

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-29947
5. Indicate Type of Lease STATE X <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E - 03150 - 11
7. Lease Name or Unit Agreement Name WF State 36
8. Well Number #1
9. OGRID Number
10. Pool name or Wildcat Basin Fruitland Coal

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Lance Oil & Gas Company, Inc.	
3. Address of Operator P.O. Box 70, Kirtland, NM 87417 Attn: Tom Erwin	
4. Well Location Unit Letter <u>P</u> : <u>805</u> feet from the <u>South</u> line and <u>820</u> feet from the <u>East</u> line Section <u>36</u> Township <u>30N</u> Range <u>15W</u> NMPM San Juan County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>5296' GI 5301' KB</u>	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON X ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Lance Oil & Gas Company, Inc., proposes to plug and abandon the above referenced well according to the attached P&A procedure.

RCVD FEB8'07
OIL CONS. DIV.
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Thomas M. Erwin TITLE Production Superintendent DATE 2/07/07
Thomas M. Erwin, P.E. 2/7/07

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: H. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE FEB 08 2007
Conditions of Approval (if any):

2/9

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979

Farmington, New Mexico 87499

505-325-2627 * fax: 505-325-1211

PLUG AND ABANDONMENT PROCEDURE

February 1, 2007

WF State 36 #1

Basin Fruitland Coal

805' FSL and 820' FEL, Section 36, T30N, R15W

San Juan County, New Mexico / API 30-045-29947

Lat: N _____ / Lat: W _____

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Note: The stabilizing wellbore fluid will be: drilling mud with sufficient weight to balance all exposed formation pressures. Cement is ASTM Type III mixed at 14.8 ppg with 1.32 cf/sx; neat or with 15% salt by weight of water (for expansion, MSHA requirement through the mined coal zone). Excess cement volumes are specified for each plug below.

- **All personnel entering the BHP coalmine property must take the Mine Hazards class at the well site at commencement of the project. (Everyone)**
- **A-Plus employees or sub-contractors working on the project will attend field safety training class and receive a 5023 certificate. (Rig hands, wireline operators, fisherman and Supervisors)**
- **All vehicles will be safety inspected daily upon entering the mine.**

PROCEDURE:

1. This project will require a C-103 pit request filed with the NMOCD.
2. Test the rig anchors; replace if necessary. Prepare a lined earthen pit; 10' x 20' x 6' for drilling mud and cementing waste fluid. Set a water storage tank on location and fill with fresh water. Set a mud pit and power swivel on location for drilling operations. Have a portable toilet on location.
3. Comply with all applicable MSHA, NMOCD, BLM, Lance and BHP Billiton safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Lay relief line to the pit. Pull rods if present.
4. ND wellhead and install BOP and companion flange. Function test the BOP. TOH and tally 2.375" tubing, total 595'. PU a 3-7/8" bit or mill and TIH with tubing. Establish circulation with water and then drill out the bridge plug at 606' (reported to be a RBP, if it is retrievable then pull; need to review well file). Clean out to PBTD or as deep as possible. Must clean out to 676' or greater. Circulate well clean as necessary.
5. **Plug #1 (Pictured Cliffs perforations, PBTD – 595'): TIH with 4.5" cement retainer and set at 595' (Note: if CCL log available then set a wireline CR). Establish rate into the PC perforations, then mix 20 sxs Type III neat cement with 15% salt, squeeze all the cement under the CR to fill the Pictured Cliffs perforations. Sting out of the CR and reverse circulate cement well clean at 595'. (Note: the "rathole" interval from 583' to 595' is necessary for the section milling tool to be able to cut out the 4.5" casing in step #10.)**

PLUG AND ABANDONMENT PROCEDURE

February 1, 2007

WF State 36 #1

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Continued:

