State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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: June 18th, 2014

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Recomplete/DHC

☐ Location Change ☐ Other:

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-23522-00-00	REESE MESA	005	BURLINGTON RESOURCES OIL & GAS COMPANY LP	G	A	San Juan	F	C	13	32	N	8	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Provide CBL to agencies for review/approval prior to cementing

Extend PC plug to 3350 feet

Extend Nacimiento plug to 1145 feet

NMOCD Approved by Signature

7-3-14
Date

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
JUN 20 2014

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

5. Lease Serial No.
NM-6892

6. If Indian, Allottee or Tribe Name

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.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Reese Mesa 5

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

9. API Well No.
30-045-23522

3a. Address
PO Box 4289, Farmington, NM 87499

3b. Phone No. (include area code)
(505) 326-9700

10. Field and Pool or Exploratory Area
Basin FC / Blanco MV / Basin DK

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
Surface Unit C (NE/NW), 940' FNL & 1430' FWL, Sec. 13, T32N, R8W

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			
☒ 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	☐ 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 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 requests permission to P&A the subject well bore per the attached procedure, current & proposed wellbore schematics. The Pre-Disturbance onsite was held w/ Bob Switzer on 6/5/14. The re-vegetation plan is attached. A Closed loop system will be utilized for this P&A.

OIL CONS. DIV DIST. 3
JUN 30 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

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
Arleen White Title **Staff Regulatory Tech**

Signature Arleen White Date 6/18/14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
Troy Salyers Title Petroleum Eng. Date 6/26/2014

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.

(Instruction on page 2)

NMOCD

ConocoPhillips
REESE MESA 5
Expense - P&A

Lat 36° 59' 14.712" N **Long 107° 37' 49.872" W**

PROCEDURE

This project requires the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.

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 workover rig. Check casing, tubing, and bradenhead pressures and record them in Wellview. **If there is pressure on the BH, contact the Wells Engineer.**

3. Remove existing piping on casing valve. RU blow lines from casing valves and being blowing down casing pressure. Kill well as necessary. Ensure well is dead or on a vacuum.

4. TOOH w/ rod string and LD (per pertinent data sheet).
Size: 3/4" **Length:** 3367'

5. ND wellhead and NU BOPE. Pressure and function test BOP to 250 psi low and 1000 psi over SICP high to a maximum of 2000 psi held and charted for 10 minutes as per COP Well Control Manual. PU and remove tubing hanger

6. TOOH with tubing (per pertinent data sheet).
Tubing size: 2-3/8" 4.7# J-55 EUE **Set Depth:** 3369 ftKB **KB:** 11 ft

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 Class B mixed at 15.6 ppg with a 1.18 cf/sk yield.

7. Plug 1 (Lewis and Pictured Cliffs Formation Tops, 3400-3735', 75 Sacks Class B Cement)
Trip in hole open ended. Mix 75 sacks class B cement and spot a balanced plug from 3735' to 3400' to cover Lewis and Pictured Cliffs Formation Tops. Wait and tag cement as necessary. Pull out of hole.

8. PU 6-1/4" bit and watermelon mill and round trip as deep as possible above top perforation(3216').

9. PU 7" CR on tubing, and set @ 3166'. Pressure test tubing to 1000 psi. Sting out of CR. Load hole, and pressure test casing to 800 psi. *If casing does not test, then spot or tag subsequent plugs as appropriate.* POOH w/ tubing.

10. RU wireline and run CBL with 500 psi on casing from CIBP to surface to identify TOC. *Adjust plugs as necessary for new TOC.*

11. Plug 2 (Fruitland Coal Perforations and Formation Top, 3066-3166', 29 Sacks Class B Cement)
Mix cement as described above and spot balanced plug on top of cement retainer from 3166' to 3066' to cover Fruitland Coal perforations and formation top. Pull up hole.

12. Plug 3 (Kirtland and Ojo Alamo Formation Tops, 2324-2582', 60 Sacks Class B Cement)
Mix cement as described above and spot balanced plug from 2582' to 2324' to cover the Kirtland and Ojo Alamo Formation Tops. Pull up hole.

13. Plug 4 (Nacimiento Formation Top, 980-1080', 29 Sacks Class B Cement)
Mix cement as described above and spot cement from 1080' to 980' to cover the Nacimiento Formation Top. Pull up hole.

14. Plug 5 (Surface Plug, 0-373', 82 Sacks Class B Cement)
Connect the pump line to the bradenhead valve and attempt to pressure test the BH annulus to 300 psi. Note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix cement as described above and spot balanced plug inside casing from 373' to surface, circulating good cement out casing valve. TOOH and LD tubing. SI well and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface, filling the casing and the BH annulus to surface. Shut well in and WOC.

15. Nipple down BOP and cut off casing below the casing flange. Install P&A marker with cement to comply with regulations. Rig down, move off location, cut off anchors, and restore location.

