

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 5/24/13

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-20173-00-00	PRICE	002	CONOCOPHILLIPS COMPANY	G	A	San Juan	F	M	14	28	N	8	W

Conditions of Approval:

Extend Mancos plug down to 5655'

A handwritten signature in black ink, appearing to read "Brandon Bell".

JUL 09 2013

NMOCD Approved by Signature

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 21 2013

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

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.

Farmington Field Office
Bureau of Land Management

5. Lease Serial No. **SF-078390-A**

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

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

8. Well Name and No. **Price 2**

2. Name of Operator **ConocoPhillips Company**

9. API Well No. **30-045-20173**

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

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

10. Field and Pool or Exploratory Area **Blanco MV / Basin DK**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface Unit M (SWSW), 990' FSL & 790' FWL, Sec. 14, T28N, R8W

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			
<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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomplate 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 recomplate 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. The Pre-Disturbance Site Visit was held on 5/15/13 w/Robert Switzer. The Re-Vegetation Plan is attached.

RCVD JUN 4 '13
OIL CONS. DIV.
DIST. 3

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 **5/21/13**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Original Signed: Stephen Mason** Title _____ Date **MAY 24 2013**

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.

ConocoPhillips
PRICE 2
Expense - P&A

Lat 36° 39' 24.188" N

Long 107° 39' 21.528" W

PROCEDURE

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 P&A 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.
6. TOOH with tubing (per pertinent data sheet).

Tubing: Yes **Size:** 2-3/8" **Length:** 5441'

7. PU bit and bit sub assembly for 4-1/2" casing (4" ID) and drill out composite bridge plug at 5494'. TOOH.
8. Round trip watermelon mill to top of perforations at 7196' or as deep as possible.

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.

9. RIH with 4-1/2" cement retainer and set at 7146'.

Note: The casing may not pass a pressure test due to holes found in the last workover.

10. Plug 1 (Dakota, 7046-7146', 12 Sacks Class B Cement)

TIH with tubing, sting into CR, and pressure test casing to 560 psi and tubing to 1,000 psi. If casing does not test, tag subsequent plugs as appropriate. Mix 12 sx Class B cement and spot a plug inside the casing above the CR to isolate the Dakota perforations and formation top. PUH.

11. Plug 2 (Gallup, ^{6210 6110}~~6254-6354~~', 12 Sacks Class B Cement)

Mix 12 sx Class B cement and spot a balanced plug inside the casing to isolate the Gallup formation top. PUH.

12. Plug 3 (Mancos, 5467-5567', 12 Sacks Class B Cement)

Mix 12 sx Class B cement and spot a balanced plug inside the casing to isolate the Mancos formation top. POOH.

13. Plug 4 (Mesa Verde, 4470-4570', 30 Sacks Class B Cement)

RU wireline and shoot 3 HSC holes at 4570'. PU CR for 4-1/2" OD (4" ID) and set at 4520'. (**Note:** If CR cannot be set at 4520' procede to step 13a for Plug 4). TIH with tubing, sting into cement retainer, and establish circulation through squeeze holes. Mix 30 sx Class B cement. Squeeze 18 sx into the HSC holes and leave 12 sx inside the casing to isolate the Mesa Verde formation top. POOH.

13a. Plug 4 (Mesa Verde, 4420-4570', 42 Sacks Class B Cement)

After shooting 3 HSC holes at 4570', set CR for 4-1/2" OD (4" ID) as close to 4520' as possible. If the CR will not set, place CR at +/- 4470' above the corroded casing. TIH with tubing, sting into cement retainer, and establish circulation through squeeze holes. Mix 42 sx Class B cement. Squeeze 26 sx into the HSC holes and leave 16 sx inside the casing to isolate the Mesa Verde formation top. POOH.

14. Plug 5 (Chacra, 3777-3877', 30 Sacks Class B Cement)

Perforate 3 HSC holes at 3877'. PU CR for 4-1/2" OD (4" ID) and set at 3827'. TIH with tubing, sting into cement retainer, and establish circulation through squeeze holes. Mix 30 sx Class B cement. Squeeze 18 sx into the HSC holes and leave 12 sx inside the casing to isolate the Chacra formation top. POOH.

