FORM APPROVED OMB No 1004-0137 BUREAU OF LAND MANAGEMENT Expires: October 31, 2014 OCD Hobbe 5. Lease Serial No. NMLC058698A SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abatical well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well 8. Well Name and No. MCA UNIT 349 Other X Oil Well Gas Well 9. API Well No. 30-025-24545 2. Name of Operator ConocoPhillips Company 10. Field and Pool or Exploratory Area 3b. Phone No. (include area code) 3a Address MALJAMAR: GRAYBURG-SAN ANDRES 3300 N "A" Street Midland TX 79705 (432)688-6938 11. County or Parish, State Location of Well (Footuge, Sec., T.,R.,M., or Survey Description, UII M 75' FSL & 1295' FWL, SEC 23, 17S, 32E LEA 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Water Shut-Off Production (Start/Resume) Acidize Deepen X Notice of Intent Well Integrity Reclamation Alter Casing Fracture Treat Other New Construction Recomplete Casing Repair Subsequent Report Change Plans X Plug and Abandon Temporarily Abandon Water Disposal Plug Back Final Abandonment Notice Convert to Injection 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.) ConocoPhillips respectfully requests to P & A this wellbore per attached procedure & wellbore schematic. RECLAMATION PROCEDURE ATTACHED SEE ATTACHED FOR CONDITIONS OF APPROVAL I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Title Staff Regulatory Technician Ashley Martin Date 06/14/2012 Signature

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.

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

eptitle the applicant to conduct operations thereon

Approved by

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

ConocoPhillips, as operator of the MCA Unit in Lea County, New Mexico, requests approval to permanently plug and abandon MCA 349 (30-025-24545) in a manner as described below following unsuccessful efforts to repair collapsed casing and recover parted tubing & rods.

During recent well work for suspected parted rods, the production casing was found collapsed @ 2280. Repair efforts commenced February 2, 2012 and were suspended March 1, 2 012. During those efforts, the casing was exited @ 2280. The production tubing was recovered to 2280 ft. There remains 1817 ft. of 2-7/8" production tubing (2280-4097) below the casing collapse w/ 1781 ft of rods and pump inside the tubing (4082-4083). Efforts to recover tbg below the casing collapse have been unsuccessful....exit casing @ 2280 and enter OH interval 2280-2316 (5-1/2" x 7-7/8" OH TOC: 2903; Salt Section: 1050-2150).

It is proposed to permanently plug and abandon MCA 349 by placing cement from approximately 2200 to surface.

- RIH w/ 2-7/8", 6.5#, J-55 tbg open-ended to approximately 2250. Circ well w/ fresh water. POOH.
- Obtain cement bond log (CBL) from approximately 2280 to surface. 2.

Note:

If CBL-indicates absence of cement across Salt Section (TOS: 1050, BOS: 2150), 5-1/2" csg will be perforated approximately 50 ft. below BOS & TOS and 50 sx (11.75 bbl) will be placed underneath retainer positioned approximately 50 ft. above BOS & TOS w/ approximately 45 sx (10.5 bbl) placed behind casing (equivalent to 340 ft. cmt column in 5-1/2"csg x 7-7/8" drill-hole annulus).

Plug-1: 2050-2200 3.

Perforate 5-1/2", 14# csg at approximately 2200 ft (within 50 ft. below BOS @ 2150) RIH w/ 2-7/8" tbg & cmt retainer. Set retainer @ 2100 (approximately 50 ft. above BOS). Obtain PIR w/ 10 bbl fresh water.

Mix & pump 50 sx (11.75 bbl) Class C cement. Displace tbg w/ 11 bbl fresh water (tbg capacity to retainer: 12.2 bbl)

Release from retainer. POOH w/ 10 stands. Est EOT: 1500. Est TOC: 2050. Reverse tbg w/ 20 BW (tbg cap.: 8.7 bbl).

POOH. SD 4 hrs. RIH w/ tbg open-ended. Tag TOC @ 2050.

4. Plug-2: 1568-2050

Mix & pump 50 sx (11.75 bbl) Class C cement. Displace w/ 8.8 bbl fresh water. POOH w/ 10 stands. Est EOT: 1450. Est TOC: 1568. Reverse tbg w/ 15 BW (tbg cap.: 8.4 bbl). SD 4 hrs. RIH & tag TOC @ 1568.

