

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

MAY 06 2011

2. Name of Operator

QEP ENERGY COMPANY

Farmington Field Office
Bureau of Land Management

3a. Address

1050 17TH STREET, SUITE 500
DENVER, CO 80265

3b. Phone No. (include area code)

(303) 672-6900

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Lat. 36.23942

NE SW 1740' 2160' 9 T 23N R 7W Long. -107.58032
FSL FWL

5. Lease Serial No.

SF-078272

6. If Indian, Allottee, or Tribe Name

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

8. Well Name and No.

DUNN #7

9. API Well No.

30-039-22772

10. Field and Pool, or Exploratory Area

LYBROOK GALLUP

11. County or Parish, State

RIO ARRIBA NEW MEXICO

12. CHECK APPROPRIATE BOX(S) 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

☐ Altering 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

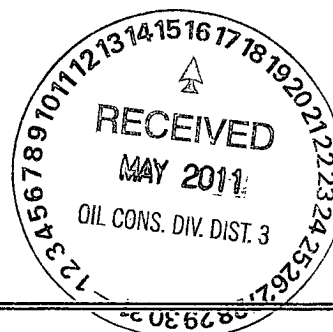
☐ Plug back

☐ Water Disposal

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 recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the 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 recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

In the event the casing repair is unsuccessful, QEP Energy Company (QEP) hereby proposes to plug and abandon the Dunn #7 well, as seen in the attached Plug and Abandonment Procedure.

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



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

Name (Printed/ Typed)

Sarah Boxley

Title

Regulatory Affairs, Permit Agent

Signature

Sarah Boxley

Date

5/5/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

MAY 13 2011

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

PLUG AND ABANDONMENT PROCEDURE

May 2, 2011

Dunn #7

Lybrook Gallup
1740' FSL, 2160' FWL, Section 9, T23N, R7W
Rio Arriba County, New Mexico, API #30-039-22772
Lat: 36.23942 / Long: -107.58032

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.

1. **Plug #1 (Gallup perforations and top, 5425' – 5325')**: PU and TIH with 4.5" cement retainer, set at 5425'. 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 12 sxs Class B cement above CR to isolate the Gallup interval. PUH.
2. **Plug #2 (Mancos top, 4640' – 4540')**: Spot 12 sxs Class B cement balanced plug inside casing to cover the Mancos top. PUH.
3. **Plug #3 (Mesaverde top, ²⁹⁷¹3680' – ²⁸⁷¹3580')**: Spot 12 sxs Class B cement balanced plug inside casing to cover the Mesaverde top. PUH.
4. **Plug #4 (Pictured Cliffs and Fruitland tops, ²¹⁷⁰2174' – ¹⁸³¹1898')**: Spot ~~25~~ sxs Class B cement balanced plug inside casing to cover the Pictured Cliffs and Fruitland tops. PUH.
5. **Plug #5 (Kirtland and Ojo Alamo tops, ¹⁶⁴⁰1665' – ¹³⁴⁰1440')**: Spot ~~21~~ sxs Class B cement balanced plug inside casing to cover the Kirtland and Ojo Alamo tops. PUH.
6. **Plug #6 (8-5/8" Surface casing shoe, 263' to Surface)**: Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 25 sxs cement and spot a balanced plug from 263' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in 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 from 263' and the annulus from the squeeze holes to surface. 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 BLM stipulations.

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 7 Dunn

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) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Place the Mesaverde plug from 2971' – 2871'.
 - b) Place the Pictured Cliffs/Fruitland plug from 2170' – 1831'.
 - c) Place the Kirtland/Ojo Alamo plug from 1640' – 1340'.

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.