RECEIVED

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 18 2016

Farmington Field Office
Bureau of Land Management

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

5. Lease Serial No. **SF-010063**

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. **Lucerne D 1**

2. Name of Operator **ConocoPhillips Company**

9. API Well No. **30-045-07278**

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 Dakota**

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
Surface Unit P (SESE), 945' FSL & 870' FEL, Sec. 21, T28N, R11W

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
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☒ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

BP

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.)

The subject well is part of the proposed Mangum SRC 1C P&A program agreed to with the NMOCD. The attached revised procedure replaces the procedure filed with the P&A NOI submitted on 3/31/2016.

OIL CONS. DIV DIST. 3

JUN 01 2016

Notify NMOCD 24 hrs prior to beginning operations

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)*
Dollie L. Busse Title **Regulatory Technician**

Signature Dollie L Busse Date 5/16/16

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Jack Savage Title PE Date 5/31/16

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

KC
8

ConocoPhillips

LUCERNE D 1

Expense - P&A

Updated 5/10/16 to reflect BLM COA's

Lat 36° 38' 34.872" N Long 108° 0' 9.576" 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.

Prior to commencing abandonment operations, ensure that the bradenhead valve is dug out and properly plumbed to the surface. Record the casing, intermediate, and bradenhead pressures with an appropriately ranged gauge. Contact the Engineer if bradenhead pressure is present (per Exhibit "A-3").

1. Hold pre-job safety meeting. Comply with all NMOCD, BLM, and COP safety and environmental regulations. Test rig anchors prior to moving in rig. **Before RU, run slickline to remove downhole equipment. If an obstruction is found, set a locking-3-slip-stop in the tubing.**

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 (per Exhibit "A-3").**

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

4. 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 per COP Well Control Manual. PU and remove tubing hanger.

5. TOOH with tubing (per pertinent data sheet).
Tubing size: 2-3/8" 4.7# J-55 EUE **Set Depth:** 6,268' **KB:** 6269'

6. PU 3-7/8" bit and watermelon mill and round trip as deep as possible above top perforation at 6222'.

7. PU 4-1/2" cement retainer on tubing, and set at 6172'. Pressure test tubing to 1000 psi. Sting out of CR. Load hole, and pressure test casing to 800 psi. If casing does not test, spot or tag subsequent plugs as appropriate. POOH with tubing.

8. RU wireline and run CBL with 500 psi on casing from cement retainer to surface to identify TOC. Adjust plugs as necessary for new TOC. *Email log copy to Wells Engineer, Troy Salyers (BLM) at tsalyers@blm.gov, and Brandon Powell (NMOCD) at brandon.powell@state.nm.us upon completion of logging operations.*

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.

9. Plug 1 - Dakota Perforations and Formation Top, 6072' - 6172', 12 Sacks Class B Cement
Mix cement as described above and spot a balanced plug inside casing. Pull up hole.

10. Roll the hole with water and ensure the wellbore is in a stabilized condition with no flow of gas and/or water before spotting the next plug. If flow occurs, the fluid weight must be increased until a stabilized condition is established (per Exhibit "A-3").

11. Plug 2 - Gallup Formation Top, 5283' - 5383', 12 Sacks Class B Cement
Mix cement as described above and spot a balanced plug inside casing. Pull out of hole.

12. Plug 3 - Mancos Formation Top, 4407' - 4507', 36 Sacks Class B Cement
Rig up wireline. Perforate 3 squeeze holes at 4507'. Pull out of hole with wireline and rig down. Establish an injection rate into the squeeze holes with water. Pick up a 4-1/2" cement retainer on tubing. Set retainer at 4457'. Establish injection rate with water. Mix cement as described above and squeeze 28 sacks under the retainer. Sting out and balance 8 sacks on top of the retainer. Pull out of hole.

13. Plug 4 - Mesa Verde Formation Top, 3228' - 3328', 36 Sacks Class B Cement

Rig up wireline. Perforate 3 squeeze holes at 3328". Pull out of hole with wireline and rig down. Establish an injection rate into the squeeze holes with water. Pick up a 4-1/2" cement retainer on tubing. Set retainer at 3178'. Establish injection rate with water. Mix cement as described above and squeeze 28 sacks under the retainer. Sting out and balance 8 sacks on top of the retainer. Pull out of hole.

