

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

RECEIVED

DEC 20 2010

Sundry Notices and Reports on Wells

Farmington Field Office
Bureau of Land Management1. Type of Well
GAS

5. Lease Number
Jicarilla Contract 122

6. If Indian, All. or
Tribe Name
Jicarilla Apache

7. Unit Agreement Name

2. Name of Operator

ConocoPhillips

3. Address & Phone No. of Operator

PO Box 4289, Farmington, NM 87499 (505) 326-9700

8. Well Name & Number
AXI Apache O 16

9. API Well No.

30-039-21435

4. Location of Well, Footage, Sec., T, R, M

Unit D (NWNW), 790' FNL & 1110' FWL, Section 10, T25N, R4W, NMPM

10. Field and Pool
Blanco South Pictured Cliffs11. County and State
Rio Arriba, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment

Type of Action

☒ Abandonment☐ Recompletion☐ Plugging☐ Casing Repair☐ Altering Casing☐ Change of Plans☐ New Construction☐ Non-Routine Fracturing☐ Water Shut off☐ Conversion to Injection☐ Other —

13. Describe Proposed or Completed Operations

ConocoPhillips Company requests permission to P&A the subject well per the attached procedure, current and proposed wellbore schematic.

RCVD DEC 29 '10
OIL CONS. DIV.Notify NMOCD 24 hrs
prior to beginning
operations**SEE ATTACHED FOR DIST. 3
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

Signed Crystal Tafoya Crystal TafoyaTitle Staff Regulatory TechnicianDate 12/20/2010

(This space for Federal or State Office use)

APPROVED BY Troy L. SalvorsTitle Petroleum EngineerDate 12/27/2010

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes 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.

CONTACT NMOCD UPON COMPLETION
OF CEMENT BOND LOG FOR REVIEW AND
APPROVAL

NMOCD

ConocoPhillips
AXI APACHE O 16
Expense - P&A

Lat 36° 25' 8.216" N

Long 107° 14' 39.444" W

PROCEDURE

*****This project require a NMOCD C-144 CLEZ Closed-Loop System Permit for 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 work over rig. Check casing, tubing, and bradenhead pressures and record them in Wellview.
3. RU blow lines from casing valves and begin blowing down casing pressure. Kill well with water if necessary.
4. ND wellhead and NU BOPE.

Note *** 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 Type II mixed at 15.6 ppg with a 1.18 cf/sk yield.

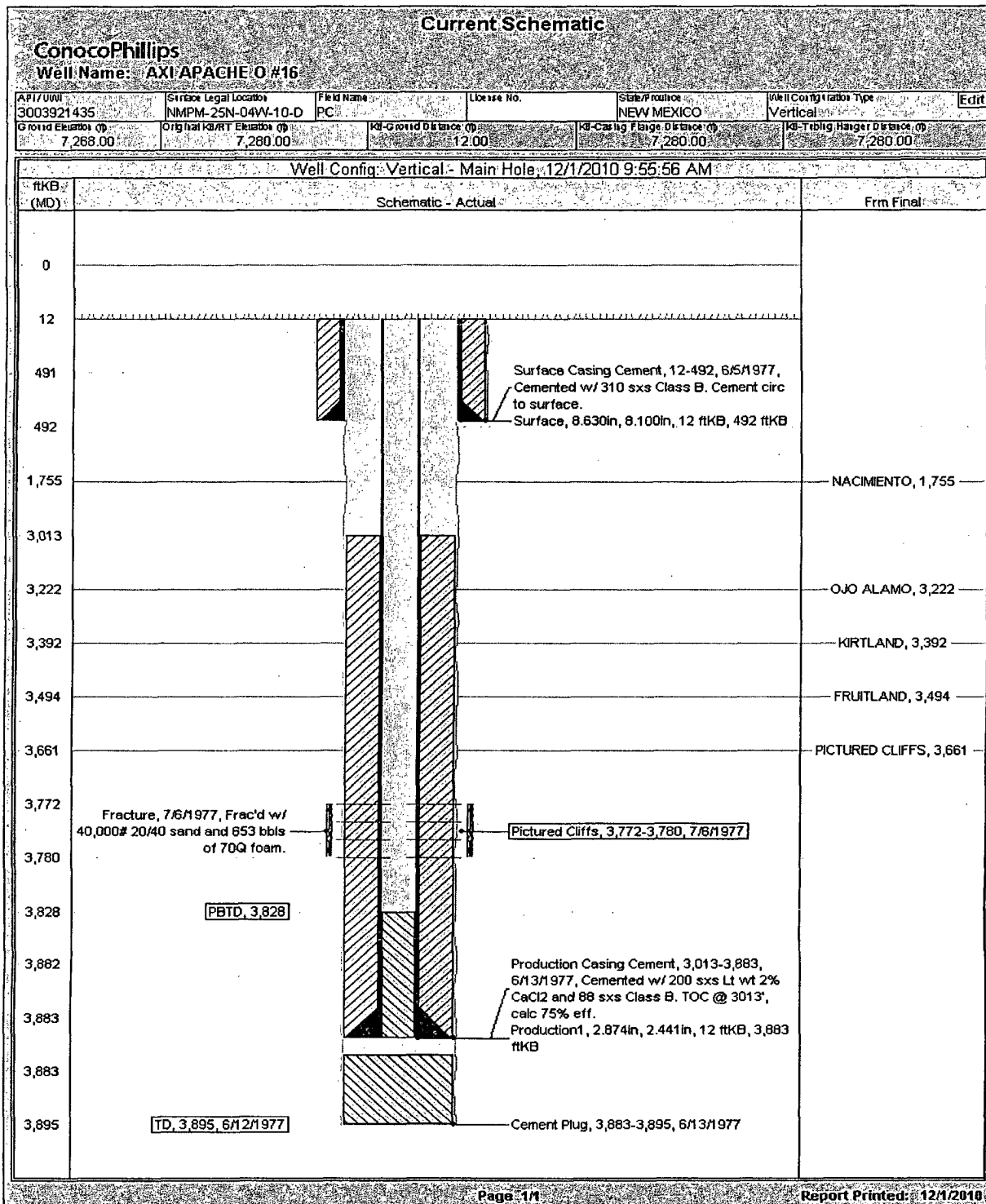
5. Run CBL from top of PC perforations to surface since there is no record of past CBL.

