

CONDITIONS OF APPROVAL FOR PERMANENT ABANDONMENT

A-18-27N-02W

Operator EnRe Corporation Well Name Leavry Canyon 18A#1

1. Plugging operations authorized are subject to the "General Requirements for Permanent Abandonment of Wells on Federal Leases."
2. For wells on Federal leases, Al Yepa with the Cuba Field Office is to be notified at least 24 hours (48 hours if possible) before the plugging operations commence. His phone number is (505) 289-3748. Office hours are 7:45 a.m. to 4:30 p.m.

For wells on Jicarilla leases notify Erwin Elote with the Jicarilla Apache Tribe at least 24 hours (48 hours if possible) before the plugging operations commence. His phone number is (505) 759-3242.

3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made:

Plug #1: no modifications required

Plug #2: A cement plug will be placed from 3100' to 3200' to protect the Ojo Alamo.

Plug #3: A cement plug will be placed from 2670' to 2770' to protect the Nacimiento.

Plug #4: Before placing the plug from 225' to 325', the well bore will be perforated at 325' and circulation established through the annulus. At a minimum, the top 50' of the annulus must be filled with cement.

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