14. Plug 5 - Pictured Cliffs Formation Top, 1420' - 1520', 12 Sacks Class B Cement
Mix cement as described above and spot a balanced plug inside casing. Pull up hole.

15. Plug 6 - Fruitland Formation Top, 1200' - 1300', 12 Sacks Class B Cement
Mix cement as described above and spot a balanced plug inside casing. Pull up hole.

16. Cease operations for 30 minutes allowing the bradenhead to be observed for pressure build. Record pressures with crystal gauge for accuracy. If pressures are observed, notify Wells Engineer and Production Engineering for path-forward discussion with NMOCD (Per Exhibit "A-3").

17. Plug 7 - Kirtland and Ojo Alamo Formation Tops, 539' - 754', 21 Sacks Class B Cement
Mix cement as described above and spot a balanced plug inside casing. Pull up hole.

18. Plug 8 - Surface Plug, 0' - 268', 92 Sacks Class B Cement
RU WL and perforate 4 big hole charge (if available) squeeze holes at 268'. TOOH and RD wireline. Observe well for 30 minutes per BLM regulations. RU pump, close blind rams and establish circulation out bradenhead with water. Circulate BH clean. TIH with 4-1/2" cement retainer and set at 218'. Mix Class B cement and squeeze until good cement returns to surface out BH valve. Shut BH valve and squeeze to

19. Nipple down BOP and cut off casing below the casing flange. Install P&A marker with cement to comply with regulations. RDMO.

Exhibit "A-3"

To Final Agreement - Withdrawal of Notice of Violation (3-15-02)
dated May 4, 2016 from ConocoPhillips Company to NMOCD

Updated Abandonment Procedures

The following procedural changes will be required for the P&A Program:

1) Prior to commencing abandonment operations, ensure that the bradenhead valve is dug out and properly plumbed to the surface. Record the casing, intermediate and bradenhead pressures with an appropriately ranged gauge. Contact the Engineer if bradenhead pressure is present. After the last set of completion perforations are abandoned with cement, roll the hole with water and ensure that the wellbore is in a stabilized condition with no flow of gas and/or water before spotting the next plug. If flow occurs, the fluid weight must be increased until a stabilized condition is established.

2) Following the plug over the Fruitland Formation Top, and prior to the plug over the Kirtland and Ojo Alamo Tops:

    a. Operations will cease for 30 minutes allowing the Bradenhead to be observed for pressure build.

    b. Pressures will be recorded with a crystal gauge for accuracy.

    c. If pressures are observed, notify Wells Engineer and Production Engineering for path-forward discussion with NMOCD.

3) Within 24 hours of the abandonment and after two weeks, BLM will check for the presence of gas at the base of the dry hole marker and at the weep hole. Note ambient weather conditions when recording the results. If gas is detected, contact the Engineer.

4) If a Cathodic Protection well is <u>on</u> the well pad, check for the presence of gas at the vent cap. If gas is present, record results in AFMSS and contact the Engineer.

Note: when checking any sample point for the presence of gas, please be prepared for the possibility of anomalous pressure and the H2S gas.

