

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 11 2011

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.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM 58878
2. Name of Operator QEP ENERGY COMPANY		6. If Indian, Allottee, or Tribe Name
3a. Address 1050 17TH STREET, SUITE 500 DENVER, CO 80265	3b. Phone No. (include area code) (303) 672-6900	7. If Unit or CA. Agreement Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SW SE 490' 1765' 28 T 23N R 7W Long. -107.57707 FSL FEL		8. Well Name and No. FEDERAL L #1
Lat. 36.19187		9. API Well No. 30-043-20825
10. Field and Pool, or Exploratory Area ALAMITO GALLUP		11. County or Parish, State SANDOVAL NEW MEXICO

12. CHECK APPROPRIATE BOX(S) 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"/> Altering 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 recomple 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 recomple 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.)

In the event the casing repair is unsuccessful, QEP Energy Company (QEP) hereby proposes to plug and abandon the Federal L #1 well, as seen in the attached Plug and Abandonment Procedure.

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



14. I hereby certify that the foregoing is true and correct.	
Name (Printed/ Typed) Sarah Boxley	Title Regulatory Affairs, Permit Agent
Signature <i>Sarah Boxley</i>	Date 5/10/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason	Title	Date MAY 12 2011
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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.

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, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCB

CASING REPAIR PROCEDURE

August 18, 2010

Federal I #1

Alamito Gallup
490' FSL & 1765' FEL, Section 28, T23N, R7W
Sandoval, New Mexico, API #30-043-20825
Lat: 36.19187 / Long: -107.57707

Note: This procedure will immediately follow the casing repair in the event the casing repair is unsuccessful. All of the prep work for this procedure will be completed as part of the Casing Repair Procedure previously-submitted to your office.

1. **Plug #1 (Gallup perforations and top, 4936' – 4792')**: PU and TIH with 4.5" cement retainer, set at 4936'. Pressure test tubing to 1000 PSI. *Pressure test casing to 800 PSI. If casing does not test, then spot or tag subsequent plug as appropriate.* Mix and pump 16 sxs Class B cement above CR to isolate the Gallup interval. PUH.
2. **Plug #2 (Mancos top, 4164' – 4064')**: Spot 12 sxs Class B cement balanced plug inside casing to cover the Mancos top. PUH.
3. **Plug #3 (Mesaverde top, ²⁴⁴⁵3200' – ²³⁴⁵3100')**: Spot 12 sxs Class B cement balanced plug inside casing to cover the Mesaverde top. PUH.
4. **Plug #4 (Chacra top, 2037' - 1937')**: Spot 12 sxs Class B cement balanced plug inside casing to cover the Chacra top. PUH.
5. **Plug #5 (Pictured Cliffs, Fruitland, Kirtland, and Ojo Alamo tops, 1636' – 914')**: Spot 59 sxs Class B cement balanced plug inside casing to cover through the Ojo Alamo tops. PUH.
6. **Plug #6 (8-5/8" Surface casing shoe, 262' to Surface)**: Perforate 3 squeeze holes at 262'. Establish circulation down 4.5" casing and out bradenhead. Mix and pump 100 sxs Class B cement down 4.5" casing and circulate good cement out casing valve and bradenhead. Shut in well and WOC.
7. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 1 Federal L

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) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Place the Mesaverde plug from 2445' – 2344'.

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.