- Plug-3: 1087-1568 5. Mix & pump 50 sx (11.75 bbl) Class C cement. Displace w/ 6.0 bbl fresh water. POOH w/ 10 stands. Est EOT: 968. Est TOC: 1087. Reverse tbg w/ 10 BW (tbg cap.: 5.6 bbl). SD 4 hrs. RIH & tag TOC @ 1087.
- 6. Plug-4: 964-1087 Perforate 5-1/2", 14# csg at approximately 1070 ft (within 50 ft. below TOS @ 1050)

RIH w/ 2-7/8" tbg & cmt retainer. Set retainer @ 1000 (approximately 50 ft. above TOS). Obtain PIR w/ 10 bbl fresh water.

Mix & pump 50 sx (11.75 bbl) Class C cement. Displace tbg w/ 5.0 bbl fresh water (tbg capacity to retainer: 5.8 bbl)

Release from retainer. POOH w/ 10 stands. Est EOT: 400. Est TOC: 968. Reverse tbg w/ 5 BW (tbg cap.: 2.3 bbl).

POOH. SD 4 hrs. RIH w/ tbg open-ended. Tag TOC @ 968.

7 Plug-5: 814-968

Mix & pump 16 sx (3.8 bbl bbl) Class C cement. Displace w/ 6.0 bbl fresh water. POOH w/ 10 stands. Est EOT: 368. Est TOC: 814. Reverse tbg w/ 5 BW (tbg cap.: 2.1 bbl). SD 4 hrs. RIH & tag TOC @ 810.

8. Plug-6: Surface Plug

Perforate within 50 ft. above CBL-indicated 5-1/2" x 8-5/8" TOC (current TOC above 846; 8-5/8", 20# @ 860: cemented to surface).

Open 5-1/2" x 8-5/8" annulus

Establish PIR & circulate 5-1/2" x 8-5/8" annulus w/ fresh water

Mix & pump sufficient Class C cmt to fill 5-1/2" & 5-1/2" x 8-5/8" annulus to surface (approximately 6 bbl/ 100 ft....26 sx/ 100 ft.).

NOTE: BLM to be notified minimum of 4 hours prior to cut-off of casing.

Wellhead cut-off to commence within 10 calendar days of final plug.

All casing to be cut-off at deeper of: base of cellar or 3 ft. below final restored ground level.

Well be capped w/ 4" OD x 10 ft. pipe, 4 ft. above ground & embedded in cement OR If well is within Prairie Chicken habitat area, marker will consist of an 8" x 8" steel plate positioned 2" above ground level.

P&A markers to be inscribed w/ the following:

Well (name & number):

MCA 349

Operator:

ConocoPhillips

Location:

75 FSL & 1295 FWL, 23M-17S-32E

Lease Serial & API Number:

NMLC-058698 API: 30-025-24545

The following is a summary of current downhole configuration:

MCA 349 (API. 30-025-24545)			
75 FSL & 1295 FWL 23M-17S-32E	_		
Elev.: 3991 KB; 3980 GL (KB - GL: 11 ft.)	Depth: f	t (RKB)	
	top	btm	
8-5/8", 20#	surface	860	10 05.73: Cmt w/ 500 sx. Circ cmt to surface
5-1/2", 14#, J-55	surface	4250	10 12.73: Cmt w/ 325 sx. TOC: 2903 (temperature survey)
Squeezed Perforation	800		07.06.85 Sq w/ 250 sx. TOC unknown Did not circ cmt to surface
Squeezed Perforation	865		07.04.85: Sq w/ 250 sx. TOC @ 846 (temp survey 07.06.85)
			07.09.85: Test sq perfs 800 & 865 @ 500#-15 min. OK.