ConocoPhillips

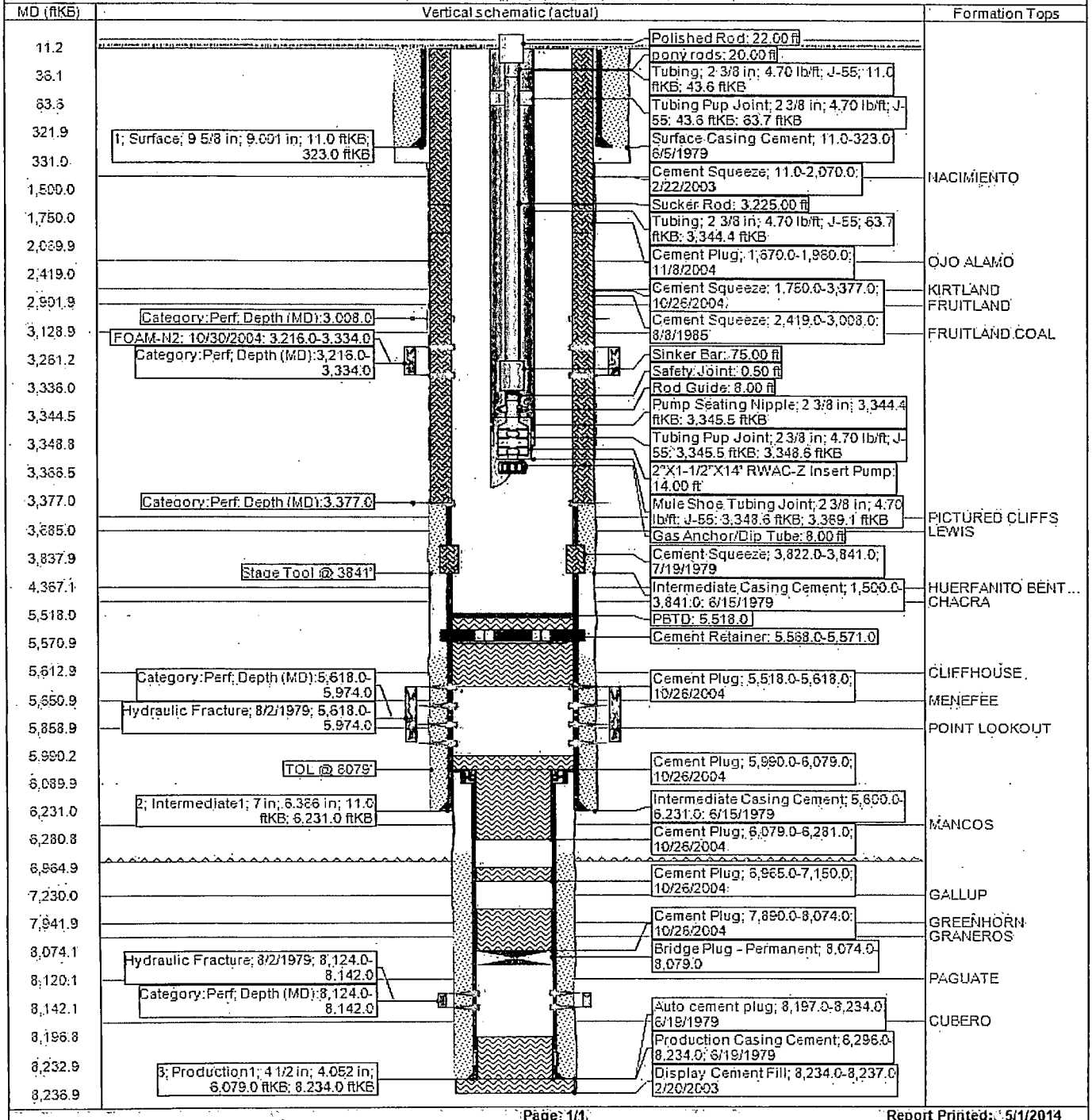
Schematic - Current

REESE MESA #5

District	Field Name	API / UWI	County	State/Province
NORTH	BLANCO MESAVERDE (PRORATED GAS	3004523522	SAN JUAN	NEW MEXICO

Original Spud Date	Surface Legal Location	East/West Distance (ft)	East/West Reference	North/South Distance (ft)	North/South Reference
6/5/1979	013-032N-008W-C	1,430.00	FWL	940.00	FNL

