State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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: 11/10/14
Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-23911-00-00	PAYNE	004A	BURLINGTON RESOURCES OIL & GAS COMPANY LP	G	A	San Juan	F	P	22	32	N	10	W

Application Type:

☐ P&A ☐ Drilling/Casing Change ☐ Location Change

☒ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84)

☐ Other:

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations, casing & cement

Submit most recent packer leakage test with DHC application

If the last packer leakage test indicates communication between zones a MIT will be required between perforations.

DHC approval is required prior to work being performed.

See APD Conditions of approval regarding Hydraulic Fracturing, Oil base muds and Well-bore communication.

Brandon Powell

NMOCD Approved by Signature

12/5/14
Date

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-080517

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.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE *- Other instructions on page 2.*

NOV 10 2014

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.
Payne 4A

2. Name of Operator
Burlington Resources Oil & Gas Company LP

9. API Well No.
30-045-23911

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 P (SESE), 1100' FSL & 135' FEL, Sec. 22, T32N, R10W

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
	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Subsequent Report	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other **Remove Tbg**
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	**Strings & Packer**
[ ] Final Abandonment Notice	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	**& Commingle**

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.)

Burlington Resources intends to remove the dual tubing string and packer on the subject well and commingle production from the Blanco Mesaverde and the Basin Dakota per the attached procedure & wellbore schematic. A DHC application will be submitted with a copy sent to the BLM. Work will not commence until the DHC application has been approved.

OIL CONS. DIV DIST. 3

DEC 04 2014

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 **Staff Regulatory Technician**

Signature Dollie L Busse Date 11-10-14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
Troy Salyers Title PE Date 12/2/2014

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 FFO

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.

NMOCD

ConocoPhillips
PAYNE 4A
WO - Commingles

Lat 36° 57' 58.284" N Long 107° 51' 38.268" 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 work over rig. Check casing, tubing, and bradenhead pressures and record them in Wellview. If there is pressure on the BH, contact engineer to review complete BH history and get a gas analysis done.

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. Note: This is a dual well with a packer. Kill well with 2% KCl. If necessary, set CW plugs in the tubing strings to prevent flow from either zone.

5. ND wellhead and NU BOPE with 1.315" offset rams and offset spool for short string (1.315" IJ tubing). Pressure and function test BOP to 250 psi low and 1,000 psi over SICP high to a maximum of 2,000 psi held and charted for 10 minutes as per COP Well Control Manual.

6. Unseat the seal sleeve of the short string of tubing and TOOH and LD short string from the Mesaverde. Make note of corrosion, scale, or paraffin and save a sample to give to engineer for further analysis.

7. Remove offset spool. Change over to standard 2-3/8" rams. Function test BOP.

8. PU on tubing and release seal assembly on **5-1/2" Model R3 packer with straight pickup.** If packer does not release or POOH, contact engineer. Install test hanger; function and pressure test BOP to 250 psi for the low pressure test and 1,000 psi over SICP high to a maximum of 2,000 psi. Remove hanger. RU Tuboscope and scan out with 2-3/8" tubing (long string from the Dakota). Make note of corrosion, scale, or paraffin and save a sample to give to engineer for further analysis.

9. RIH with packer plucker and mill out slips. Pull packer out of the hole. PU 4-3/4" bit and string mill on 2-3/8" tubing. TIH and CO to PBTD at 8,357' using air. Save a sample of the fill and contact engineer for further analysis. TOOH. LD bit and mill. If fill could not be CO to PBTD at 8,357', please call Wells Engineer to inform how much fill was left and confirm/adjust landing depth.

10. TIH with tubing using Tubing Drift Procedure. (detail below).

Tubing Drift ID: 1.901"

Land Tubing At: 8,380'
KB: 11'

Tubing and BHA Description	
1	Exp. Check & mule shoe
1	1.78" ID "F" Nipple
1	full jt 2-3/8" 4.70 ppf, J-55 tubing
1	pup joint for marker
+/-265	jts 2-3/8" 4.70 ppf, J-55 tubing
As Needed	pup joints for spacing
1	full jt 2-3/8" 4.70 ppf, J-55 tubing

11. Ensure barriers are holding. ND BOPE, NU Wellhead. Pressure test tubing slowly with an air package as follows: pump 3 bbls pad, drop steel ball, pressure tubing up to 500 psi, and bypass air. Monitor pressure for 15 mins., then complete the operation by pumping off the expendable check. Note in Wellview the pressure in which the check pumped off. Purge air as necessary. Notify the MSO that the well is ready to be turned over to Production Operations. RDMO.

NOTE ON PACKER:
Packer is a 5-1/2" Model R3 packer. It was set in April 1988. It was set using right hand rotation. Straight pickup should release the seal assembly.

Tubing Drift Check

PROCEDURE

1. Set flow control in tubing. With air, on location, use expendable check. With no air on location, use wire line plug.

2. RU drift tool to a minimum 70' line. Drift tool will have an OD of at least the API drift specification of 1.901" for the 2 3/8",4.7# tubing, and will be at least 15" long. The tool will not weigh more than 10# and will have an ID bore the length of the tool, so fluids may be pumped through the tool if it becomes stuck.