Salt Section	1050	2150	
		2280	02.22.12: Recovered 6 ft piece of casing while milling 2274-2280.
5-1/2" casing window	. 2274	2280	02.15.12. Ran free-point 100% free @ 2270; 100% stuck @ 2280
Collapsed 5-1/2" Casing	2280		02.15.12. Ran free-point 100% free @ 2270, 100 % stuck @ 2200
5-1/2" Csg Leak Section	2613	2727	07.02.85: Sq gross interval 2656-2727 w/ 150 sx
,			07 03.85: Sq gross interval 2636-2727 w/ 150 sx
			07 11.85 Sq gross interval 2613-2727 w/ 150 sx
	2702	2715	07.16.85. Unable to pass 5-1/2" RBP @ 2708
Possible 5-1/2" Csg Restriction	2702	2/15	07.17.85 [.] Tag @ 2702 w/ 3-1/2" swage.
			: Mill 2702-2711 w/ 4-3/4" string taper mill
			10.20.87: RIH w/ 4-3/4" bit Tag restriction @ 2715
		<u> </u>	10.20.87: RIP W 4-3/4 bit Tag restriction @ 2713
Remaining in Well (02.2012)			
2-3/8", 4.7#, J-55 tbg	2280	4036	
2-7/8", 6.5#, poly-lined, J-55 tbg	4036	4067	
2-7/8" SN	4067	4068	·
2-7/8" SOPMA	4068	4097	
Remaining in Well (inside tbg) (02.2012)			
- 3/4" Gr. C Sucker Rods	2302	4002	
1-1/2" Sinker Bars	4002	4052	
Insert Pump	4052	4068	
Gas Anchor	4068_	4083	
D. C. et al. Establish			10.15.73° Perforate
Perforation Intervals	3958	4039	Grbg @ 1 spf: 3959, 3986, 3991, 4001, 4018, 4022, 4035, 4039
Grayburg	4108	4120	SA @ 1 spf: 4108, 4112, 4116, 4120
San Andres	4100	4120	07.16.85. Re-perforate
			Grbg @ 1 spf: 3958, 3985, 3987, 3989,
			4001, 4019, 4029, 4034, 4037 & 4039
•			SA @ 2 spf: 4109-4111 & 4115-4116
Possible Fill/Junk	4158	,	10.21.87: Clean-out 4158. Tag solid fill. Drl 15" in 1 5 hrs w/ metal in
PBD	4189		10.15.73: Collar log (correlated to OH SNP: 10.12.73)
TD		4250	10.11.73: TD 7-7/8" hole

MCA 349 (API: 30-025-24545), located 75 FSL & 1295 FWL, 23M-17S-32E) was drilled to a TD of 4250 (-259 RMSL) October 1973. The well was selectively perforated within the Grayburg gross interval 3959-4039 (+32/-48) and the San Andres gross interval 4108-4120 (-117/-129). Due to behind-pipe communication, the combined Grayburg & San Andres completion interval was frac-treated in 2 equal stages w/ a total of 30,000 gal & 60,000# sand. On initial potential, MCA 349 tested 119 BOPD & 66 BWPD (10.24.73).

During June-July 1985, MCA 349 was converted to a water injection well at which time it was necessary to swage out the partially collapsed 5-1/2" casing section: 2700-2715 followed by 3

separate squeeze efforts (total 500 sx) to repair casing leaks within the gross interval 2619-2725. Injection service was limited. The well was subsequently TA w/ CIBP positioned 2725 w/ IPC injection tubing & PKR positioned @ approximately 2700....in essence straddling the collapsed casing section. The well was returned to production status in October 1987.

In February 2012, it was determined that the 5-1/2" casing had collapsed @ 2280 w/ tubing & rods in the well. During workover efforts, the tubing was recovered to 2280 & the rods were recovered to 2302. There remains approximately 1800 feet of tubing w/ approximately 1770 ft of rods & insert pump remaining inside tubing below the collapsed casing. During efforts to recover the tubing & rods, the casing was exited @ approximately 2200. Multiple efforts to re-enter the 5-1/2 casing below 2200 have been unsuccessful. Prior to the casing collapse, MCA 349 tested 4 BOPD & 8 BWPD. Cumulative production has been: 139.4 MBO, 72.8 MMCF & 295.1 MBW (10.73-09.11)