CURRENT SCHEMATIC

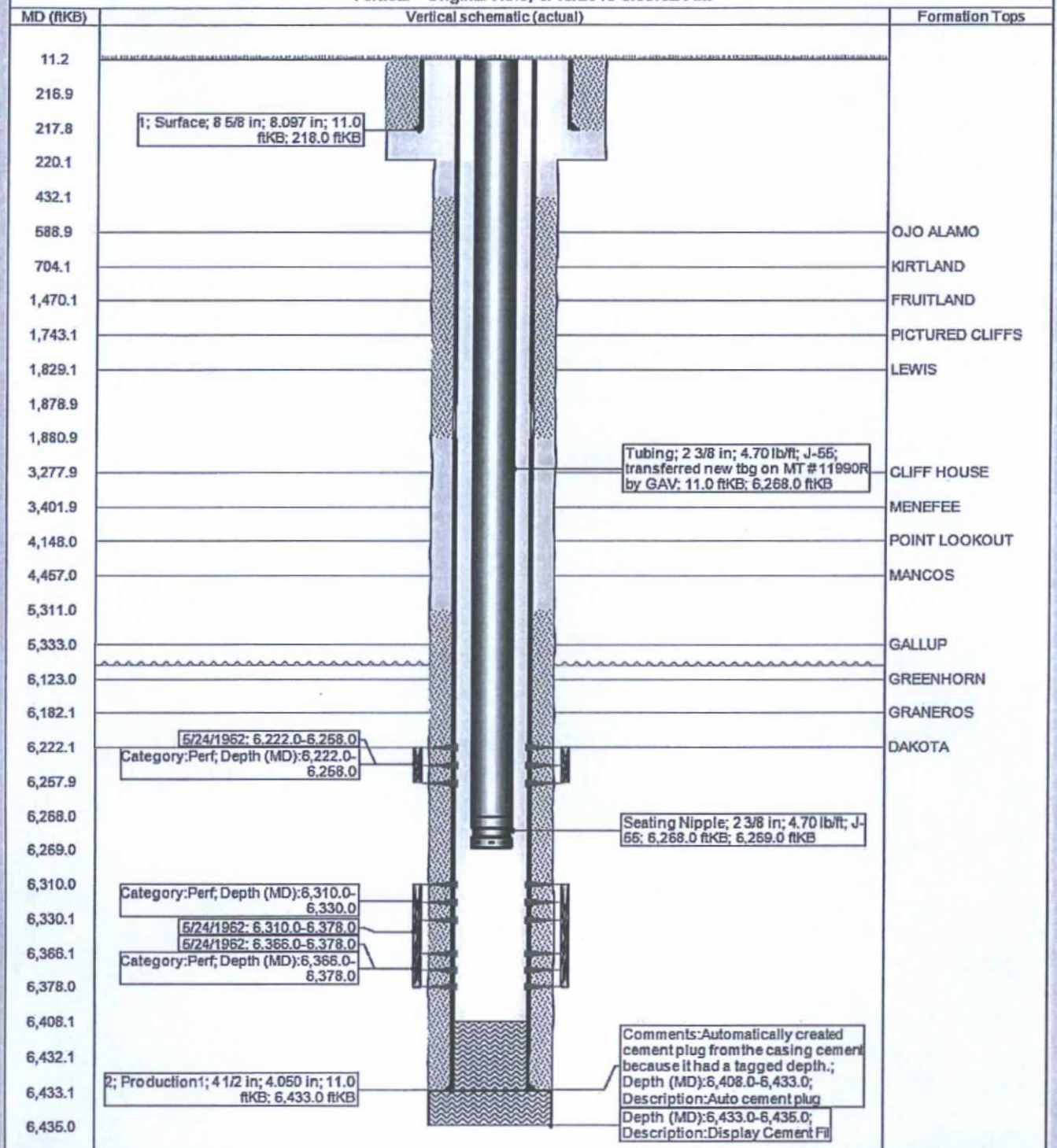
ConocoPhillips

LUCERNE D 001

District	Field Name	API / UWI	County	State/Province
NORTH	DK	3004507278	SAN JUAN	NEW MEXICO

Original Spud Date	Surface Legal Location	E/W Dist (ft)	E/W Ref	N/S Dist (ft)	N/S Ref
5/2/1962	021-028N-011W-P	870.00	FEL	945.00	FSL

