. Phone No. (include area code) (505) 326-9700 | 9. API Well No. 30-039-27304 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface Unit F (SENW), 1775' FNL & 1530' FWL, Sec. 34, T30N, R7W | | 10. Field and Pool or Exploratory Area Basin Fruitland Coal |
| | | 11. Country or Parish, State Rio Arriba, New Mexico |

12. CHECK THE 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 checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Vacuum Pump |
| | <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 recompleat 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 recompleat 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.)

Burlington Resources requests permission to operate the subject well at below atmospheric pressure on a vacuum pump per the attached written agreement with Enterprise. The operation will begin 90 days from the date of this notification.

OIL CONS. DIV DIST. 3

MAY 18 2016

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

| | | |
|--|--|--------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Dollie L. Busse | | Title Regulatory Technician |
| Signature <i>Dollie L. Busse</i> | | Date 5/16/16 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-----------------------------|--------------------|
| Approved by <i>William Tambeken</i> | Title Petroleum Engineer | Date 05/16/2016 |
| 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 FFD | |

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.



Ashley Leatherwood
ConocoPhillips Company
600 N. Dairy Ashford, 2WL7093
Houston, TX 77079
Office: (832) 486-2237
Ashley.S.L Leatherwood@cop.com

April 21, 2016

Sent via FedEx

Enterprise Field Services, LLC
Attention: Angela Scranage, Senior Commercial Rep. San Juan - Room 16.209
1100 Louisiana Street
Houston, TX 77210-4324

Re: Letter Agreement for Test of Well Operation at Below Atmospheric Pressure - San Juan 30-6 Unit
dated April 1, 2016
Aid in Construction Agreement - Newberry A #8L Compressor Downsize dated March 1, 2016
Aid in Construction Agreement - 355 Offload Compressor Removal dated April 1, 2016

Angela Scranage,

On behalf of Al Kosley, I have enclosed the documents referenced above.

The Letter Agreement for Test of Well Operation at Below Atmospheric Pressure - San Juan 30-6 Unit
and the Aid in Construction Agreement - Newberry A #8L Compressor Downsize have been executed by
ConocoPhillips Company and Enterprise Field Services, LLC.

Please have the Aid in Construction Agreement - 355 Offload Compressor Removal executed and return
to the address below.

ConocoPhillips Company
600 N. Dairy Ashford
Attn: Ashley Leatherwood, 2WL7093
Houston, TX 77079

Should you have questions, please contact Al Kosley at Al.K.Kosley@conocophillips.com.

Sincerely,

Ashley Leatherwood
Gas Contract Analyst

**LETTER AGREEMENT FOR
TEST OF WELL OPERATION AT BELOW ATMOSPHERIC PRESSURE
SAN JUAN 30-6 UNIT**

This **LETTER AGREEMENT FOR TEST OF WELL OPERATION AT BELOW ATMOSPHERIC PRESSURE—SAN JUAN 30-6 UNIT** ("Agreement") is entered into and made effective the 1st day of April, 2016, ("Effective Date"), by and between Enterprise Field Services, LLC ("Gatherer") and ConocoPhillips Company and Burlington Resources Oil & Gas Company LP ("Producer"). Gatherer and Producer are each referred to herein as a "Party" and collectively referred to as the "Parties".

BACKGROUND

1. The Oil Conservation Division of the State of New Mexico has issued and amended Rule 307 ("307") addressing the conditions under which operation of wells at below atmospheric pressure would be allowed, and Gatherer and Producer desire to comply with such requirements in order to facilitate Producer's test operation of specified wells at below atmospheric pressure ("Vacuum Test").
2. Producer owns or controls a certain supply of Gas produced from wells in the San Juan Basin of New Mexico, and Producer desires to operate certain wells as further described in Exhibit A ("Test Wells"), at below atmospheric pressure and to deliver such Gas from those Test to Gatherer.
3. Gatherer owns and operates certain gathering and related production area services facilities in the San Juan Production Area ("Gatherer's System") and wishes to facilitate such operations at below atmospheric pressure to receive such Gas from the Test Wells ("Test Gas") in the quantities and manner provided for herein, and to perform certain services for Producer subject to the provisions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agency Agreement, the receipt and adequacy of which are acknowledged by both Parties, the Parties agree as follows:

**ARTICLE 1
AGREEMENT**

- 1.1 Gatherer and Producer are currently parties to that certain Gas Dedication, Gathering and Processing Agreement, dated November 1, 2011, as amended from time to time ("GDGPAS").
- 1.2 Oxygen in the presence of carbon dioxide, hydrogen sulfide, water, or any combination of those contaminants, in a gathering system at any pressure can be corrosive. Gatherer, acting as a prudent operator, should continuously monitor for the presence of oxygen when Test Wells on Gatherer's System are being operated at below atmospheric conditions.

asls

- 1.3 This Agreement, and any services provided by Gatherer hereunder, are subject to the terms and conditions of the GDGPAS. All capitalized terms not defined herein have the meanings given to such terms in the GDGPAS. Any conflict between this Agreement and the GDGPAS will be resolved in accordance with the terms and provisions of the GDGPAS, except as it relates to the subject matter of this Agreement, in such case the terms and provisions of this Agreement will prevail.