VERTICAL - Original Hole, 5/1/2014 8:49:01 AM



Report Printed: 5/1/2014

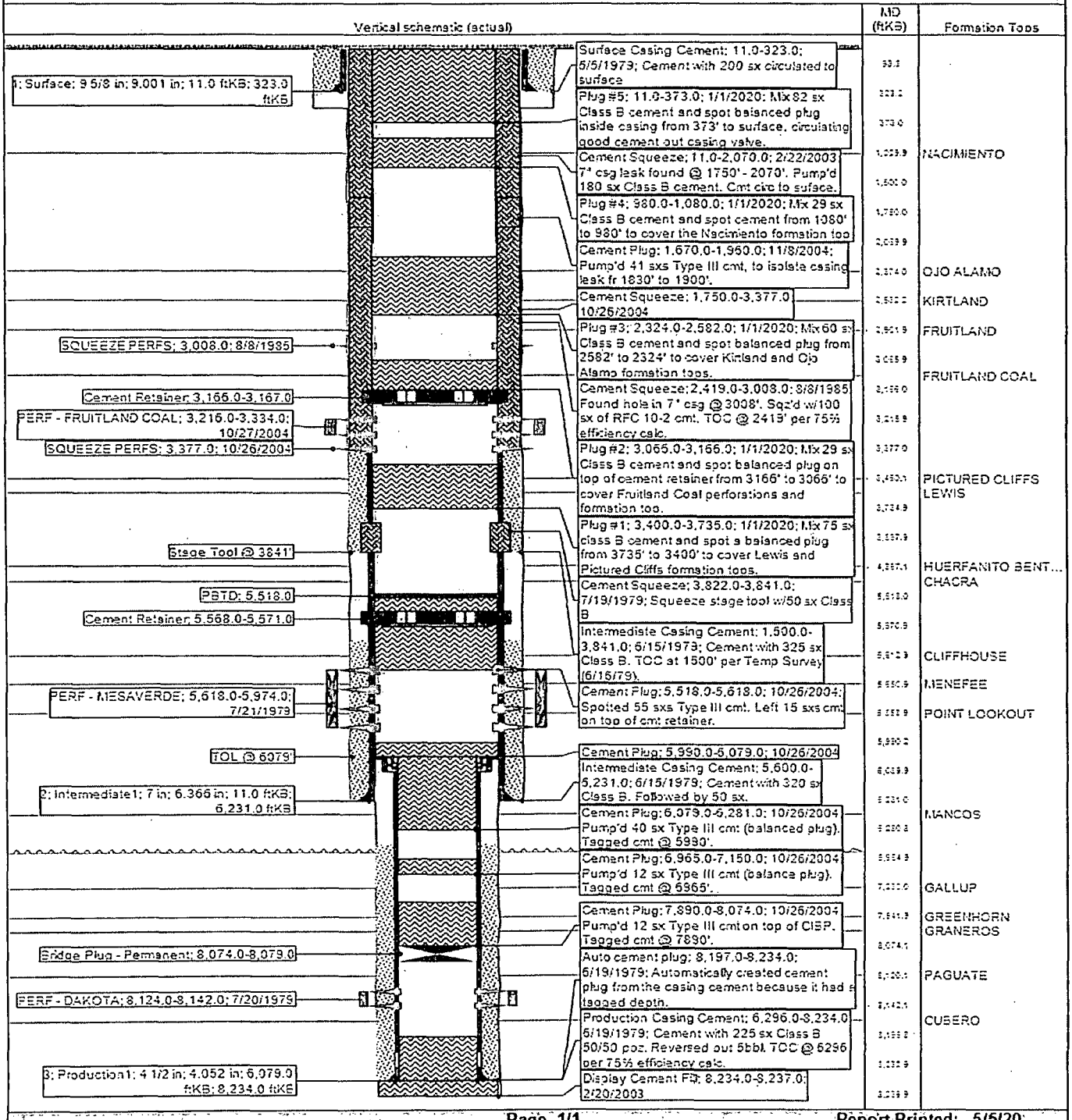
ConocoPhillips

Schematic - Proposed
REESE MESA #5

District	Field Name	API / UWI	County	State/Province
NORTH	BLANCO MESAVERDE (PRORATED GAS	3004523522	SAN JUAN	NEW MEXICO

Original Spud Date	Surf Loc	East/West Distance (ft)	East/West Reference	N/S Dist (ft)	North/South Reference
6/5/1979	013-032N-008W-C	1,430.00	FWL	940.00	FNL

VERTICAL - Original Hole, 1/1/2020 4:00:00 AM



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Reese Mesa #5

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) 564-7750.

3. The following modifications to your plugging program are to be made:

a) Prior to setting plug #1: Set a plug from (4418-4318) ft. inside/*outside to cover the Huerfanito Bentonite fm. The top of the Huerfanito Bentonite (4368 ft.) is used as the top of the Mesaverde for plugging proposes. *Outside plug pending on CBL result.

b) Bring the top of plug #2 to 3050 ft. to cover the Fruitland top. Adjust cement volume accordingly.

c) Adjust the placement of plug #4 (1383-1283) ft. to cover the Nacimiento top.

Per conversation with Burlington Resources representative 6/25/2014, operator will attempt to run a CBL from PBTD 5518 ft. to surface. Submit electronic copy of the log for verification to the following BLM address: tsalyers@blm.gov

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.