

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

Form C-103
 Jun 19, 2008

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

WELL API NO. 30-039-20538
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-291-49-NM
7. Lease Name or Unit Agreement Name Johnston A
8. Well Number 15
9. OGRID Number 14538
10. Pool name or Wildcat Otero Chacra

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.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Burlington Resources Oil Gas Company LP

3. Address of Operator
P.O. Box 4289, Farmington, NM 87499-4289

4. Well Location
 Unit Letter **I** : **1460** feet from the **South** line and **800** feet from the **East** line
 Section **36** Township **26N** Range **6W** NMPM **Rio Arriba County**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6370' GR

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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
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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.

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

Extend plug #2 up to 1800'

OIL CONS. DIV DIST. 3

JUL 05 2013

Spud Date:

Rig Released Date:

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

SIGNATURE *Kenny Davis* TITLE Staff Regulatory Technician DATE 7/3/13

Type or print name Kenny Davis E-mail address: kenny.r.davis@conocophillips.com PHONE: 505-599-4045

For State Use Only

APPROVED BY: *Kenny Davis* TITLE Deputy Oil & Gas Inspector, DATE 7/11/13
District #3

Conditions of Approval (if any):

AV

ConocoPhillips
JOHNSTON A 15 (CH)
Expense - P&A

Lat 36° 26' 23.46" N

Long 107° 24' 43.164" W

Prepared by: Michelle Wilcox
Peer Reviewed by: Etta Trujillo
Supervisor: Ryan Frost

Date: 05/06/13
Date: 05/06/13

Twinned Location: No **Currently Surface Commingled:** No

Scope of Work: P&A the wellbore and return the location to its natural condition.

Est. Rig Days: 4 **Area:** 26 **Route:** 651
Formation: CH

WELL DATA

API: 3003920538 **Spud Date:** 9/18/1972
LOCATION: 1460' FSL & 800' FEL, Spot I, Section 36 -T 026N - R 006W

Artificial lift on well (type): None **Est. Reservoir Pressure (psia):** 1400 (MV)

Well Failure Date: N/A **Earthen Pit Required:** No

H2S: 0 ppm; this well has no known history of producing H2S. If while the rig is on location, H2S is suspected or encountered please contact Robert Ingram (324-5166) to evaluate for an H2S Contingency Plan and contact HSE H2S SPOC.

Special Requirements:

CBL, 1-1/4" workstring, slip-grip elevators, 2 cement retainers and a mill for 2-7/8" 6.4# casing.

Contacts	Name	Office #	Cell #
PE Production Engineer	Michelle Wilcox	599-3460	405-517-0626
PE Backup	Anthony Williams	324-5103	419-8084
MSO	Simon Rudder		215-1753
Lead	Ramon Florez	599-3479	320-2506
Area Foreman	Vance Roberts	599-3467	320-9567

Well History/Justification

The Johnston A #15 was drilled and completed in September 1972 as a slimhole Chacra producer. There have not been any documented workovers, and there are no wireline or swabbing reports on file. The well has steadily declined at a rate of 7.5% per year and currently produces 3 MCFD. A recent fluid level analysis showed that there is a 423' column of water in the well. The MSO has tried multiple times to unload the liquid slug, but has not had any success. The well has now been unprofitable for over a year, and there are no feasible options to increase production or to reduce operating costs.

Recommendation

Based on offset Chacra producers, the greatest uplift that could be realized by a workover would be ~7 MCFD. The breakeven cost from such uplift is ~\$18 M, paying out over 44 months. A rig would be required to clean out any fill from the wellbore and to unload the liquid slug, but the breakeven cost would not be sufficient to complete the project. Line pressure does tend to be high in this area, so the option of installing compression was analyzed. IPR analysis indicates that even if the bottomhole flowing pressure was dramatically reduced, no uplift would be expected. For this well to be profitable at its current production rates, realized natural gas price would have to exceed \$7.96 per MCF, which is not expected to occur until the year 2035 according to the current price deck. There are no reserves booked to this well, so it is recommended to permanently abandon the wellbore and return the location to its natural condition.

ConocoPhillips
JOHNSTON A 15
Expense - P&A

Lat 36° 26' 23.46" N

Long 107° 24' 43.164" 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. PLUG DEPTHS MAY CHANGE WITH CBL RESULTS.

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 workover rig. Check casing 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.
5. ND wellhead and NU BOPE. Pressure test and function test BOP.

Rods:	No	Size:	Length:
Tubing:	No	Size:	Length:
Packer:	No	Size:	Depth:

6. Run mill for 2-7/8" 6.4# casing to top perforation at 3488', or as deep as possible.
7. PU cement retainer for 2-7/8" 6.4# casing and set at 3438'. Pressure test tubing to 1000 psi. Pressure test casing to 800 psi. If casing does not test, then spot and tag subsequent plugs as necessary. **Run CBL and adjust plugs accordingly.**

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.

8. Plug 1 (Chacra Perforations and Formation Top, 3125-3438', 10 Sacks Class B Cement)

Mix 10 sx Class B cement and spot inside the casing above CR to isolate the Chacra perforations and formation top. PUH.

9. Plug 2 (Pictured Cliffs, Fruitland, Kirtland, and Ojo Alamo Formation Tops, 1950-2660', 21 Sacks Class B Cement)

Mix 21 sx Class B cement and spot a balanced plug inside casing to isolate the Pictured Cliffs, Fruitland, Kirtland, and Ojo Alamo formation tops. POOH.

