## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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| Sundry Notices and Reports on   | Wells  |
| 1. Type of Well GAS   | 5. Lease Number SF-078882 6. If Indian, All.or Tribe Name  |
| 2. Name of Operator Meridian Oil Inc.   | 7. Unit Agreement Name<br>Canyon Largo Unit  |
| 3. Address & Phone No. of Operator Box 4289, Farmington, NM 87499 (505)326-9700               | <ol> <li>Well Name &amp; Number         Canyon Largo Unit #269     </li> <li>API Well No.</li> </ol> |
| 4. Location of Well, Footage, Sec, T, R, M. 1190'S, 825'W Sec. 20, T-25-N, R-6-W, NMPM        | 10.Field and Pool Ballard Pictured Cliffs 11.County and State Rio Arriba County, NM                  |
| 12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NO  | OTICE, REPORT, OTHER DATA  |
| Type of Submission Type of X Notice of Intent x Abandonment                                   | F Action  Change of Plans  New Construction  Non-Routine Fracturing  Water Shut Off                  |
| —— · · · · · · · · · · · · · · · · · ·  | Water Shut Off<br>g Conversion to Injection  |
| 13. Describe Proposed or Completed Operations   |  |
| It is intended to plug and abandon this well per and wellbore diagram.                        | the attached procedure   |
| DEC (   |  |
| D.:   | N. DIV.  |
| SEE ATTACHED FOR CONDITIONS OF APPROV   | VAL  |
| 14. I hereby certify that the foregoing is true Signed Mary Manufacture (LS) Title Regulatory | and correct  |
| (This space for Federal or State office use)  | 7 - Maria  |
| APPROVED BY TITLE CONDITION OF APPROVAL, IF ANY:  | DATE 1001  |

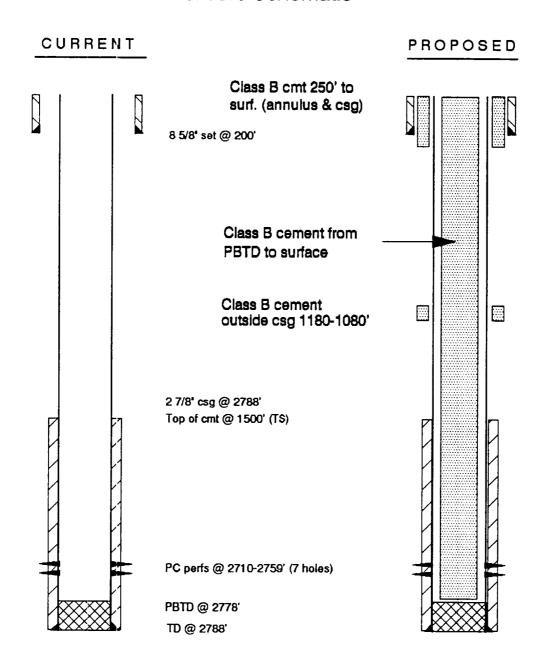
#### Plug and Abandonment Procedure Canyon Largo Unit #269

Note: Notify Mark Kelly with the Farmington BLM office (326-6201) at least 24 hours prior to commencement of plugging operations.

- MIRU Bedford rig on location and blow down well, kill with water if needed.
   ND WH and NU BOP assembly.
- 2. TIH with tubing open ended to 2770'.
- 3. Mix and place Class B neat cement (15.6 ppg, 1.18 ft3/sx yield, 5.2 gal of water/sx) from PBTD (2778') to 1180' by spotting cement 600' at a time and pulling the tubing to above the cement top.
- 4. Perforate 2 squeeze holes at 1180'. TIH with tubing open ended to 1150' and establish an injection rate out the squeeze holes with the bradenhead valve open, then pump 34 sxs (7.1 bbls) of cement into the casing annulus. Close the bradenhead valve and spot 4 sxs (.9 bbl) of cement in the casing. TOOH with the tubing. This will cover 50' above and 50' below the freshwater sand top at 1130' behind the pipe.
- 5. Continue out of the hole filling the casing with cement 600' at a time. Perforate two squeeze holes at 250'. Circulate 100 sacks of cement on the inside and outside of the casing from 250' to surface.
- 6. Cut off wellhead and set abandoned well marker.

# Canyon Largo Unit #269 Unit M Sect 20-T25N-R6W Rio Arriba County, New Mexico

### Wellbore Schematic



#### UNITED STATES DEPARTMENT OF THE INTERIOR

#### BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA 1235 LA PLATA HIGHWAY FARMINGTON, NEW MEXICO 87401

Attachment to Notice of

Re: Permanent Abandonment

Intention to Abardon

Well: 269 Canyon Lugo Unit

#### CONDITIONS OF APPROVAL

- 1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."
- 2. Mark Kelly with the Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 326-6201.
- 3. Blowout prevention equipment is required.
- 4. The following modifications to your plugging program are to be made (when applicable):

Office Hours: 7:45 a.m. to 4:30 p.m.

## GENERAL REQUIREMENTS FOR PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES FARMINGTON RESOURCE AREA

- 1. Secure prior approval either on a Sundry Notice (Form 3160-5) or verbally from the Fluids Drilling & Production Section at this office 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. The Operator is responsible for providing all measuring devices needed to assure proper measurement of materials being used.
- 3. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations. Unattended pits are to be fenced.
- 4. All cement plugs are to be placed through tubing (or drillpipe) and shall be a minimum of 100 feet in length with 50% excess inside casing or 100% excess when plug is set in open hole or squeezed into perforations. 15.6#/gal slurry weight is to be used when using class B neat cement or when CaCl<sub>2</sub> is used. Use the recommended slurry weight of other type cements when they are used (Class C, Pozzolan etc.).
- 5. Any cement plugs placed when well is not full of fluid, or when well may be taking fluid, (i.e. across perfs-unless bridge plug or retainer is used, across bad csg., or fresh water formations) will be tagged (touched) after cement has set to verify proper location.
  - 5a. Testing The first plug below the surface plug shall generally be tested by either tagging the plug with the working pipe string, or pressuring to a minimum pump (surface) pressure of 1000 psig, with no more than a 10 percent drop during a 15-minute period (cased hole only). If the integrity of any other plug is questioned, it must be tested in the same manner. Also, any cement plug which is the only isolating medium for a fresh water interval or a zone containing a valuable mineral deposit should be tested by tagging with the drill string.
- 6. Mud must be placed between plugs. Plugging mud is to be made up with a minimum of 15 lbs/bbl of sodium bentonite, and a nonfermenting polymer.

  Minimum consistency of plugging mud must be 9 lbs/gal and with a minimum viscosity of 50 sec/qt. Fresh water is to be utilized for mixing mud.
- 7. Following the placement of a cement plug, the withdrawl rate for at least the length of the cement plug shall not exceed 30 ft/min, in order to minimize the contamination of the plug.

- 8. Within 30 days after plugging work is completed, file a Sundry Notice (Subsequent Report of Abandonment, Form 3160-5), in quintuplicate with Area Manager, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. 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.
- 9. All permanently abandoned wells are to be marked with a regulation marker (4" pipe extending 4' above the ground line) containing the information as specified in 43 CFR 3162.6(d). Unless otherwise approved.
- 10. After plugging work is completed the surface is to be rehabilitated in accord with instructions from the Fluids Surface Management Section of the Farmington Resource Area Office.

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

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

Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1.

You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.