

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**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 reverse side.**

| | | | |
|--|--|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. CONT/124 | |
| 2. Name of Operator CONOCOPHILLIPS CO. | | 6. If Indian, Allottee or Tribe Name | |
| 3a. Address P.O. BOX 2197 WL3 4061 HOUSTON, TX 77252 | | 7. If Unit or CA/Agreement, Name and/or No. | |
| 3b. Phone No. (include area code) Ph: 832.486.2326 Fx: 832.486.2688 | | 8. Well Name and No. AXI APACHE M 6A | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T25N R4W NESW 1720FSL 1850FWL | | 9. API Well No. 30-039-25205 | |
| | | 10. Field and Pool, or Exploratory BLANCO MESAVERDE | |
| | | 11. County or Parish, and State RIO ARRIBA COUNTY, NM | |

12. CHECK 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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 approval to evaluate the casing in this well as per the procedure and if economically feasible repair and return to production. If casing in this well is irreparable we propose to plug and abandon this well as per the attached procedure. Also attached are the current and proposed wellbore schematics.

COA Attached

| | |
|--|--------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #23183 verified by the BLM Well Information System For CONOCOPHILLIPS CO., sent to the Rio Puerco Committed to AFMSS for processing by Angie Medina-Jones on 06/17/2003 () | |
| Name (Printed/Typed) DEBORAH MARBERRY | Title SUBMITTING CONTACT |
| Signature (Electronic Submission) | Date 06/13/2003 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-----------------------------|------------|
| Approved By <u>Brian A. Slag</u> | Division of Multi-Resources | SEP 5 2003 |
| 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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

CASING REPAIR EVALUATION OR PLUG AND ABANDONMENT PROCEDURE

June 10, 2003

AXI Apache M #6A

Blanco Mesaverde

1720' FSL & 1850' FWL, Section 14, T25N, R4W

Rio Arriba County, New Mexico

Lat: N 36° 23' 49.4" / Long: W 107° 13' 30" / API 30-039-25205

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CASING EVALUATION:

- Well currently has a casing failure and the following procedure has various options to possibly: test the producing interval capabilities and then repair the casing if economically justified; or repair the casing without testing, or not repair the casing and plug the well if the casing condition is poor or the well is not capable of economic production.
1. Install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM, and ConocoPhillips safety regulations. MOL and RU daylight pulling unit. Conduct JSA meeting for all personnel on location. NU relief line.
 2. **Record the casing, tubing and bradenhead pressures.** Blow down the BH and note any change on the casing pressure. Blow down the casing and tubing; kill with water as necessary. ND wellhead and NU BOP. Test BOP.
 3. TOH and tally 1-1/2" EUE tubing (at 5900'). Note the condition of the tubing, depth of the fluid level and if any scale or mud present. LD the 1-1/2" tubing and PU a 2-3/8" workstring. TIH with a 4-3/4" bit and water melon mill through the MV perforations and tag bottom. TOH.
 4. TIH and set a 5-1/2" cement retainer at 5750'. Pressure test the tubing to 1000#. Sting out of CR and load the casing with water. Circulate the well clean and then pressure test the casing to 800#, establish injection rate and pressure.
 5. Contact a ConocoPhillips representative and review the well's condition and determine if it is reasonable to pick up a packer and isolate the casing leak top and bottom. If the casing leak is a large interval, then it may necessary to use a RBP to get better delineation of the casing failure.
 6. Then based on the well's condition and casing leak nature, do one of the following actions:
 7. **Short Term Production Test:** TIH with the production tubing and run a tubing broach on the sand line. Sting into the cement retainer and land the tubing. ND the BOP and NU the wellhead. RU swabbing tool and swab the well. RD and MOL. Then the Production department will flow test the well for approximately 6 months to determine if the well is capable of economic production.
 8. **Casing Repair:** After the casing leak interval is isolated, then repair with squeeze cementing per a procedure to be determined. Drill out the cement and pressure test the casing. Circulate 2% KCl water above the cement retainer and drill out. Clean out to PBTD. May need to use an air package to drill out clean out the well.
 9. **Plug and Abandon well as follows:**

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Note: 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/sx yield.

PERMANENT ABANDONMENT:

10. **Plug #1 (Mesaverde perforations and top, 5750' – 5650')**: TIH with open ended tubing and tag CR at 5750'. Mix 17 sxs cement and spot a balanced plug inside casing to isolate the Mesaverde perforations. PUH to 3712'
11. **Plug #2 (Pictured Cliffs, Fruitland, Kirtland and Ojo Alamo tops, 3712'- 3110')**: Mix 74 sxs cement and spot balanced plug inside the 5-1/2" casing to cover from the PC through the Ojo Alamo top. WOC if casing leak interval not identified or is below this plug. PUH to 1980'.
12. **Plug #3 (Nacimiento top, 1980' – 1880')**: Mix 17 sxs cement and spot a balanced plug inside the casing to cover Nacimiento top. WOC if casing leak interval not identified or is below this plug. PUH to 466'.
13. **Plug #4 (9-5/8" casing shoe, 466' – Surface)**: Attempt to pressure test the bradenhead annulus to 300#. If it tests, then with the tubing at 466', establish circulation out casing valve with water. Spot approximately 60 sxs cement from 466' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then TOH with tubing. Perforate at appropriate depth and establish circulation out the bradenhead. Then set a plug to cover the surface casing shoe. Then cement the surface as appropriate, circulate good cement out bradenhead from the perforations.
14. ND BOP and cut off wellhead below surface casing. Install P&A marker to comply with regulations. RD, MOL, cut off anchors, and restore location.

BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work should be submitted with a Sundry Notice. Questions? Call Lucas Vargo (505) at 289-3748 or (505) 761-8700.

1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location. Non-retrieved flowlines and pipelines will be abandoned in accordance with State Rule 714. Information supporting the non-retrieval will be included in the subsequent report or final abandonment Sundry Notice.

2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils can be remediated on-site according to these guidelines or disposed of in an approved facility.

3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped/disked to a minimum of 12" in depth before reseeding.

4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to deter vehicle travel. Access will be ripped to a minimum of 12" in depth, water barred and reseeded. All erosion problems created by the development must be corrected prior to acceptance of release. Water bars should be spaced as shown below along the fall line of the slope:

| % Slope | Spacing Interval |
|------------------|------------------|
| Less than 20% | 200' |
| 2 to 5 % | 150' |
| 6 to 9 % | 100' |
| 10 to 15 % | 50' |
| Greater than 15% | 30' |

5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required). Seed mix must be certified weed free to avoid the introduction of noxious weeds. Refer to the original APD for seed mix.

6. Notify Surface Managing Agency seven (7) days prior to seeding so that they may be present to witness.

7. The period of liability under the bond of record will not be terminated until the well is inspected and the surface rehabilitation approved.

Other Surface Managing Agencies (SMA's) may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us. On private land, a letter from the fee owner stating that the surface restoration is satisfactory will be provided to the office. Questions? Call Lucas Vargo at (505) 289-3748 or (505) 761-8700.