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

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 page 2.*

RECEIVED
MAY 06 2011
Farmington Field Office
Bureau of Land Management

5. Lease Serial No.: SF-078272

6. If Indian, Allottee, or Tribe Name:

7. If Unit or CA. Agreement Name and/or No.:

1. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.: DUNN #7

2. Name of Operator: QEP ENERGY COMPANY

9. API Well No.: 30-039-22772

3a. Address: 1050 17TH STREET, SUITE 500, DENVER, CO 80265

3b. Phone No. *(include area code)*: (303) 672-6900

10. Field and Pool, or Exploratory Area: LYBROOK GALLUP

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*: NE SW 1740' FSL 2160' FWL 9 T 23N R 7W Lat. 36.23942 Long. -107.58032

11. County or Parish, State: RIO ARRIBA NEW MEXICO

12. CHECK APPROPRIATE BOX(S) 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
	[ ] Altering Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Subsequent Report	[X] Casing Repair	[ ] New Construction	[ ] Recomplete	[ ] Other
	[ ] Change Plans	[ ] Plug and abandon	[ ] Temporarily Abandon	
[ ] Final Abandonment Notice	[ ] Convert to Injection	[ ] Plug back	[ ] 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 recomplete horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the 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 recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

QEP Energy Company (QEP) hereby proposes to repair a casing leak on the Dunn #7 well, as seen in the attached Casing Repair Procedure. Also attached is the current wellbore diagram.

BP

In the event the casing repair is unsuccessful, QEP plans to P&A this well immediately following the attempted casing repair. A Notice of Intent Sundry proposing the P&A Procedure will be submitted under separate cover.

If you have any questions or concerns, please contact me at (303) 672-6916.

RECEIVED
MAY 2011
OIL CONS. DIV.

14. I hereby certify that the foregoing is true and correct.

Name *(Printed/ Typed)*: Sarah Boxley

Title: Regulatory Affairs, Permit Agent

Signature: Sarah Boxley

Date: 5/4/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by: Original Signed: Stephen Mason

Title:

Date: MAY 10 2011

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 any department or agency of the United States any false, fictitiousor fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD

CASING REPAIR PROCEDURE

May 2, 2011

Dunn #7

Lybrook Gallup
1740' FSL, 2160' FWL, Section 9, T23N, R7W
Rio Arriba County, New Mexico, API #30-039-22772
Lat: 36.23942 / Long: -107.58032

1. Install and / or test rig anchors. Comply with all NMOCD, BLM and QEP Energy safety rules and regulations. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. NU relief line and blow well down; kill with 3% KCl water as necessary.

2. ND wellhead and NU BOP and stripping head; test BOP. TOH with the 2.375" tubing; note depth and quantity of scale or mud, if observed.

3. PU a 3.875" bit and 4.5" casing scraper and TIH. Install a SV in the SN and pressure test each row of tubing while TIH. Note: if tubing has paraffin, scale or mud inside, then do not run a SV until the tubing is clean; circulate well with 3% KCl water. Round trip the bit and scraper to PBTD, determine if any perforations are covered with fill. TOH and LD scraper.

4. PU a 4.5" RBP and TIH. Set the RBP at 5436'. Load the casing with 3% KCl and circulate well clean. Pressure test the casing to 600#, hold for 30 minutes.

5. If the casing leaks, RU WLU and run a Casing Inspection Log.

6. PU a packer and isolate the casing leak(s) – top and bottom hole.

7. Call A-Plus Office/QEP Representative for squeeze cementing instructions. May further isolate casing leaks by moving the RBP and packer. Note: **You must notify the BLM and NMOCD Agencies before doing any cement squeeze work.**

8. Repair casing leak(s) per instruction with Class B cement. WOC. Drill out cement and pressure test each leak zone to 500#. TOH with bit.

9. Notify the NMOCD and then pressure test the casing to 500# for 30 minutes; record this test on a chart. 1000 psi max spring + 2 hour clock setting.

10. Run a casing scraper and CO to RBP. Then circulate the well clean. TOH with scraper and TIH with the retrieving head (unloading well in 1500' stages if air package available). Release the RBP. TOH and LD RBP and retrieving head. If the perforations are covered with fill then clean out by circulating or bailing or blowing with air.

11. If scale was observed on the 2.375" tubing, consider acidizing the Gallup perforations with 1000 gallons 15% mud acid (with corrosion inhibitors, surfactant and iron additive). Let acid soak 2 to 3 hours before circulating or swabbing the well clean. TOH and LD bit.