3. Drop the tool into the tubing string and retrieve it after every 2 joints of tubing ran in hole. If any resistance to the tool movement is noticed, going in or out, that joint will be replaced.

NOTE: All equipment must be kept clean and free of debris. The drift tool will be measured with calipers before each job, to ensure the OD is the correct size for the tubing being checked. The maximum allowable wear of the tool is 0.003".

OIL CONS. DIV DIST. 3

DEC 04 2014

Basic- Schematic - Current

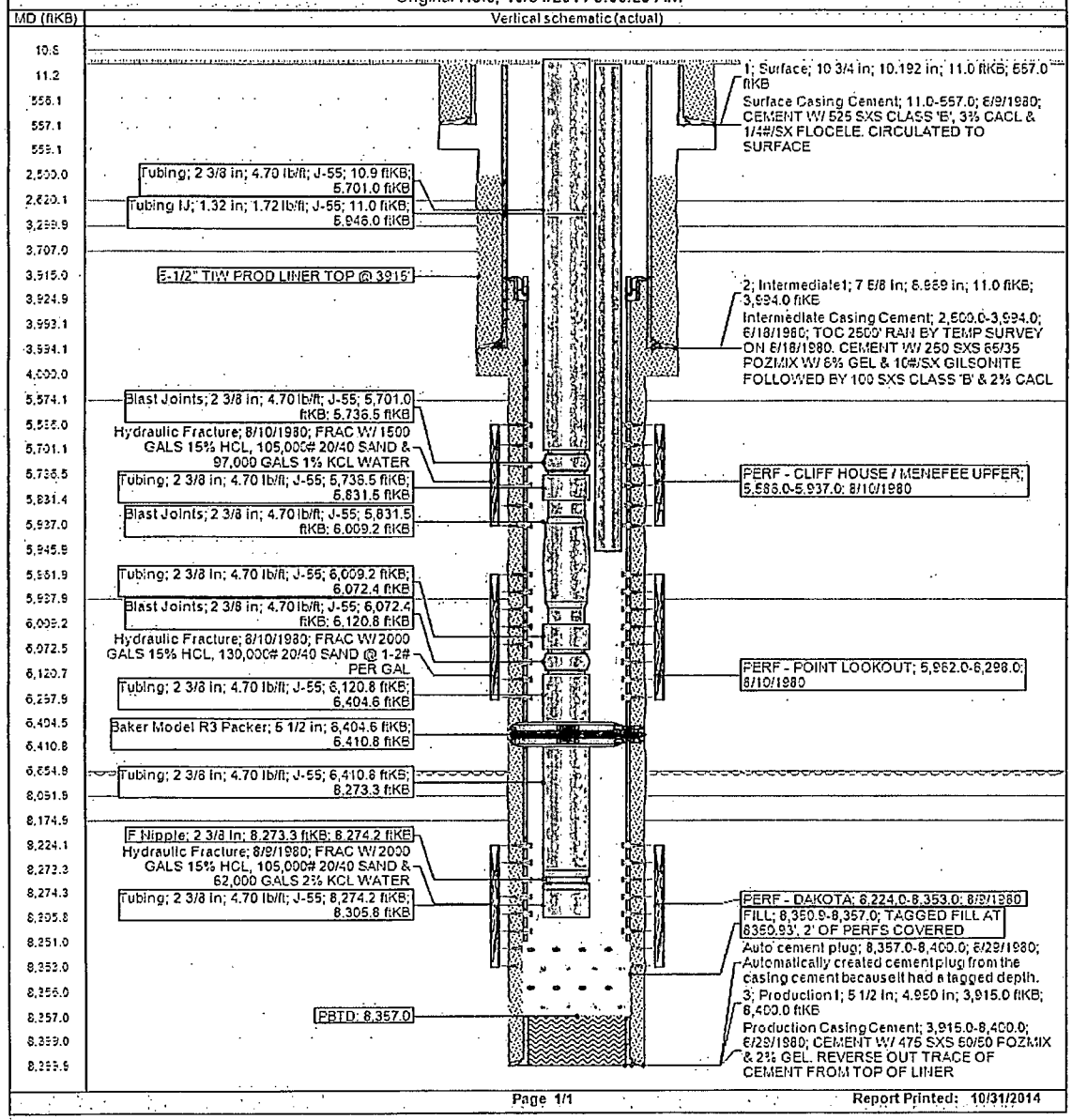
ConocoPhillips

PAYNE #4A

District	Field Name	API / UWI	County	State/Province
NORTH	BASIN DAKOTA (PRORATED GAS)	3004523911	SAN JUAN	NEW MEXICO

Original Spud Date	Surface Legal Location	East/West Distance (ft)	East/West Reference	North/South Distance (ft)	North/South Reference
6/8/1980	NMPM,022-032N-010W	0.00		0.00	

Original Hole, 10/31/2014 9:08:25 AM



Report Printed: 10/31/2014