6. TOH with setting tool and stand back the tubing. Wait on cement. While WOC pick up a 3-7/8" mill tooth bit, 6 - 3-1/8" drill collars and the 2-3/8" drill pipe. TIH to approximately 500'. Mix mud in steel pit and then circulate the well with 45 Vis mud. Tag the CR at 595'. TOH with bit and drill pipe.
7. **Note: The intervals to be mill out below are from ground level – not KB.** Rig up Jet West wireline and run a Gamma – Neutron log and a directional survey log. Adjust the milling intervals as appropriate from these logs.
8. PU a 3-7/8" section mill and 6 - 3-1/8" drill collars (this is the under reaming bottom hole assembly). TIH with BHA and 2-3/8" drill pipe to 550'. PU the power swivel and establish circulation with mud.
9. **Mill out a 30' section of 4.5" casing from 553' to 583'.** Start milling out the 4.5" casing from 553' down to 583'. Mill per the tool hands instructions for weight on mill, circulation rate and power swivel's RPM. Circulate well clean. PUH to 489'.
10. **Mill out a 1' section of 4.5" casing from 489' to 490'.** Start milling out the 4.5" casing from 489' down to 490'. Circulate well clean. TOH and LD the drill pipe, drill collars and the BHA.
11. **Plug #2 (Fruitland Coal interval, 595' – 300'):** TIH with 2.375" tubing to 595' and circulate the well clean with water. Then pump a 5 bbls fresh water spacer ahead of the cement. Mix 40 sxs Type III cement (100% excess) with 15% salt (by weight of water) and spot a balanced plug from 595' up to 100' to fill the Fruitland Coal perforations and milled intervals. Displace cement with water. TOH with tubing and then squeeze the cement down to approximately 300' inside the 4.5" casing; squeezing 20 sxs outside the casing.
12. WOC. Then TIH with tubing and tag cement. Pressure test the casing to 500#.
13. **Plug #3 (7" Surface casing shoe, from TOC to Surface):** Connect the pump line to the bradenhead valve. Pressure test the BH annulus to 300#; note the fluid volume to load. If the BH annulus tests, then mix approximately 25 sxs Type III neat cement or 15% salt cement and spot a balanced plug inside the 4.5" casing from the TOC of plug #2 up to surface to cover the 7" surface casing shoe. TOH and LD the tubing.

* If the BH annulus does not test, then perforate at the appropriate depth and fill the bradenhead annulus and 4.5" casing with cement to surface. TOH and LD tubing. Shut in well and WOC.
14. ND BOP and cut off wellhead below surface. Install P&A marker with cement to comply with regulations. RD, MOL. Cut off anchors and clean up location.

WF State 36 #1

Current

Basin Fruitland Coal

805' FSL & 820' FEL, Section 36, T-30-N, R-15-W
San Juan County, NM / API #30-045-29947

Lat: N _____ / Long: W _____

Today's Date: 2/01/07

Spud: 7/26/99

Comp: PC: 12/20/99

FtC: 2/05/03

Elevation: 5296' GL

5301' KB

8.75" Hole

Fruitland Coal #9 Seam @ 490' to 498'

Fruitland Coal #8 Seam @ 564' to 589'

Pictured Cliffs @ 610'

6.25" Hole

TD 802'
PBTB 714'

TOC at Surface, Circulate 13 bbls.

7" 20#, Casing set @ 134'
50 sxs cement, Circulated to surface

WELL HISTORY

Dec '99: Completed the PC zone.

Fed '03: Set RBP at 606' to TA the PC perforations. Complete the Fruitland zone. Plan to dewater and then commingle.

No Records of RBP being removed.

2.375" Tubing set at 595'

Fruitland Coal Perforations:
565' - 569'
574' - 586'

RBP set @ 606'

Pictured Cliffs Perforations:
610' - 626'

4.5" 10.5# Casing set @ 775'
Cemented with 116 sxs (181 cf),
Circulate 13 bbls cement to surface

WF State 36 #1

Proposed P&A

Basin Fruitland Coal

805' FSL & 820' FEL, Section 36, T-30-N, R-15-W
San Juan County, NM / API #30-045-29947

Lat: N _____ / Long: W _____

Today's Date: 2/01/07
Spud: 7/26/99
Comp: PC:12/20/99
FtC: 2/05/03
Elevation: 52960' GL
5301' KB

8.75" Hole

TOC at Surface, Circulate 13 bbls.

7" 20#, Casing set @ 134'
50 sxs cement, Circulated to surface

Plug #3: TOC – Surface
Type III cement or 15%
salt cement, 25 sxs

Plug #2: 595' – 300'
Type III cement, 40 sxs
100% excess with 15%
salt (by weight of water)

Fruitland Coal #9 Seam @ 490' to 498'

Fruitland Coal #8 Seam @ 564' to 589'

Fruitland Coal Perforations:
565' - 569'
574' - 586'

Set Cement Ret @ 595'

Pictured Cliffs @ 610'

Pictured Cliffs Perforations:
610' – 626'

Plug #1: PBTD – 595'
Type III cement, 20 sxs
with 15% salt

6.25" Hole

4.5" 10.5# Casing set @ 775'
Cemented with 116 sxs (181 cf),
Circulate 13 bbls cement to surface

TD 802'
PBTD 714'