15. Plug 6 (Intermediate Casing Shoe, 3150-3250', 64 Sacks Class B Cement)

Perforate 3 HSC holes at 3250'. PU CR for 4-1/2" OD (4" ID) and set at 3200'. TIH with tubing, sting into cement retainer, and establish circulation through squeeze holes. Mix 64 sx Class B cement. Squeeze 52 sx into the HSC holes and leave 12 sx inside the casing to isolate the Intermediate shoe. POOH.

16. RU free-point and cut production casing at 3050'. POOH and LD 4-1/2" casing. If casing does not cut at +/- 3050' or won't POOH, call Rig Supervisor and Production Engineer for path forward.

17. Run watermelon mill for 7" OD (6.456" ID) casing to top of 4-1/2" casing @ +/- 3050' or as deep as possible.

18. Pressure up the 7" casing to 500psi and hold during the CBL. Run CBL from +/- 3050' (or as deep as the top of the 4-1/2" cut casing) to surface to confirm top of cement. Contact Rig Supervisor and Production Engineer with new TOC.

19. Plug 7 (Pictured Cliffs, 2822-3100', 29 Sacks Class B Cement)

Mix 77 sx of Class B cement and spot a balanced plug inside the 7" casing to isolate the Fruitland Coal formation top and 4-1/2" liner top (from cut casing). PUH.

2626 2526

20. Plug 8 (Fruitland, 2330-2430', 29 Sacks Class B Cement)

Mix 29 sx of Class B cement and spot a balanced plug inside the casing to isolate the Fruitland Coal formation top. PUH.

2108 1855

21. Plug 9 (Ojo Alamo and Kirtland, 1888-2109', 53 Sacks Class B Cement)

Mix 53 sx of Class B cement and spot a balanced plug inside the casing to isolate the Ojo Alamo and Kirtland formation tops. POOH.

700 600

22. Plug 10 (Nacimiento, 675-725', 55 Sacks Class B Cement)

RU wireline and shoot 3 HSC holes at 725'. PU CR for 7" OD (6.456" ID) and set at 725'. TIH with tubing, sting into CR, and establish circulation through the squeeze holes. Mix 55 sx of Class B cement. Squeeze 26 sx into the HSC holes and leave 29 sx inside the casing to isolate the Nacimiento formation top. POOH.

23. Plug 11 (Surface Plug, 13'-251', 129 Sacks Class B Cement)

Perforate 3 HSC holes at 251'. Establish good circulation out the bradenhead with water and circulate annulus clean. Mix 108 sx of Class B cement and pump down the intermediate casing to circulate good cement out the bradenhead. Shut in the well and WOC.