6. Plug #1 (Pictured Cliffs perforations, Fuitland, Kirtland, and Ojo tops, 3722'- 3172') RIH and set CR at 3722'. Pressure test tubing to 1000 PSI. Pressure test casing to 800 psi. If casing does not pressure test, then spot or tag subsequent plugs as appropriate. Spot 17 sx Class B cement and spot a balanced plug inside the casing above CR to isolate the Pictured Cliffs Perforations and Top through the Ojo Alamo top. TOH.

7. Plug #2 (Nacimiento Top, 1805'- 1705') Perforate 3 HSC holes at 1805'. RIH and set CR at 1755'. Establish a rate into the squeeze holes. Mix 40 sx Class B cement, squeeze 35 sx outside the casing and leave 5 sx inside the casing to cover through the Nacimiento top. TOH with tubing.

8. Plug #3 (Surface Casing Shoe to Surface, 542'-Surface): Perforate 3 HSC holes at 542'. Establish circulation out bradenhead with water and circulate BH annulus clean. Mix 161 sx Class B cement and pump down 2 7/8" casing to circulate good cement out bradenhead. Shut in well and WOC.

9. 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.

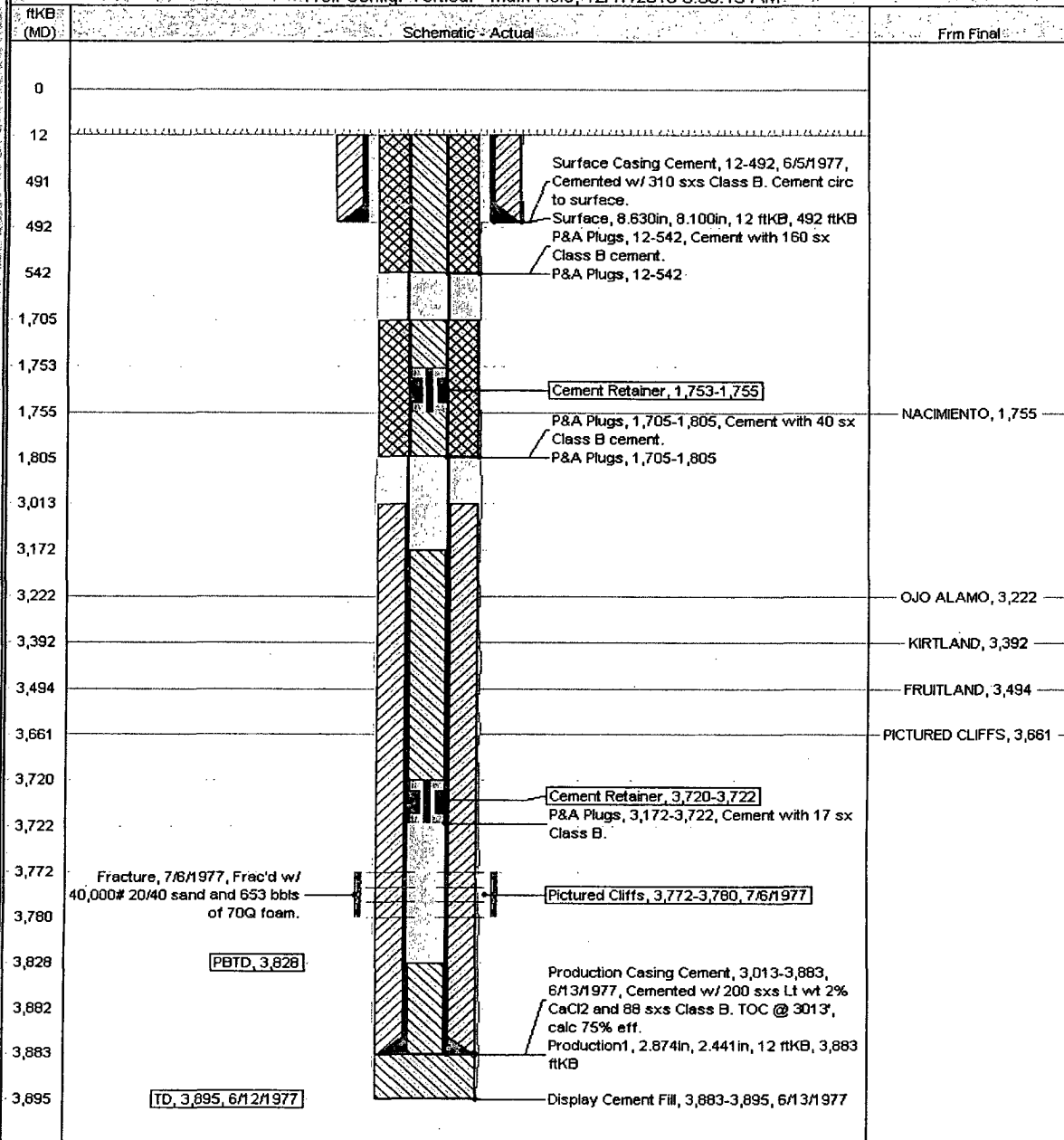


ConocoPhillips

Proposed Schematic AXI APACHE O #16

District	Field Name	API 7 UWI	County	State/Province	Edit
Original Spud Date	Surface Legal Location	E/W Dist (ft)	E/W Ref	N/S Dist (ft)	N/S Ref

Well Config: Vertical - Main Hole, 12/17/2010 5:38:15 AM

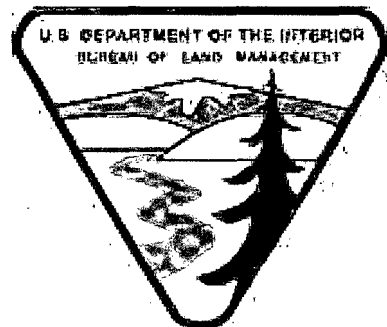


Plugging and Abandonment Condition of Approval

Operator: ConocoPhillips
Lease No.: Jicarilla Contract 122
Well Name: AXI Apache O #16
Well Location: Sec.10, T25N, R4W; 790' FNL & 1110' FWL

- 1) Adjust the Nacimiento top (plug #2) to 1841 ft-1941 ft
**Note: operator might have to adjust plug length again based on CBL results.*

- 2) Submit hardcopy of the bond log with subsequent report.



After hour contact: Troy Salyers 505-360-9815

BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). **Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work can be submitted with a Sundry Notice.**

1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location.
2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils may be remediated on-site according to these guidelines or disposed of in an approved disposal facility.
3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped to a minimum of 12" before seeding.
4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to detour vehicular travel. Access will be ripped to a minimum of 12" in depth and waterbarred prior to seeding. All erosion problems created by the development must be corrected prior to acceptance of release. Waterbars should be spaced as shown below:

% Slopes	Spacing Interval
Less than 20%	200'
2 to 5%	150'
6 to 9%	100'
10 to 15%	50'
Greater than 15%	30'

All water bars should divert to the downhill side of the road.

5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required).
6. Notify Surfacing Managing Agency seven (7) days prior to seeding so that they may be present for that option.
7. The period of liability under the bond of record will not be terminated until the lease is inspected and the surface rehabilitation approved.

Other SMA's may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us.

On private land, we should be provided with a letter from the fee owner stating that the surface restoration is satisfactory.