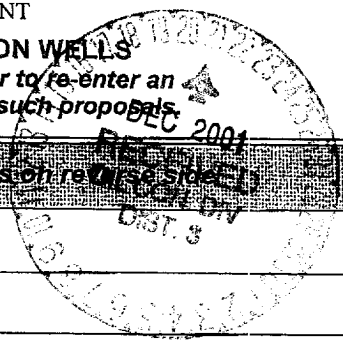


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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
 CONOCO, INC.

3a. Address
 P.O. BOX 2197 DU 3066HOUSTONTX77252

3b. Phone No. (include area code)
 (281)293-1005

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 L, Sec. 18 T26N R3W
 1650' FSL & 790' FWL

5. Lease Serial No.
 CONT 98

6. If Indian, Allottee or Tribe Name
 APACHE

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

8. Well Name and No.
 APACHE 2

9. API Well No.
 30-039-20185

10. Field and Pool, or Exploratory Area
 BASIN DAKOTA, WILD HORSE GALL

11. County or Parish, State
 RIO ARRIBA
 New Mexico

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 type="checkbox"/> Re-complete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" 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 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.)

Conoco proposes plug and abandon this well using the attached procedure. Also attached is a current and proposed wellbore schematic.

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

Name (Printed/Typed) DEBORAH MARBERRY	Title REGULATORY ANALYST
Signature <i>Deborah Marberry</i>	Date 12/10/2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title Lands and Mineral Resources	Date DEC 17 2001
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, makes 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 reverse)

PLUG AND ABANDONMENT PROCEDURE

12/7/01

Apache #2

Basin Dakota / Wildhorse Gallup
1650' FSL and 790' FWL, Section 18, T26N, R3W
Rio Arriba County, New Mexico, API 30-039-20185
Lat N 36^ 29' Long W 107^ 11'

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. 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/sx yield.

1. Install and test rig anchors. Prepare blow pit. Comply to all NMOC, BLM and Conoco safety rules and regulations. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. NU relief line and blow well down; kill with water as necessary. ND wellhead and NU BOP and stripping head; test BOP. RU offset spool and 1-1/4" BOP rams.
2. TOH and LD 234 joints 1-1/4" EUE Gallup tubing, total 7342'. Pull up on Baker Model D seal assembly and work free. TOH and tally 252 joints 1-1/4" EUE tubing, 7959'. If necessary LD tubing and PU 2-3/8" tubing workstring. Run a wireline gauge ring or casing scraper to 7720'.
3. **Plug #1 (Dakota perforations and top, 7994' – 7670')**: TIH and set a 5-1/2" CR at 7720'. Pressure test tubing to 1000#. Mix and pump 76 sxs cement, squeeze 64 sxs below CR to fill Dakota perforations and then spot 12 sxs cement above retainer. TOH with tubing.
4. **Plug #2 (Gallup perforations and top, 7278' – 6690')**: Set 5-1/2" CR or CIBP at 7278'. Load casing with water and circulate well clean. Pressure test casing to 500#. If casing does not test, then spot or tag subsequent plug as appropriate. Mix 74 sxs cement and spot balanced plug inside casing to isolate the Gallup perforations and cover the top. PUH to 5335'.
5. **Plug #3 (Mesaverde top, 5335' – 5235')**: Due to unknown top of cement, perforate 3 squeeze holes at 5335'. If casing tested then establish rate into squeeze holes. If unable to establish rate, then set inside plug from 5385' to 5235' with 23 sxs cement. If the casing did not test or a rate is established into the squeeze holes then set a cement retainer at 5285'. Mix 47 sxs cement and squeeze 30 sxs outside and spot 17 sxs inside the casing to cover the Mesaverde top. PUH to 3670'.
6. **Plug #4 (Pictured Cliffs, Fruitland, Kirtland and Ojo Alamo tops, 3670' – 2940')**: Mix 91 sxs cement and spot balanced plug inside casing to cover through the Ojo Alamo top. PUH to 1140'.
7. **Plug #5 (Nacimiento top, 1755' - 1655')**: Mix 17 sxs cement and spot balanced plug inside casing to cover the Nacimiento top. TOH and LD tubing.
8. **Plug #6 (8-5/8" casing shoe, 250' - Surface)**: Perforate 2 HSC squeeze holes at 250'. Establish circulation to surface with water. Mix approximately 100 sxs cement and pump down the 5-1/2" casing to circulate good cement out bradenhead. Shut in well and WOC.
9. 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.

Apache #2

Current

Basin Dakota / Wildhorse Gallup

SW, Section 18, T-26-N, R-03-W, Rio Arriba County, NM

API #30-039-20185

Lat N 36° 29' / Long W 107° 11'

Today's Date: 12/07/01
Spud: 4/13/69
Completed: 6/20/69
Elevation: 6939' GL
6951' KB

12-1/4" hole

8-5/8" 32.4#, K-55 Csg set @ 200'
Cmt w/175 sxs (Circulated to Surface)

TOC @ Unknown, (Calculates to be at Surface with 75%, but had partial returns while cementing)

Nacimiento @ 1705'

WELL HISTORY

Jan '00: Failed packer leakage test

Ojo Alamo @ 2990'

DK 1-1/4" Tubing @ 7959'
(252 joints 2.4# EUE)

