Submit 3 Copies To Appropriate District 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
June 19, 2008

WELL API NO. **30-045-30486**	
5. Indicate Type of Lease STATE [ ] FEE [X]	
6. State Oil & Gas Lease No.	
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 **McGrath SRC**
1. Type of Well: Oil Well [ ] Gas Well [X] Other	8. Well Number **1R**
2. Name of Operator **BURLINGTON RESOURCES OIL & GAS COMPANY LP**	9. OGRID Number **14538**
3. Address of Operator **PO Box 4298, Farmington, NM 87499**	10. Pool name or Wildcat **Fulcher Kutz PC**
4. Well Location Unit Letter **J** : **1705** feet from the **South** line and **1450** feet from the **East** line Section **2** Township **29N** Range **12W** NMPM **San Juan**	
11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* **5891'GL**	

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	[X]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	P AND A	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPL	[ ]	CASING/CEMENT JOB	[ ]		
DOWNHOLE COMMINGLE	[ ]						
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.

RCVD FEB 4'10
OIL CONS. DIV.
DIST. 3

Burlington Resources wishes to P&A this well per the attached procedures and well bore schematic.

Notify NMOCD 24 hrs prior to beginning operations

SPUD DATE: **3/23/2001** RIG RELEASE DATE:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Rhonda Rogers TITLE **Staff Regulatory Technician** DATE **2/3/2010**

Type or print name **Rhonda Rogers** E-mail address: rrogers@conocophillips.com PHONE: **505-599-4018**

For State Use Only

APPPROVED BY Kelly G. Roberts TITLE Deputy Oil & Gas Inspector, District #3 DATE 2/23/10

Conditions of Approval (if any):

NO

ConocoPhillips
McGrath SRC 1R (PC)
Plug and Abandon

Lat: 36° 45' 7.776" N Long: 108° 3' 48.708" W

Prepared By: Priscilla Shorty Date: 1/11/10
Peer review/approved By: A+ Date: 1/11/10

Scope of work: The intent of this procedure is to plug and abandon this wellbore.

Est. Cost: $9400
Est. Rig Days: 3

WELL DATA:
API: 30-045-30486
Location: 1705 FSL & 1450 FEL, Unit J, Section 02– T29N – R12W
PBTD: 2199' **TD:** 2235'
Perforations: 2010'-2157' (PC)

Tubular	OD	Wt., Grade	Connection	ID/Drift (in)	Depth
Casing:	9 5/8"	36.0#, J-55	-	8.921/8.765	53'
Casing:	2 7/8"	6.50#, J-55	-	2.469	2229'

Well History:
The McGrath SRC 1R was drilled on 4/4/01 as a stand alone Pictured Cliffs. It initially produced at 168 mcf/d, but has not produced since 05/09. It is a low pressured well (<150 psi) and it struggles to produce due to slimhole completion. It does not have tubing and artificial lift. Current operation cost makes the well uneconomic to produce even if AL is installed because the offset PC wells show rapid production decline. There is no other feasible option to keep the well producing and no uphole potential since another Fruitland Coal well exists in the section.

B2 Adapters are required on all wells other than pumping wells: N/A

Artificial lift on well (type): N/A

Est. Reservoir Pressure (psig): ~150 (PC)

Well Failure Date: 02/26/2009

Current Rate (Mcfd): 0 Est. Rate Post Remedial (Mcfd): N/A

Earthen Pit Required: NO

Special Requirements: A-Plus steel pit is required for waste fluids, 90 sacks of Class B cement.

Production Engineer: Marcel Madubom Office: 326-9532, Cell: 320-2608

Backup Engineer: Matt Gastgeb Office: 326-9812, Cell: 320-4119

MSO:	Josh Proctor	Cell: 320-2575
Lead:	Duane Bixler	Cell: 320-1107
Area Foreman:	Hal Mead	Cell: 320-9667

H2S : 0 ppm

PLUG AND ABANDONMENT PROCEDURE
McGrath SRC 1R

Fulcher Kutz Pictured Cliffs
1705' FSL, 1450' FEL, Unit J, Section 2, T29N, R12W, San Juan County, New Mexico
API 30-045-30486 / Lat: 36° 45' 7.776" N / Long: 108° 3' 48.708" W

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield,

1. The project requires the Operator to obtain an approved NMOCD C-144 CLEX 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.

2. Install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM, and Operator safety regulations. Conduct safety meeting for all personnel on location. NU relief line. Blow down well and kill with water as necessary. ND wellhead and install valve.

3. Open bradenhead valve. Establish rate down 2.875" casing with 20 bbls water, record pump rate and pressure. Monitor bradenhead for flow. If no flow or blow, then pump 6 - 7/8" RCN balls and additional water and monitor pressure, rate and volumes pumped, to confirm perforations are taking water and there is not a casing leak. If the bradenhead flows water or there are other indications of a casing leak, then MO and RU pulling unit to use 1-1/4" IJ tubing workstring to plug this well.

