

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

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 reverse side.

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

2 Name of Operator **QUESTAR EXPLORATION & PRODUCTION CO.**

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

3b Phone No (include area code)
303-629-6728

4 Location of Well (Footage, Sec, T, R, M, or Survey Description)
790' FSL & 790' FWL SEC. 22, T28N-R10W

5 Lease Serial No
NMSF-077383

6 If Indian, Allottee or Tribe Name
N/A

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

8 Well Name and No
KUTZ CANYON NO. 1

9 API Well No.
30-045-07252

10 Field and Pool, or Exploratory Area
BASIN, DAKOTA

11 County or Parish, State
SAN JUAN, NM

12. CHECK APPROPRIATE BOX(ES) 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"/> Alter 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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input 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 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 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 Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Questar Exploration & Production has submitted subsequent plans to recomplete the Kutz Canyon #1 well. This sundry is in reference to NMSF-077383 (WC), 3162.3-4 (21110). The workover plans for recompleting the Kutz Canyon 1 (NMSF-077383) to the Gallup and Chacra are attached. Questar is in the process of reviewing title information so that we can determine the correct interests of owners in the Gallup and Chacra. We expect workover operations to commence December 2007.

Please contact us should you have any questions or need additional information.

HOLD 0104 FOR L-102 forms for Otero Chacra (82329) and WC Basin Mancos (97232)

2007 SEP -4 AM 9:48
RECEIVED
BLM
210 FARMINGTON NM

Basin Mancos Pool

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

MARC SCHUTT

Title **SR. PETROLEUM ENGINEER**

Signature

Marc Schutt

Date

08/27/2007

**RCVD SEP 11 '07
OIL CONS. DIV.**

DIST. 3

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Original Signed: Stephen Mason**
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

Date

SEP 10 2007

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

(Instructions on page 2)

NMOCD

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

Kutz Canyon #1
Workover Procedure
Basin, Sec 22-28N-10W
San Juan Co., NM, 11/22/06

Surface Casing:	10-3/4", 32.75# to 292'
Production Casing:	5-1/2", 14#, J-55 surface to 5,783' (.1370ft ³ /ft or 40.98ft/bbl)
Production Casing:	5-1/2", 15.5#, J-55 from 5,783' to 6,787'
Tubing:	2-3/8" 4.7#, J-55, EOT 5105' (7,700# burst)
CIBP:	6370'
Cap 5-1/2" & 7-7/8"	.1733ft ³ /ft or 32.4066ft/bbl
Cap 5-1/2" & 10-3/4"	.4016ft ³ /ft or 13.98ft/bbl
TOC:	+/- 5100' (DV tool @ 6106') gap below DV tool
KB:	13.5'
PBTD:	CIBP @ 6370' 9/22/06

Objective: Squeeze casing leak, recompleate to Gallup and Chacra

Procedure:

- 1) MIRU pulling unit, ND wellhead, NU BOP, TOO H w/ 2-3/8" tbg
- 2) MIRU EL. Dump bail 50' of cement on CIBP at 6370'. Set 10K CIBP at 5855' (DV tool at 6042'). Dump bail 50' of cement on CIBP. RDMO EL
- 3) TIH w/ 2-3/8" J-55 tbg (previously inspected) and sqz pkr to just above CIBP and test tbg to 3000#
- 4) Locate csg leak(s)
- 5) When top and bottom leaks are found, set RBP (if warranted) w/ 10' sand +/- 100' below bottom leak and set a CICR +/- 200' above top of leak, attempt to establish circulation with rig pump – dye water to estimate cement volume. (Note there could be a fair amount of gas between the surface and production csg strings)
- 6) MIRU cementers (must place cement to cover Chacra). Establish injection with fresh water,
 - a) If circulation is established, pump 50 gal 15% inhibited HCl, 5 bbl fresh water spacer, pump enough cement (class A or B neat) to get returns to surface. Hesitate final cement volume after TOC is below the EOT to 500#, release from CICR, pull up 1 stand, reverse out, and shut down over night.
 - b) If circulation isn't established, pump 50 gal 15% HCl, 5 bbl fresh water spacer, squeeze with 100 sxs (class A or B neat). Hesitate final cement

volume after TOC is below the EOT to 500#. If will not hold pressure, pump another 100 sxs, release from CICR, pull up 1 stand, reverse out, and shut down over night.

- 7) After at least 24 hrs, drill out cement w/ bit and scrapper and test squeeze to 500#, re-squeeze if doesn't test. Roll hole with 2% KCl before completion.
- 8) If a RBP was used, retrieve it.
- 9) MIRU EL. Perf Gallup Perforate using a 3-1/8", 120° phasing, .32" dia gun (deep charges) per Schlumberger Ultrasonic Casing Imager dated 9/22/06, then RDMO:
 - Perforate 3 spf from 5801-03' (2' – 7 holes)
 - Perforate 3 spf from 5772-75' (3' – 10 holes)
 - Perforate 3 spf from 5765' (1' – 3 holes)
 - Perforate 1 spf from 5649' (1' – 1 hole)
 - Perforate 1 spf from 5625' (1' – 1 hole)
 - (don't perf lower b/c of bond)
- 10) TIH with 3-1/2" rental string (needs to fit inside csg and withstand 6500# burst), one joint of 2-7/8" N80 on bottom, and suitable packer for fracing.

1 Frac – X/X/2007

- 11) Frac Gallup according to forthcoming procedure (isolate wellhead)
 - General design is below
 - Under-Displace 2 bbl***
 - Going down 3-1/2"
 - Gallup frac (5725-5803')
 - 1000 gal 15% NEFE HCL spearhead
 - 60Q N2
 - +/-20# gel
 - +/-20% Pad
 - +/-85K# 20/40 sand
 - 25 bpm
 - 1-4 ppg
- 12) RDMO, flowtest and put on-line
- 13) In +/- 1-2 weeks after flowing the Gallup to get a test rate for commingling, start on the Chacra completion.

----- Flow Test -----

- 14) TOOH w/ 3-1/2" rental string and packer.
- 15) MIRU EL

- a) Set a 10K composite bridge plug at 3260' (may change depending on where csg leak is).
- b) Perf Chacra - Perforate using a 3-1/8", 120° phasing, .32" dia gun (deep charges) per Schlumberger Ultrasonic Casing Imager dated 9/22/06, then RDMO:

Perforate 2 spf from 3234-36 (2' – 5 holes)
 Perforate 3 spf from 3220-23' (3' – 10 holes)
 Perforate 2 spf from 3122-24 (2' – 5 holes)

- 16) TIH with 3-1/2" rental string (needs to fit inside csg and withstand 6500# burst), one joint of 2-7/8" N80 on bottom, and suitable packer for fracing.

1 Frac – X/X/2007

- 17) Frac Chacra according to forthcoming procedure (isolate wellhead)

General design is below

Under-Displace 2 bbl

Going down 3-1/2"

Chacra frac (3122-3236')

1000 gal 15% NEFE HCL spearhead

60Q N2

+/-20# gel

+/-20% Pad

+/-120K# 20/40 sand

25 bpm

1-4 ppg

- 18) RDMO, flowtest and put on-line
- 19) In +/- 1-2 weeks after flowing the Chacra to get a test rate for commingling, set-up for commingled production

----- Flow Test -----

- 20) TOOH w/ 3-1/2" rental string and packer.
- 21) TIH with original 2-3/8" tbg, bit, and pump-off bit-sub
- 22) With air-foam unit, drill out CBP over Gallup, clean out to 50' below lowest Gallup perf, land tbg in Gallup (call office for depth), pump-off bit and put back on-line.
- 23) RDMO