Kirtland @ 3110'

GL 1-1/4" Tubing @ 7342'
(234 joints 2.4# EUE)

Fruitland @ 3365'

Pictured Cliffs @ 3620'

DV Tool @ 3757'
Cmt with 900 cf

Mesaverde @ 5285'

TOC Unknown Calculates to be at DV Tool with 75%, but no returns while cementing)

DV Tool @ 5995'
Cmt with 600 cf

Gallup @ 6740'

TOC @ DV Tool (Calc, 75%)

Gallup Perforations:
7328' - 7342'

Dakota @ 7800'

Baker Model "D" Packer @ 7770 (1969)

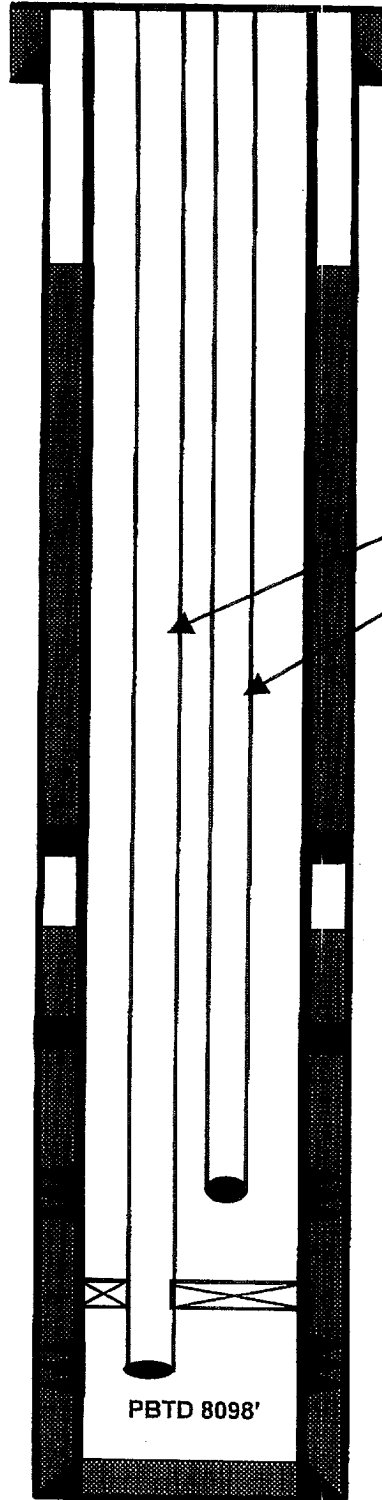
Dakota Perforations:
7806' - 7994'

PBTD 8098'

5-1/2" 14,15.5#/17#,K-55 Csg set @ 8126'
Cmt with 325 sxs (504 cf)

7-7/8" hole

TD 8127'



IN REPLY REFER TO
3162.3-1 (017)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
Albuquerque Field Office
435 Montano N.E.
Albuquerque, New Mexico 87107

Company Conoco, Inc.

Well No. Apache #2

Location 1650' FSL & 790' FEL Sec. 18, T26N, R3W, NMPM

Lease No. Jicarilla Contract 98

Government Contacts:

Bureau of Land Management , Albuquerque Field Office Office 505.761.8700

Manager: Steve Anderson, Assistant Field Manager 505.761.8982

Petroleum Engineer: Brian W. Davis 505.761.8756, Home 505.323-8698,
Pager 505.381.0346, Cell 505.249.7922,

Petroleum Engineering Technician: **Bryce Hammon, Office 505.759.1823, x-31, Cell 505.320.9741**

BLM Geology / Environmental Contact: Patricia M. Hester 505 761.8786

GENERAL REQUIREMENTS
FOR
OIL AND GAS OPERATIONS FEDERAL & INDIAN LEASES

1. Plugging operations authorized are subject to the "General Requirements for Permanent Abandonment of Wells on Federal and Indian Leases."
2. For wells on Indian leases, Bryce Hammond with the Jicarilla Nation Tribal Oil and Gas Office is to be notified at least 24 hours (48 hours if possible) before the plugging operations commence. His phone number is (505) 759-1823, x-31 office, (505) 320-9741 cell. Office hours are 7:45 a.m. to 4:30 p.m.
3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made :
N/A

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. Questions? Call Pat Hester at (505) 761-8786.

1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location. Non-retrieved flowlines and pipelines will be abandoned in accordance with State Rule 714. Information supporting the non-retrieval will be included in the subsequent report or final abandonment Sundry Notice.

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 can be remediated on-site according to these guidelines or disposed of in an approved 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" in depth before reseeding.

4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to deter vehicle travel. Access will be ripped to a minimum of 12" in depth, water barred and reseeded. All erosion problems created by the development must be corrected prior to acceptance of release. Water bars should be spaced as shown below along the fall line of the slope:

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

5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required). Seed mix must be certified weed free to avoid the introduction of noxious weeds. Refer to the original APD for seed mix.

6. Notify Surface Managing Agency seven (7) days prior to seeding so that they may be present to witness.

7. The period of liability under the bond of record will not be terminated until the well is inspected and the surface rehabilitation approved.

Other Surface Managing Agencies (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, a letter from the fee owner stating that the surface restoration is satisfactory will be provided to the office. Questions? Call Pat Hester at (505) 761-8786.