4. Connect the pump line to the bradenhead valve. Load the BH annulus with water, note the volume. Pressure test the bradenhead annulus to 300#. If it tests, then continue to step 5. If the bradenhead annulus does not test, then set plug #1 in step 5, but displace to the appropriate depth with water down the 2.875" casing. After WOC, perforate at the appropriate depth. Establish circulation to surface out the bradenhead valve. Then circulate cement to fill the BH annulus to the surface, circulate cement out the bradenhead valve, shut in the casing and WOC.

5. **Plug #1 (Pictured Cliffs perforations and Fruitland, Kirtland, Ojo Alamo tops, 2207' - Surface'):** Establish rate into PC perforations with water. Mix and pump total of 80 sxs cement (long plug, 30% excess) and bullhead down the 2.875" casing: first pump 10 sxs cement, then drop 10 RCN balls, then pump 70 sxs cement and do not displace. Double valve and shut in well. WOC. Tag cement.

6. ND cementing valves and cut off wellhead. Fill 2.875" casing with cement as necessary. Install P&A marker to comply with regulations. RD, MOL, cut off anchors, and restore location.

Current Schematic

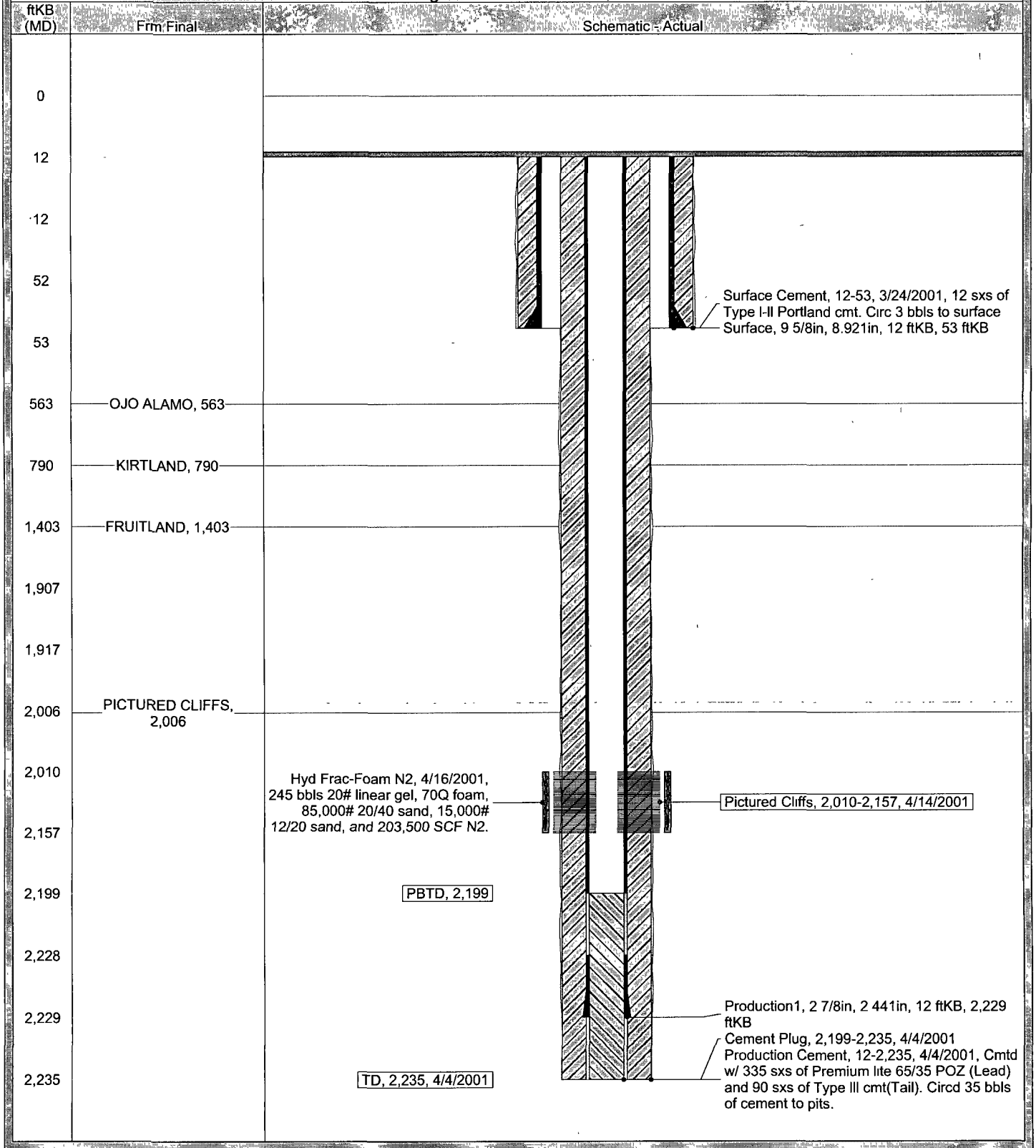
ConocoPhillips

Well Name: MCGRATH SRC #1R

API / UWI	Surface Legal Location	Field Name	License No	State/Province	Well Configuration Type
3004530486	NMPM,002-029N-012W	FULCHER KUTZ PC (GAS)		NEW MEXICO	

