

Submittal Copy 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
 October 13, 2009

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

WELL API NO. 30-039-24375
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-2258
7. Lease Name or Unit Agreement Name State J
8. Well Number #3
9. OGRID Number 23846
10. Pool name or Wildcat Lybrook Gallup

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
QEP Energy Company

3. Address of Operator
1050 17th Street, Suite 500, Denver, CO 80265

4. Well Location
 Unit Letter E : 1850 feet from the North line and 990 feet from the West line
 Section 16 Township 23N Range 7W NMPM County Rio Arriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7243' GL

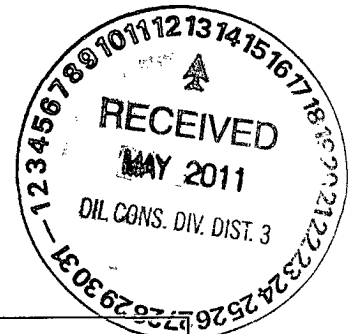
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

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

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In the event the casing repair is unsuccessful, QEP Energy Company (QEP) hereby proposes to plug and abandon the State J #3 well, as seen in the attached Plug and Abandonment Procedure.

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



Spud Date: 5/9/1989

Rig Release Date: 6/20/1989

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

SIGNATURE Sarah Boxley TITLE Permit Agent, Regulatory Affairs DATE 5/11/2011

Type or print name Sarah Boxley E-mail address: Sarah.Boxley@qepres.com PHONE: (303) 672-6916

For State Use Only
 APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE 5/31/11

Conditions of Approval (if any): AV

PLUG AND ABANDONMENT PROCEDURE

May 5, 2011

State J #3

Lybrook Gallup
1850' FNL & 990' FWL, Section 16, T23N, R7W
Rio Arriba, New Mexico, API #30-039-24375
Lat: 36.22941 / Long: -107.58522

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 and approved on August 25, 2009.

1. **Plug #1 (Gallup perforations and top, 5430' – 5276')**: PU and TIH with 4.5" cement retainer, set at 5430'. 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, 4632'- 4532')**: Spot 12 sxs Class B cement balanced plug inside casing to cover the Mancos top. PUH.
3. **Plug #3 (Mesaverde top, 3652' – 3552')**: Spot 12 sxs Class B cement balanced plug inside casing to cover the Mesaverde top. PUH.
4. **Plug #4 (Chacra top, 2562' – 2462')**: 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, 2160' – 1444')**: 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, 265' to Surface)**: Perforate 3 squeeze holes at 265'. 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 NMOCD stipulations.