BUREAU OF LAND MANAGEMENT Drawer 600 Farmington, New Mexico 87499-00600

Attachment to Notice of

Intention to Abandon

Re: Permanent Abandonment

Well: AXI Apache H

CONDITIONS OF APPROVAL

- 1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."
- 2. The Farmington office (telephone (505) 325-4572) is to be notified in sufficient time for a representative to witness all plugging operations.
- 3. Blowout prevention equipment is required.
- 4. In addition to normal filling of pits and cleanup of location, additional surface restoration work may be required, i.e. ripping of pad and/or access road, reseeding, etc. We have asked the Surface Management Agency for the surface restoration requirements for this well and we should be able to furnish you these requirements within 30 days. After plugging the well and before making final clean-up, you should contact this office unless you have already been advised as to what additional surface restoration work is required.
- 5. The following modifications to your plugging program are to be made (when applicable):

Office Hours: 7:30 A.M. to 4:15 P.M.

GENERAL REQUIREMENTS FOR PERMANENT ABANDONMENT OF WELLS ON FEDERAL LEASES FARMINGTON DISTRICT

- 1. Secure prior approval before changing the approved plugging program.
- 2. Plugging equipment used shall have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs.
- 3. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations.
- 4. All cement plugs are to be placed through tubing (or drillpipe) and shall be a minimum of 25 sacks or 100 feet in length, whichever is greater.
- 5. Any cement plug placed when well is not full of fluid, or when well may be taking fluid, will be touched after cement has set to verify proper location.
- Mud must be placed between plugs. Minimum consistency of plugging mud must be - 6. 9.2 lbs/gal. Brine is to be utilized for mixing mud where possible.
 - 7. Within 15 days after plugging work is completed, file Subsequent Report of Abandonment, form 9-331, in quintuplicate with District Supervisor, U.S.G.S., Drawer 600, Farmington, New Mexico 87499-00600. 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. All permanently abandoned wells are to be marked with a permanent monument, on which has been stenciled or beaded the well name, well number, and well location by quarter-quarter, section, township, and range. The monument is to be of steel pipe, not less than four inches in diameter, cemented permanently in the ground, and extending four feet above general ground level. The top should be closed with a screw cap, welding, or a cement plug.
- 9. After plugging work is completed:
 - a. Fill all pits, rat hole and cellar.
 - b. Clean well location of all equipment, concrete bases, pipe, junk and trash.
 - c. Cut or remove tie downs.
 - d. If last well on lease, and no additional drilling is contemplated, fill tank battery pits, remove battery equipment, and clean and level battery
 - e. Accomplish surface restoration as specified by the surface management agency or land owner.

All above are minimum requirements: The Subsequent Report of Abandonment will not be approved and the period of liability under the bond of record terminated until the lease is inspected and surface work approved.

Please advise this office when the well location is ready for final inspection.