	MCA 349 (API: 30-025-24545)
	75 FSL & 1295 FWL 23M-17S-32E
	Elev.: 3991 KB; 3980 GL (KB - GL: 11 ft.)
10.04 73	Spud 12-1/4" hole. Drl: surface-308
10.05.73	Drl 12-1/4" hole: 308-860.
	Run 8-5/8", 20# csg @ 860. Cmt w/ 500 sx. Circ cmt to surface
10.06 73	Drl 7-7/8" hoie. 860-2317
10.07.73	Drl 7-7/8" hole: 2317-2850
10.08.73	Dri 7-7/8" hole: 2850-3077
10.09.73	Drl 7-7/8" hole: 3077-3702
10.10.73	Drl 7-7/8" hole: 3702-3956. Encountered water flow while drlg @ 3794
10.11 73	Drl 7-7/8" hole: 3956-4250 TD
10.12.73	Run OH logs Run 5-1/2", 14#, J-55 csg @ 4250. Cmt w/ 325 sx TOC: 2903.
10.15.73	Perforate @1 spf:
	Grbg 3959, 3986, 3991, 4001, 4018, 4022, 4035, 4039
	San Andres: 4108, 4112, 4116, 4120
	RIH w/ 2-7/8" tbg, PKR & RBP. Set RBP @ 4140.
10.16 73	Spot acd across San Andres perforated interval: 4108-4120. Set PKR @ 4052.
	Acd San Andres perfs: 4108-4120 w/ 750 gal 15% NE Fe HCl w/ bs @ 5.5 BPM.
	Acd-frac w/ 1000 gal treated fresh water pad & 1500 gal 28% NE HCl.
	Note:
	San Andres 4108-4120 comm w/ Grbg 3959-4039 after 500 gal acd on formation.
	Comm after 500 gal acd in formation (csg prs incr to 2000#). Over-flush w/ 750 gal fresh water
	P(max): 3600#. P(min): 2700# AIR: 6 BPM. ISIP 1800# (grad.: 0.87 psi/ft.).
	Re-set RBP @ 4140. Re-set PKR @ 3878. Frac down 2-7/8" tbg in 2 stages:
	1st Stg: 1500 gal treated gel fresh wtr pad followed by 15,000 gel fr wtr & 30,000# 20/40 sand
	Pump 250 gal gelled fresh wtr w/ 200# BAF & 300# RS (200# prs incr w/ block on formtion)
	2nd Stg: 1500 gal treated gel fresh wtr pad followed by 15,000 gel fr wtr & 30,000# 20/40 sand
	P(max): 3600# P(min): 3500#. AIR 17 BPM ISIP: 2250#
10.24.73	IPP: 119 BOPD & 66 BWPD.
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	Workover: Convert to WIW
06.28.85	RIH w/ 2-7/8" tbg w/ 5-1/2" csg scraper. Stack out @ 2690. POOH
00.20.03	RIH w/ 4" csg swage, jars, BS, 8: 3-1/2" DC on 2-7/8" tbg Swage 5-1/2" csg: 2700-2715 POOH.
06.29.85	RIH w/ 4-3/4" swage, BS, 8: 3-1/2" DC & 2-7/8" tbg. Tag @ 2700. Swage 5-1/2" csg: 2700-2715 RIH to 4152. POOH.
06.29.65	RIH w/ RBP, PKR & 2-7/8" tbg. Set RBP @ 2996. Test @ 1000#. Set PKR @ 2520. Test backside (surface-2520) @ 500#.
	Pump down tbg @ 2.5 BPM-300#. Re-set RBP @ 3935. Set PKR @ 2743. Test (2743-3935) @ 500#. SDOWE.
	5-1/2" csg leak interval: 2520-2743; PIR: 2.5 BPM @ 300# (5-1/2" TOC: 2903)
07.02.85	POOH w/ tbg & PKR. Remove retrieving head. RIH w/ tbg & PKR. Spot 2 sx sand on RBP @ 3935.