12. Run production tubing per instructions provided by QEP. Land tubing at approximately 5000'. ND BOP and NU the wellhead.

    If casing does test, then RD and MOL.
    If casing does not test, then P&A the well.

Dunn 7

Sec. 9-T23N-R7W

Rio Arriba County , New Mexico BHL: 1740' FSL, 2160' FWL

'led by BCO Inc.

J date: 7/24/81

Schematic - not drawn to scale

GL =	7196
KB =	7208
TVD =	5880

SURFACE CASING:

Casing Size	Weight (lb/ft)	Depth Set (MD)	Cementing Record (sacks)
8 5/8 "	23	213	140

Cement Job

8 - 5/8 " surface casing 213' to surface. 140 sacks Class B, 3% $CaCL_2$, 1/4 lb flocele per sack mixed at 15.6 lbs with a yeild of 1.18 or 183 cubic feet. Cement circulated to surface

PRODUCTION CASING:

Casing Size	Weight (lb/ft)	Depth Set (MD)	Plug Back TD (MD)	Cementing Record (sacks)
4 1/2"	10.5	5850	5760	975

Cement Job

4 1/2" casing cemented 2 Stages.

Stage 1: 5850-5250 175 sacks of Class B 2% CaCl2, 8 pps salt, 1/2 pps flocele 6 1/4 pps gilsonite. Mixed at 15.2 ppg.

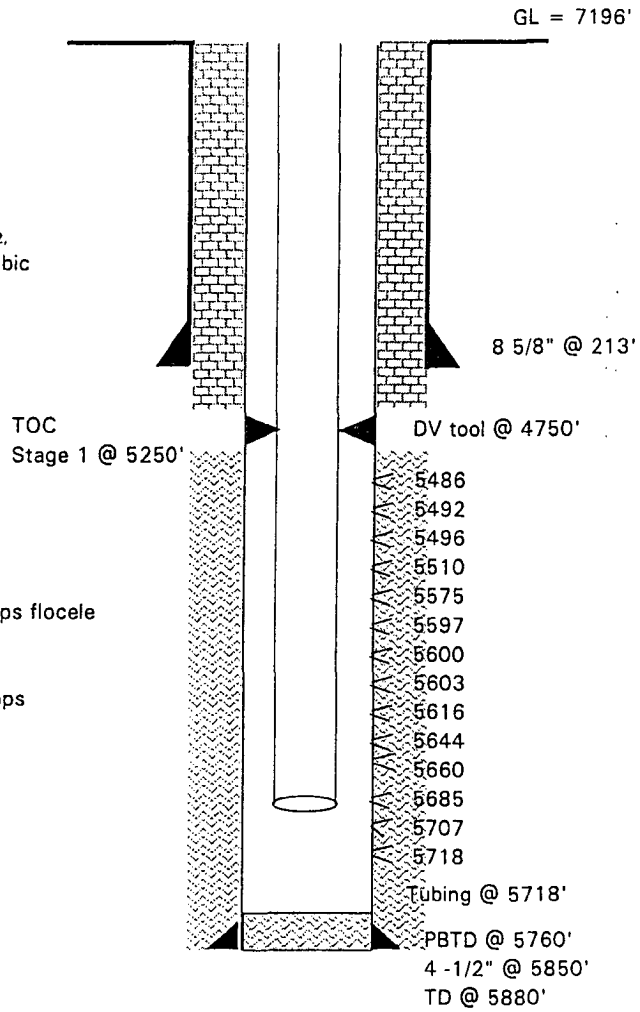
e 2: 4728-surface. 800 sacks of 65/35 poz mix, 12% gel 10 1/2 pps
ɔnite, mixed at 11.4 ppg. Circulated 30 bbls of slurry at surface.
Dv tool located at 4750'

TUBING:

Tubing Size	Weight (lb/ft)	Depth Set (MD)
2 3/8"	4.7	5718

PERFORATION RECORD

Depth (MD)	Size (inches)	Number (SPF)
5486	0.39	1
5492	0.39	1
5496	0.39	1
5510	0.39	1
5575	0.39	1
5597	0.39	1
5600	0.39	1
5603	0.39	1
5616	0.39	1
5644	0.39	1
5660	0.39	1
5685	0.39	1
5707	0.39	1
5718	0.39	1



ACID/FRACTURE JOB

Sand Foam frac. With 197920 gals. Foam. 301250 lbs 10-20 sand, 1.5 MMscf N2. Depth interval 5486-5718.

COMMENTS