10. Plug 3 (Nacimiento Formation Top, 560-660', 40 Sacks Class B Cement)

Perforate 3 HSC holes at 660'. PU cement retainer for 2-7/8" 6.4# casing and set at 610'. Establish injection rate into squeeze holes. Mix 40 sx Class B cement. Squeeze 35 sx into holes and leave 5 sx inside casing to isolate the Nacimiento formation top. POOH.

11. Plug 4 (Surface Casing Shoe and Surface Plug, 0-191', 76 Sacks Class B Cement)

Perforate 3 HSC holes at 191'. Establish circulation out bradenhead with water and circulate BH annulus clean. Mix 76 sx Class B cement and pump down production casing to circulate good cement out bradenhead. Shut in well and WOC.

12. 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.

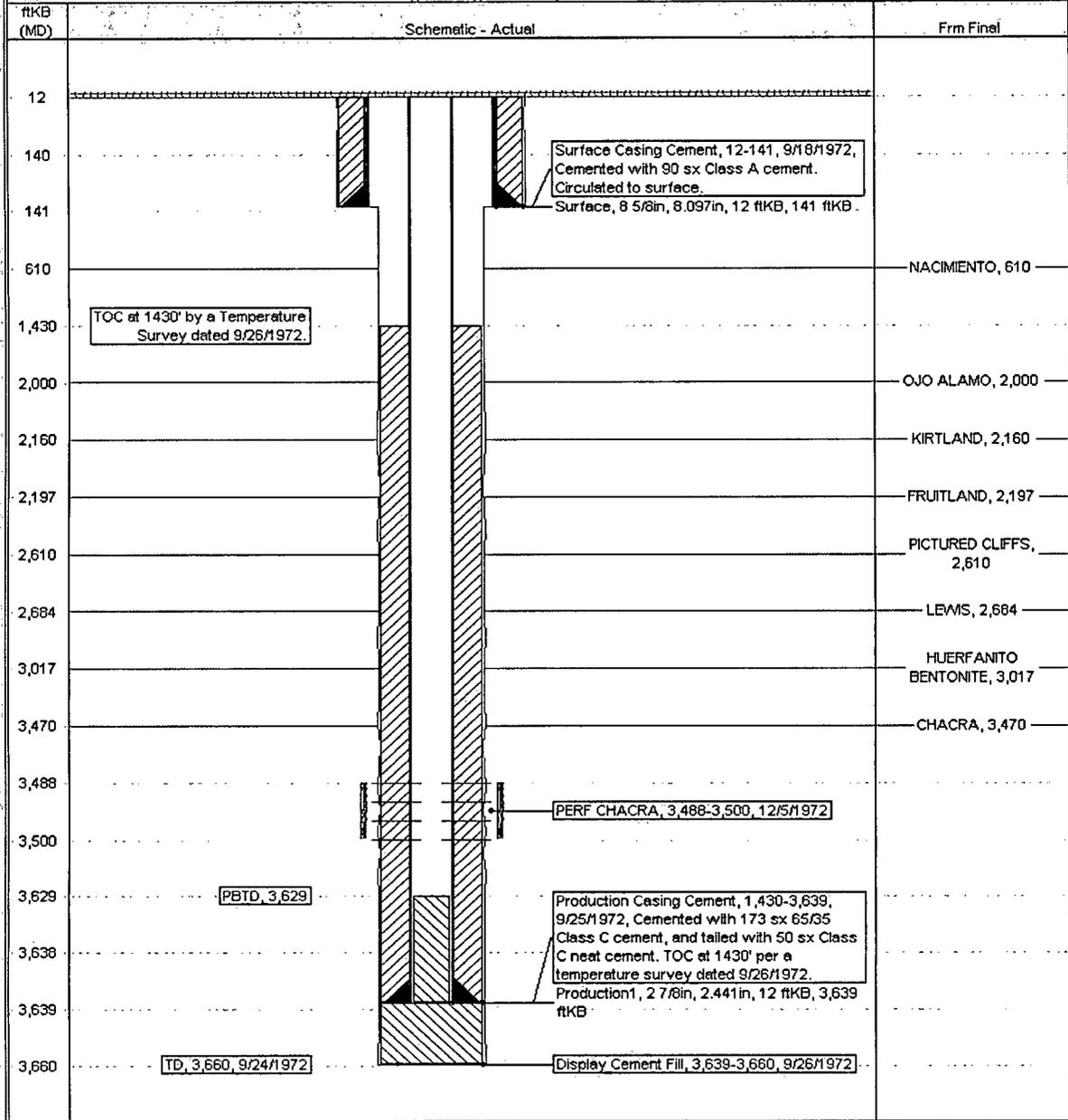
Current Schematic - Version 3

ConocoPhillips

Well Name: JOHNSTON A #15

API/UBH 3003920538	Surface Legal Location NMPM_036-026N-006W	Field Name OTERO (CHACRA) GAS	License No.	State/Province NEW MEXICO	Well Config Status Type Edit
Ground Elevation (ft) 6,370.00	Original KB/RT Elevation (ft) 6,382.00	KB-Gravel Distance (ft) 12.00	KB-Casing Flange Distance (ft)	KB-Tubing Hanger Distance (ft)	

Well Config: - Original Hole, 5/6/2013 10:38:55 AM



Proposed Schematic

Well Name: JOHNSTON A #15

API Well	Casings Legal Location	Field Name	Use Case No.	State/Province	Well Completion Type	Edit
0003920530	NMPM,000-020N-000W	OTERO (CHACRA) GAS		NEW MEXICO		
Ground Elevation (ft)	Original Depth (ft)	IS-Gravel Distance (ft)	IS-Casing Flange Distance (ft)	IS-Tubing Hanger Distance (ft)		
6,370.00	6,382.00	12.00				

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