07.02.00	Set PKR @ 2489. Test csg-tbg annulus (surface-2489) @ 500#. Pump 150 sx @ 1 BPM-250# Stage flush over 45 min. Pump
	(2-7/8" tbg capacity to PKR @ 2489: 14.4 bbl; est top of cmt column in 5-1/2",14# : 2656)
07.03 85	Test squeeze. PIR: 2 BPM-400#. Tie-on 8-5/8" surface valve. Test to 800#. Test csg-tbg (5-1/2" x 2-7/8") annulus @ 500#.
07.03.00	Pump 200 sx & flush w/ 18 bbl @ 2 BPM-400#est top of cmt column in 5-1/2", 14#. <u>2636</u>
07 04.85	Test squeeze interval (2520-27432520-2636) @ 1000# for 15 min. POOH w/ tbg & PKR. Perforate 5-1/2" csg @ 865 RIH w/
07 04.00 €	Set PKR @ 606. Load csg-tbg annulus Obtain PIR @ 2 BPM-800# w/ "weak" circulation up 5-1/2" x 8-5/8".
	Pump 250 sx & flush w/ 10 BW @ 2 BPM-800#. No cement to surface SI. Prep to run temp survey.
	(2-7/8" tbg capacity to PKR @ 606: 3.5 bbl; est top of cmt column in 5-1/2",14# . 872)
07.06.95	TOC behind 5-1/2" @ 846 (sq perfs: 865cement went south). Perforate 5-1/2" csg w/ 4 shots @ 800. RIH w/ tbg & PKR.
07.06.85	Set PKR @ 575. Load csg-tbg annulus. Obtain PIR down tbg. 2 BPM-800# w/ "weak" circulation up 5-1/2" x 8-5/8"
	Pump 250 sx & flush w/ 5.5 BW @ 1 5 BPM-800# No cement to surface. SIOWE
07.00.05	(2-7/8" tbg capacity to PKR @ 575: 3.3 bbl; est top of cmt column in 5-1/2",14# : 664)
07.09.85	TOC in 5-1/2" @ 650. Test 5-1/2" csg @ 500# for 15 min POOH w/ tbg & PKR. RIH w/ tbg, 4: 3-1/2" DC & 4-5/8" bit.
07.10.05	Drl out cmt: 689-870. Test sq perfs @ 800 & 865 @ 500#-15 min. Test OK.
07 10.85	RIH & tag cmt @ 2604. Drl cmt: 2604-2670 and fell out to 2712. Drl cmt: 2712-2727 POOH.
87.44.85	RIH w/ tbg & PKR (PKR set depth not reported) Test below PKR Obtain PIR. 1.5 BPM-800# POOH w/ tbg & PKR.
07.11 85	RIH w/ tbg & cmt retainer. Set retainer @ 2613. Obtain PIR: 3 BPM-1350#.
	Pump 200 gal Flo-Check foamed w/ 200 SCF nitrogen/bbl, 100 sx 50/50 CalSeal-Class C cmt foamed w/ 200 SCF/bbl.
	Tail-in w/ 50 sx cmt Flush w/ 14 BFW (tbg capacity to retainer @ 2613: 15.1 bbl). AIR: 3 BPM-1350#. POOH w/ tbg.
07.12.85	RIH w/ tbg, 4 3-1/2" DC & 4-5/8" bit. Tag cmt @ 2609. Drl out cmt: 2609-2613. Drl out cmt retainer @ 2613.
	Drl cmt to 2725. Test csg @ 500# for 15 min. test OK. POOH w/ tbg, DC & bit.
07.13 85	RIH w/ tbg & csg scraper to 3970 POOH. RIH w/ tbg w/ retrieving head for RBP. Circ sand off RBP. POOH w/ tbg & RBP.
	RIH w/ 2-7/8" tbg OE to 4120. Circ well w/ treated wtr.
07 16 85	Pickle tbg w/ 2 bbl 15% HCl Rev out acd. Spot 4 bbl across perfs 3959-4170 POOH.