ARTICLE 2 GAS QUALITY

- 2.1 Notwithstanding Note (1) in Section 10.1 of the GDGPAS, Producer may operate the Test Wells below atmospheric pressure, but Producer shall ensure that the Test Gas does not exceed the Quality Specifications in the GDGPAS.
- 2.2 If, at any time, Gatherer notifies Producer that Test Gas tendered by Producer or on Producer's behalf for gathering fails to conform to any of the applicable Quality Specifications, then Gatherer may, at its sole option, (i) refuse to accept delivery of such Test Gas pending correction of the deficiency by Producer using commercially reasonable efforts or (ii) notify Producer and continue to accept delivery and make such changes necessary to cause the Test Gas to conform to such specifications.

ARTICLE 3 SERVICES

- 3.1 Only the Test Wells listed on Exhibit A are eligible for Producer's Vacuum Test.
- 3.2 Gatherer will continuously monitor Gas quality at the Receipt Point(s), or other point at Gatherer's sole option, to facilitate Producer's Vacuum Test.
- 3.3 Producer shall be solely responsible for the removal and disposal of free water from Test Gas prior to delivery to Gatherer.

ARTICLE 4 INSTALLATION AND OPERATION OF OXYGEN MONITORING EQUIPMENT

- 4.1 Gatherer shall, at its sole expense, install, own, operate, and maintain the oxygen monitoring equipment for one Test Well ("Monitoring Equipment") in accordance with generally accepted industry practice. The Monitoring Equipment will continuously monitor the oxygen content of the Test Gas and will be transferred to each subsequent well tested. The Party responsible for the cost of any additional Monitoring Equipment needed for the simultaneous Vacuum Test or operation of multiple Test Wells will be determined by agreement of the parties.
- 4.2 Producer may, at its sole expense, install instrumentation and technologies that will

asls

activate controls on the vacuum inducing device (compressor) to prevent operation at conditions that would cause oxygen to be introduced into Gatherer's system. Such technologies may include, but are not limited to, compressor kill switches, program logic to raise suction set points above atmospheric pressure, or recycling devices to prevent the gas flow from reaching the Receipt Point(s).

ARTICLE 5

RECEIPT AND DELIVERY OF NATURAL GAS

- 5.1 Gatherer shall use reasonable commercial efforts to accept Producer's Test Gas, provided that such Test Gas meets the Gas Quality specifications listed herein.
- 5.2 Gatherer has the right to immediately cease to take delivery of any Test Gas from Producer's Test Wells when instrumentation indicates the presence of oxygen in excess of Quality Specifications.
- 5.3 Producer, or Producer's agent, may not adjust, remove, bypass, or tamper with, in any way, Gatherer's Monitoring Equipment.

ARTICLE 6

TERM

This Agreement is effective on the Effective Date and continues in full force and effect until 9:00 A.M. CCT on April 1, 2017, unless terminated earlier with 30 days prior written notice to the other Party, such termination to be effective on the first day of the applicable Month thereafter.

MISCELLANEOUS

The Parties may execute this Agreement in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute one agreement. The signatures of both parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or electronic mail is as effective as signing and delivering this Agreement in the presence of the other Party.

Authorized representatives of the Parties have signed this Agreement to be effective on the Effective Date.

ads

EXHIBIT "A"

**LETTER AGREEMENT FOR
TEST OF WELL OPERATION AT BELOW ATMOSPHERIC PRESSURE
SAN JUAN 30-6 UNIT**

| | Well Name | Engine Model |
|---|-------------------------|---------------------|
| 1 | San Juan 30-6 Unit 422S | G8.3 |
| 2 | San Juan 30-6 Unit 480 | GTA8.3SLB |
| 3 | San Juan 30-6 Unit 466 | GTA855 |
| 4 | San Juan 30-6 Unit 463 | GTA855 |
| 5 | San Juan 30-6 Unit 465 | GTA8.3 |
| 6 | San Juan 30-6 Unit 426S | GTA8.3 |
| 7 | San Juan 30-6 Unit 424 | G8.3 |

asls

Enterprise Field Services, LLC

By: [Signature]
Name: Bill Bradley
Title: VP Gas Gathering & Processing

ads

ConocoPhillips Company

CM

By: [Signature]
Name: Alan (Al) Kosley
Title: Director, San Juan Gathering & Processing Commercial Gas Activities

Burlington Resources Oil & Gas Company LP

CM

By: [Signature]
Name: Alan (Al) Kosley
Title: Director, San Juan Gathering & Processing Commercial Gas Activities