Vertical - Original Hole, 5/10/2016 8:35:02 AM



Report Printed: 5/10/2016

PROPOSED SCHEMATIC

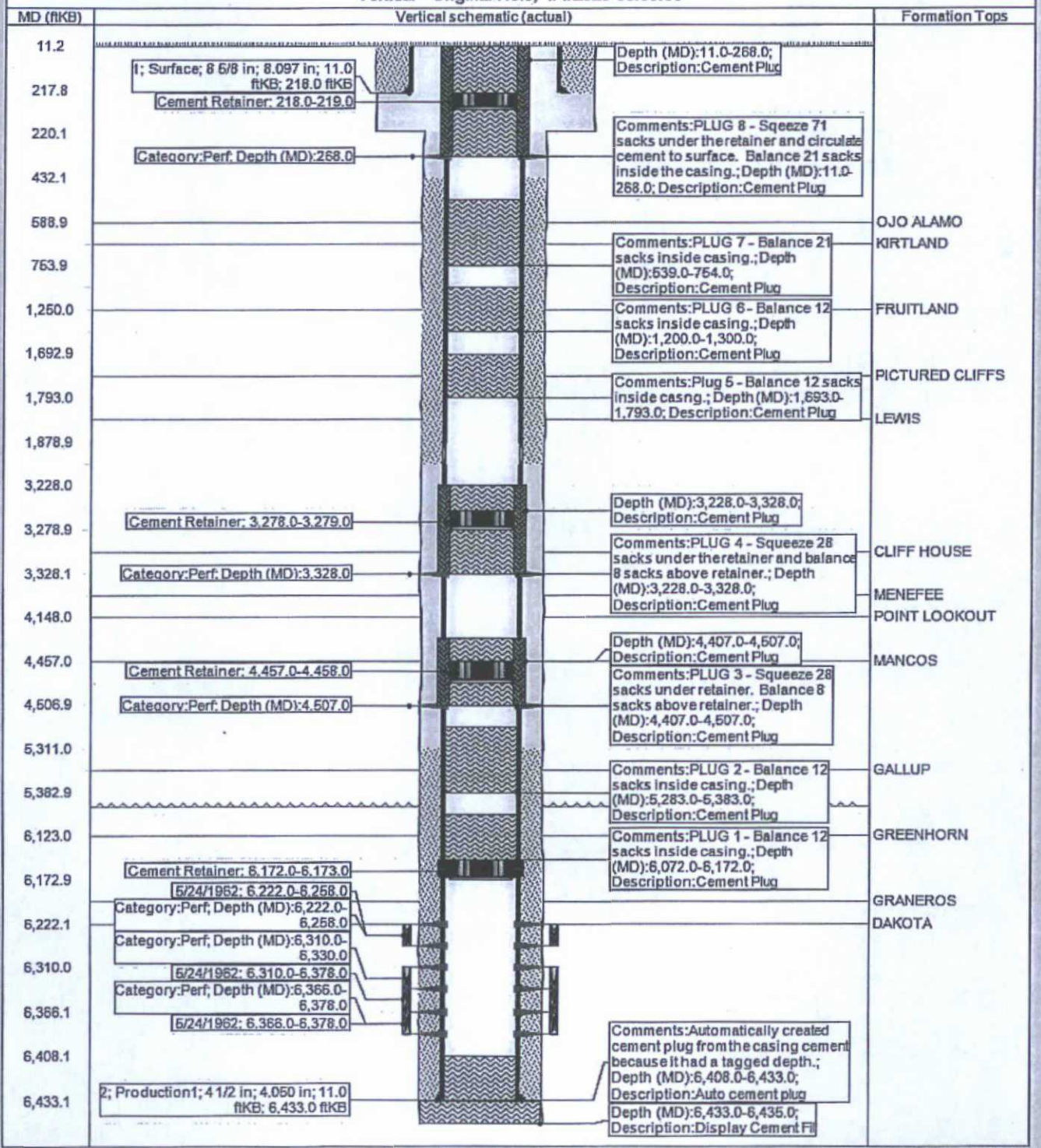
ConocoPhillips

LUCERNE D 001

District	Field Name	API / UWI	County	State/Province
NORTH	DK	3004507278	SAN JUAN	NEW MEXICO

Original Spud Date	Surface Legal Location	E/W Dist (ft)	E/W Ref	N/S Dist (ft)	N/S Ref
5/2/1962	021-028N-011W-P	870.00	FEL	945.00	FSL

Vertical - Original Hole, 1/1/2020 08:00:00



Report Printed: 5/10/2016

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: Lucerne D 1

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) Set plug #4 (3328-3228) ft. inside/outside to cover the Mesa Verde Formation top. BLM picks top of Cliff House at 3278 ft.

b) Set plug #6 (1520-1420) ft. to cover the Fruitland Formation top. BLM picks top of Fruitland at 1470 ft.

Operator will run CBL from CR @ 6,172 ft. to surface to identify TOC.

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.

See Attached Revised COA

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: Lucerne D 1

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) Set plug #4 (3328-3228) ft. inside/outside to cover the Mesa Verde Formation top. BLM picks top of Cliff House at 3278 ft.

b) Set plug #5 (1790-1690) ft. to cover the Pictured Cliffs Formation top. BLM picks top of Pictured Cliffs at 1740 ft.

c) Set plug #6 (1520-1420) ft. to cover the Fruitland Formation top. BLM picks top of Fruitland at 1470 ft.

Operator will run CBL from CR @ 6,172 ft. to surface to identify TOC.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

OIL CONS. DIV DIST. 3

JUL 19 2016

Office Hours: 7:45 a.m. to 4:30 p.m.

Revised