	Perf Grbg @ 1 spf 3958, 3985, 3987, 3989, 4001, 4019, 4029, 4034, 4037 & 4039
	Perf SA @ 2 spf: 4109-4111 & 4115-4116.
	RIH w/ tbg, PKR & RBP. Unable to pass RBP @ 2708 POOH.
07.17.85	RIH 3-7/8" swage, 1: 3-1/2" DC, 1: 4-3/4" string taper mill, 1. 3-1/2" DC on 2-7/8" tbg
07.40.05	Tag tight spot @ 2702 Mill: 2702-2711 & fell through
07.18.85	RIH to 2730. Did not tag anything. POOH. RIH w/ tbg, PKR & RBP. Set RBP @ 3130 Set PKR @ 2665. Test @ 800#.
07.40.05	RIH & re-set RBP @ 4132. Test RBP. Set PKR @ 4045.
07.19.85	Acd SA gross interval: 4108-4120 and comm w/ Grbg. Re-set PKR @ 3872.
	Acd gross Grbg & SA interval: 3958-4120 w/ 70 bbl 15% HCl w/ 2 bs every 2 bbl. AIR: 1.3 BPM. ATP: 2500#.
07.00.05	ISIP: 2470#. SITP(15 min): 2150#. SITP(3 hrs): 1250#
07.20.85	Back-flow 93 bbl w/ 4% oil cut. POOH w/ tbg, PKR & RBP.
	RIH w/ injection PKR, OFT & 2-3/8" IPC tbg Set PKR @ 3610. Test annulus (2-3/8" x 5-1/2") @ 500#.
	NOTE: Bad casing section within 2619-2725
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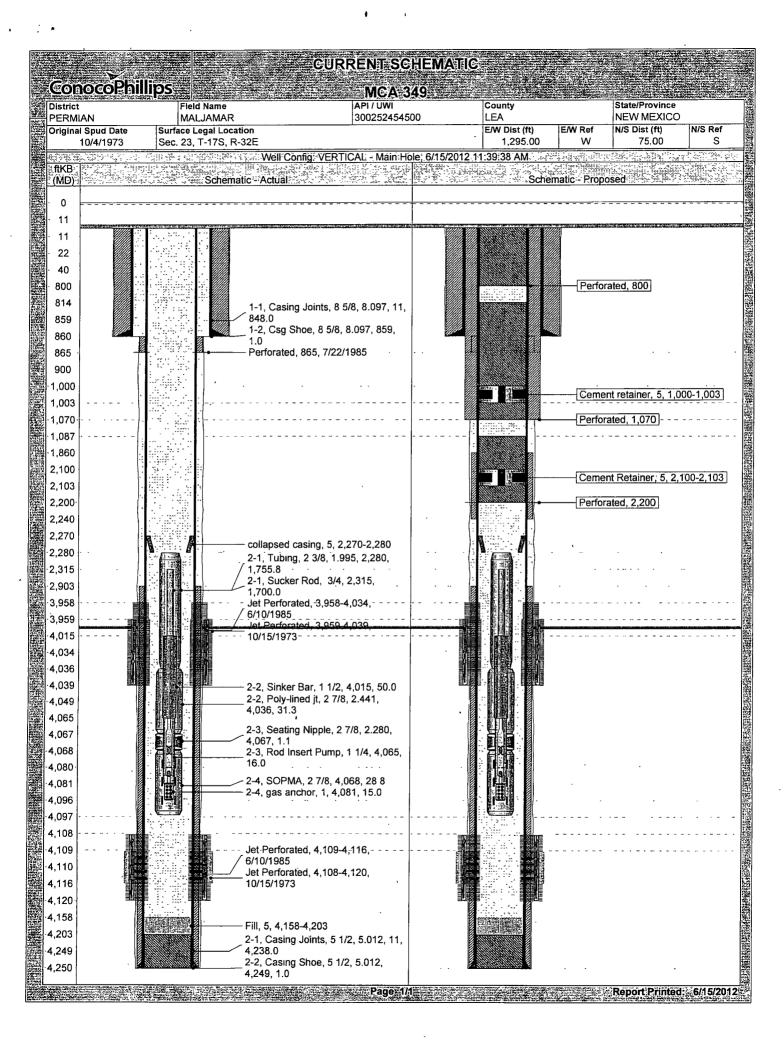
10.17.87	ND well. NU BOP. Release PKR. Test tbg-csg annulus @ 500#
10.20 87	POOH & LD 88 jts @-3/8" IPC tbg PKRNote: 88 jts suggest PKR @ approximately 2700.
•	RIH w/ 4-3/4" bit, 8 DC & 2-7/8" tbg. Tag tight spot @ 2715. Drl out CIBP @ 2725. Well started flowing oil & gas ARO BPH.
	NOTE: PKR & CIBP placement suggest possible csg problems within 2700-2725
	MI frac tank. Flow well over-night.
10.21.87	Recovered approx 60 bbl. Clean out to 4158 (btm perforation: 4120). Tag solid fill. Drl 15" in 1.5 hrs w/ metal in returns
10.22.87	POOH. RIH w/ production tbg
10.23.87	RIH w/ rods & pump. Return to production
10.24 87	Pump 6 BOPD & 187 BWPD
10.25 87	Pump 24 BOPD & 244 BWPD
10 27.87	Pump 20 BOPD & 161 BWPD
10.28.87	Pump 13 BOPD & 133 BWPD
	Workover, Downhole Failure
02 09.12	POOH w/ rods. Rods parted on 91st rod from surface (3/4" body break)
	RIH to fish rods. Tagged 3 ft high. Unable to latch onto rods POOH
02.10.12	Pump 50 bbl hot water down 2-3/8" x 5-1/2" annulus. Attempt to latch onto rods. Stack-out 26 ft. high.
	RIH to perf tbg. Tag @ 2298. Perf tbg @ 2285 w/ 4: 0 5" holes. Pump 20 bbl hot water down tbg (2-3/8" tbg capacity to perfs: 8.8
	ND well NU BOP.
02 13.12	Attempt to POOH w/ tbg. Tbg stuck ND BOP. NU well. RIH w/ rods. Attempt to recover parted rods. Tag @ 2280 (5 ft above tb
	Note tag was softperhaps paraffin, WL tag depth: 2298)