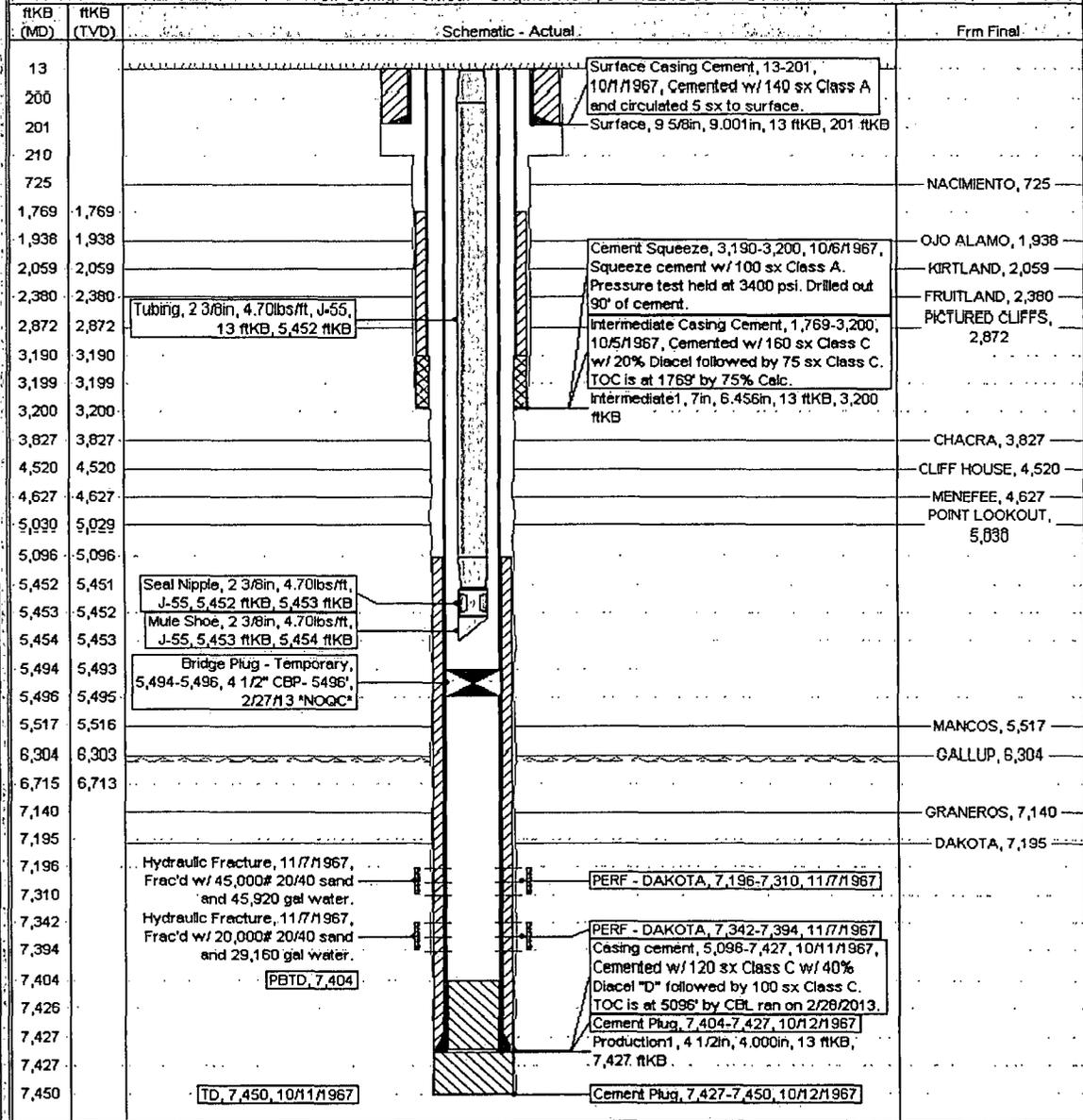
24. Nipple down BOP and cut off casing below the casing flange. Install P&A marker with cement to comply with regulations. Rig down, move off location, cut off anchors, and restore location.

Current Schematic

ConocoPhillips
Well Name: PRICE #2

API/UNII 3004520173	Stratoc Legal Location NMPM,014-028 N-008W-M	Field Name DK	License No.	State/Province NEW MEXICO	Well Config/Status Type Vertical	Edit
Ground Elevation (ft) 6,368.00	Original KB/RT Elevation (ft) 6,361.00	KB-Ground Distance (ft) 13.00	KB-Casing Flange Distance (ft) 6,361.00	KB-Tubing Hanger Distance (ft) 6,361.00		