Ground Elevation (ft)	Original KB/RT Elevation (ft)	KB-Ground Distance (ft)	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)
5,891.00	5,903.00	12.00	5,903.00	5,903.00

Well Config: - 30045304860000, 1/1/2100



Report Printed: 1/21/2010

Current Schematic

ConocoPhillips

Well Name: MCGRATH SRC #1R

API / UWI	Surface Legal Location	Field Name	License No.	State/Province	Well Configuration Type
3004530486	NMPM,002-029N-012W	FULCHER KUTZ PC (GAS)		NEW MEXICO	

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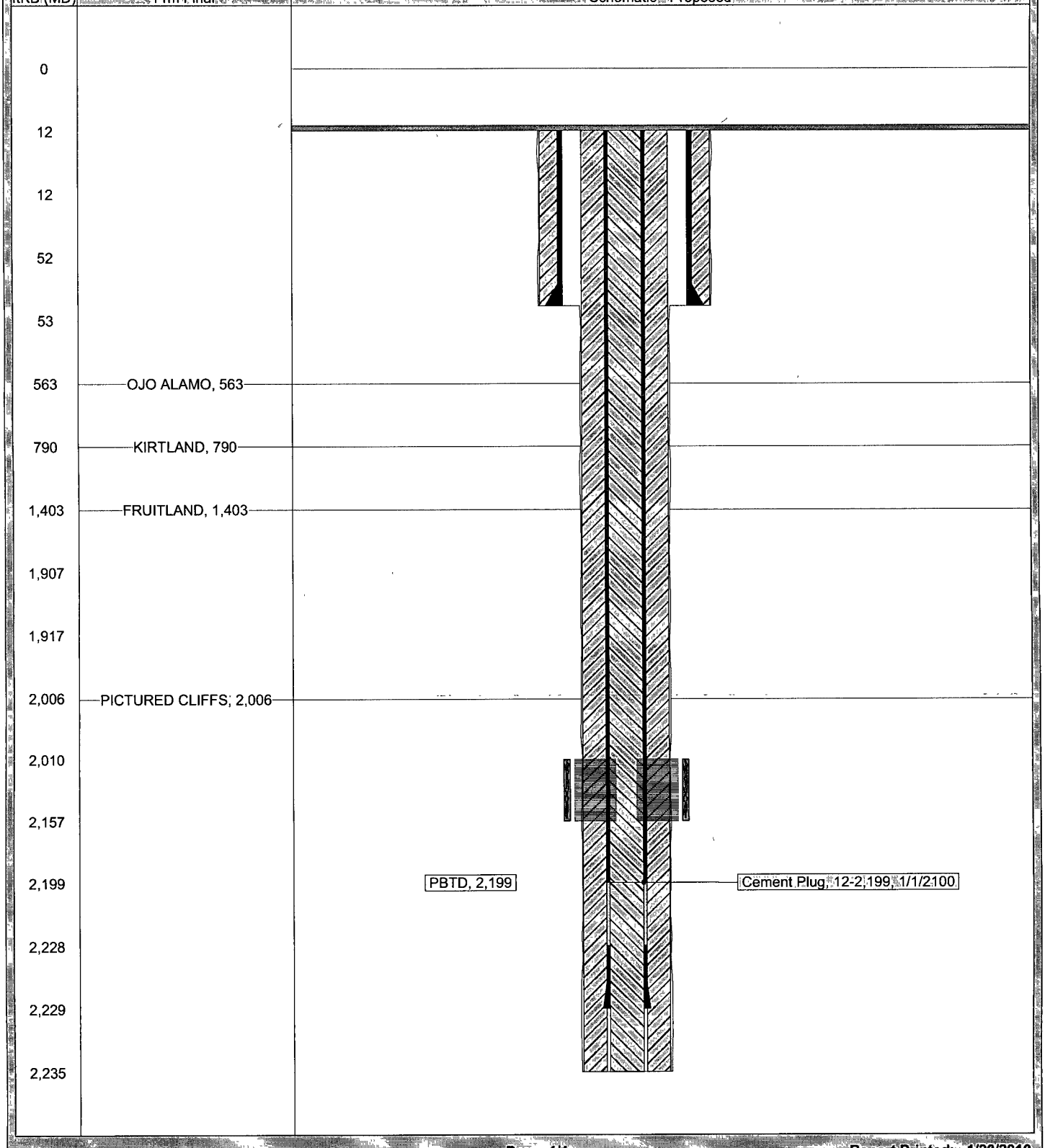

Report Printed: 1/20/2010