02.14.12	Pump 30 bbl hot fresh water down 2-3/8" tbg. Attempt to work fishing tool down hole Stacked-out @ 2280.
	Pump hot water down 2-3/8" x 5-1/2" annulus. Circ up tbg. Prs decr from 500# to 200# while circulating
	POOH w/ rods & fishing tool. Fishing tool had abrasive marks on OD. ND well. NU BOP. Attempt to POOH w/ tbg Tbg stuck.
	Attempt to rotate tbg. Tbg torque immediatelyunable to get 1 round rotation
02.15 12	Free-point tbg. Tbg 100% stuck @ 2280. Tbg 100% free @ 2270. Chem cut tbg @ 2230 (btm SOPMA @ 4110, tbg cut to btm S
	RIH w/ 91 rods POOH & LD 91 rods POOH & LD 2-3/8" tbg.
02.16.12	ND BOP. NU annular BOP. PU & RIH w/ 4-11/16" OS w/ 2-3/8" basket grapple, BS, hyd jars, 4. 3-1/2" DC, intensifier & 2-7/8" W
	Engage OS @ 2230. Work tbg 5 hrs. Tbg moved/stretched 21". Top of tbg. 2228.25; btm SOPMA @ 4108
02 17.12	Jar tbg 5 hrs. Moved tbg uphole 10 ft. Top of tbg: 2218.25. Jar tbg 2.5 hrs. Move tbg uphole 1.5 ft. Top of tbg: 2216.75; btm @ 40
02.20.12	Jar tbg 7 hrs. Tbg moved 4". Top of tbg: 2216.4; btm @ 4097 (total tbg movement: 13.6 ft)
02.21.12	RIH w/ SOD 4-3/4" shoe w/ 4 ft extension, 3 jts: 4-1/2" WP, 4· 3-1/2" DC, hyd jars & 2-7/8" WS. Tag inside 5-1/2" csg @ 2270
	Mill 2270-2279.
02.22 12	Mill 2279-2280. Fell thru RIH to 2316 POOH Rec 64 ft tbg (2216-2280) & 6 ft piece of 5-1/2" csg (possible 5-1/2" csg window
	Note. Stacked-out @ 2316
	Note: may have cut csg window 2274-2280 & possibly exited 5-1/2" csg
	Note Btm 17 ft of recovered tbg (2263-2280) was collapsed w/ perf holes (tbg was perforated @ 2285 & jarred uphole 13 ftpe
	NOTE: tbg was perforated at reported depth 2285 & chem-cut @ 2231 chem-cut to perforations: 55 ft
	tbg was jarred uphole 13 ft chem-cut @ 2217 & perforated tbg @ 2272 chem-cut to perforations: 55 ft.
	measured recovery 64 ft (tbg-cut to tbg perforation)suspect chem-cut made @ 2221 w/ tbg perfs @ 2285(2285 - 222
	OR tbg perfs made @ 2295 w/ chem-cut 2231(2295 = 2231 = 64 ft.)
	btm 17' of recovered tbg was collapsedperforated @ 2285 (or 2295) less 17' suggests tbg jarred thru restriction 2268 (or
	RIH w/ 4-1/2" OD lead impression block Tag @ 2274 (top of csg restriction) POOH Block had deep cut marks on side & btm.
	NOTE: Able to run 4-3/4" shoe w/ 4-1/2" WP to 2316 RIH w/ 4-1/2" impression block & tag up @ 2274
02.23.12	SDhigh winds
	RIHw/ 2-7/8" x 8' tbg sub OE, 4-3/4" tapered string mill, hyd jars, 4: 3-1/2" DC & 2-7/8" tbg Tag @ 2270 (top of csg restriction)