Well Config: Vertical - Original Hole, 3/20/2013 9:11:26 AM



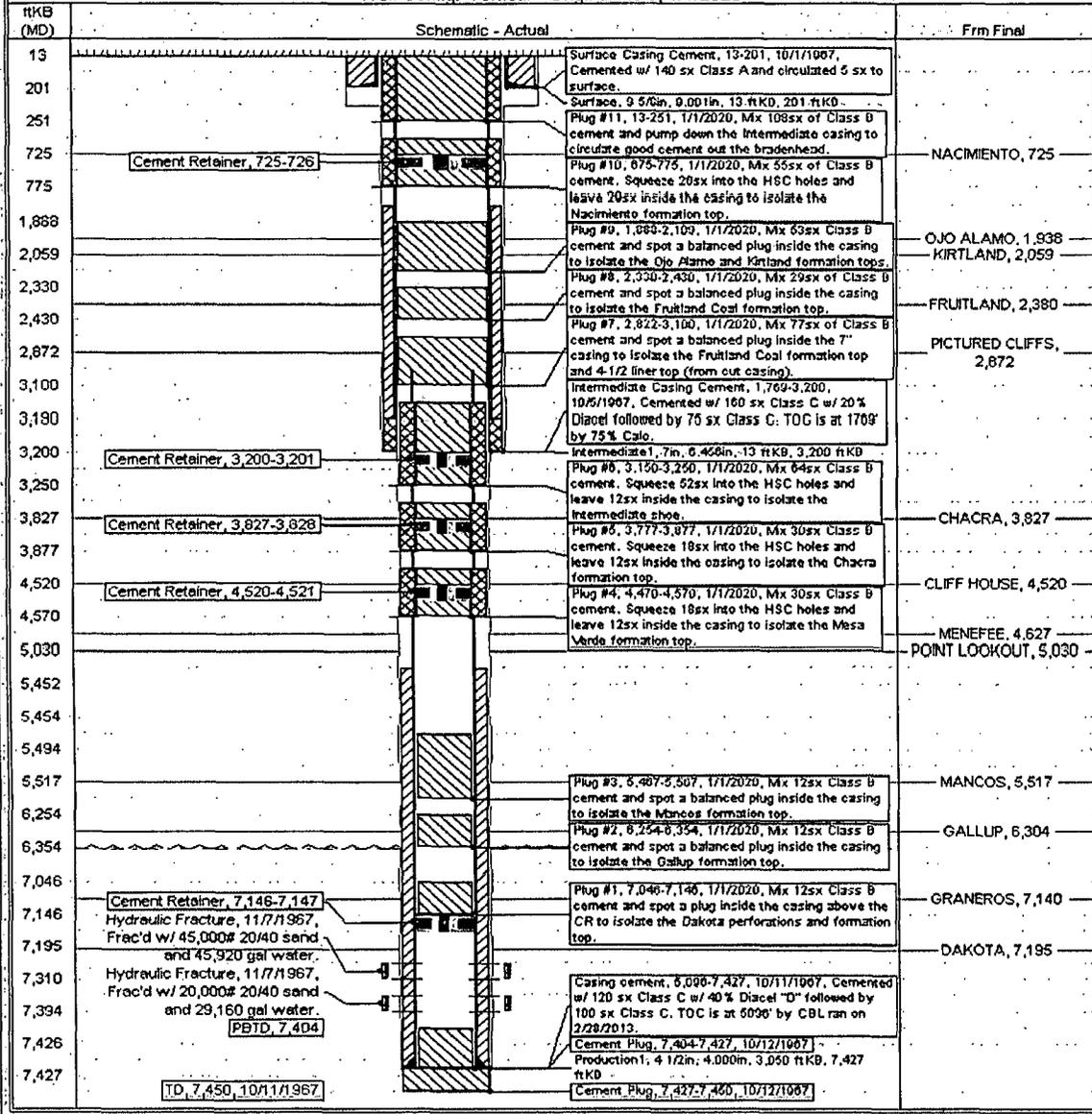
Proposed

Current Schematic

ConocoPhillips
Well Name: PRICE #2

API/UTM	State Legal Locos	Well Name	License No.	State/Province	Well Completion Type	Edit
3004520173	NMPM014-02811-000WAM	DK		NEW MEXICO	Vertical	
Ground Elevation (ft)	Original PERT Elevation (ft)	IS-Gravel Distance (ft)	IS-Casing Floor BR Base (ft)	IS-Total Height BR Base (ft)		
6,368.00	6,381.00	13.00	6,381.00	6,381.00		

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



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: 2 Price

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 Gallup plug from 6210' – 6110'.
 - b) Place the Fruitland plug from 2626' – 2526'.
 - c) Place the Kirtland/Ojo Alamo plug from 2108' - 1855'.
 - d) Place the Nacimiento plug from 700'- 600' inside and outside the 7" casing.

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.