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Ma No	ork OS through csg restriction @ 2270 Est circ w/ 60 BFW. RIH & tag @ 2316. Work mill to 2334 Pull 15,000# over stri de several unsuccessful attempts to engage OS & pulled free POOH w/ BHA. te: neither mill or grapple had any indication of setting on tbg. Rec traces of red bed in OS & DC SD.
No	te: neither mill or grapple had any indication of setting on tbg. Rec traces of red bed in OS & DC SD.
	possibly exited csg within interval 2270-2280 and tagging up @ 2316 in OH-csg annulus. (5-1/2" TOC: 2903; Salt sect
5 A.	: Est circ w/ 60 BFWmay suggest behind-pipe void volume equivalent to 255 sx
02.28.12 Att	empt to run csg inspection logsoftware problems
02.29.12 Ru	n csg inspection log: 2250-surface. Log indicated possible holes 1010-1030 (csg.jt. 1010-1048) RIH w/ tbg & DC POOH
03.01.12 ND	BOP. NU well.

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ConocoPhillips Company 3300 N "A" Street Midland, TX 79705

RE: LC058698A; MCA Unit 349

75' FSL & 1295' FWL, Sec. 23, T17S-R32E

Lea County, New Mexico

Plugging and Abandonment changes to procedure.

Add plug prior to (3.) by setting a packer above the fish @ 2200' +/-. Establish injection rate and report to Jim Amos @ 575-234-5909. Squeeze 200 sack cement plug. WOC and tag. Repeat until such time as a base is established or squeeze failure.

3. Utilize packer instead of retainer. Perforate and squeeze 120' plug from 2200'-2080'. WOC and tag TOC @ 2080'.

Combine plugs 6. & 7., by perforating @ 1100' and squeezing adequate cement to fill from 1100'-810'. WOC and tag no lower than 810'.

If any questions, contact Jim Amos @ 575-234-5909 (office), or 575-361-2648 (cell)

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

- 2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

- 7. <u>Subsequent Plugging Reporting</u>: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**
- 8. <u>Trash:</u> All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation procedure.

J. Amos 3/6/11

Requirements for ground level dry hole markers <u>Well Identification Markers</u> Conditions of Approval (COA)

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

- 1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry hole marker stand pipe 2 inches from ground level, in the Lesser Prairie Chicken habitat area.
- 2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum ¼ inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.
- 3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.
- 4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.
 - a. First row: Operators name
 - b. Second row: Well name and number
 - c. Third row: Legal location to include ½½, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the ½¼ (example: 1980 FNL 1980 FWL) being on the top row.
 - d. Fourth row: Lease Number and API number.
 - i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a ground level dry hole marker was installed as required in the COA's from the BLM.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E. Greene St Carlsbad, New Mexico 88220-6292 www.blm gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its predisturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- 1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
- 2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

- 5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
- 7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos Supervisory Environmental Protection Specialist 575-234-5909, 575-361-2648 (Cell)

Terry Gregston Environmental Protection Specialist 575-234-5958

Bobby Ballard Environmental Protection Specialist 575-234-2230

Randy Rust Natural Resource Specialist 575-234-5943

Linda Denniston Environmental Protection Specialist 575-234-5974

Jennifer Van Curen Environmental Protection Specialist 575-234-5905

Justin Frye Environmental Protection Specialist 575-234-5922 Cody Layton Natural Resource Specialist 575-234-5959

Trishia Bad Bear Natural Resource Specialist 575-393-3612

Todd Suter Surface Protection Specialist 575-234-5987

Doug Hoag Civil Engineering Technician 575-234-5979

Tanner Nygren Natural Resource Specialist 575-234-5975

John Fast Natural Resource Specialist 575-2345996