

Submit 4 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  
June 19, 2008

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-039-24375
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Questar Exploration and Production Company		6. State Oil & Gas Lease No. V-2258
3. Address of Operator 1050 17 <sup>th</sup> Street, Suite 500, Denver, CO 80265		7. Lease Name or Unit Agreement Name State J
4. Well Location Unit Letter <u>E</u> : <u>1850</u> feet from the <u>North</u> line and <u>990</u> feet from the <u>West</u> line Section <u>16</u> Township <u>23N</u> Range <u>7W</u> NMPM County <u>Rio Arriba</u>		8. Well Number <u>#3</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7243' GL		9. OGRID Number 23846
		10. Pool name or Wildcat Lybrook Gallup

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

NOTICE OF INTENTION TO:

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

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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.

Questar Exploration and Production Company proposes to repair a suspected casing leak on the State J #3 well, as seen in the attached casing repair procedure.

Also attached is the current wellbore diagram.

If you have any questions or concerns, please contact Sarah Boxley at (303) 672-6916.

RCVD AUG 17 '08  
OIL CONS. DIV.  
DIST. 3

Spud Date: 5/9/1989 Rig Release Date: 6/20/1989

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sarah Boxley TITLE Permit Agent DATE 8/14/09  
Type or print name Sarah Boxley E-mail address: Sarah.Boxley@questar.com PHONE: (303) 672-6916  
**For State Use Only**

APPROVED BY: Felix G. Rios TITLE Deputy Oil & Gas Inspector, District #3 DATE AUG 25 2009

Conditions of Approval (if any): NOTIFY NMOC AZTEC 24 HOURS PRIOR TO BEGINNING OPERATIONS

## CASING REPAIR PROCEDURE

August 7, 2009

### State J #3

Lybrook Gallup  
1850' FNL & 990' FWL, Section 16, T23N, R7W  
Rio Arriba, New Mexico, API #30-039-24375  
Long: -107.58501 / Lat: 36.22923

1. Install and / or test rig anchors. Comply with all NMOCD, BLM and Questar safety rules and regulations. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. NU relief line and blow well down; kill with 3% KCl water as necessary.
2. ND wellhead and NU BOP and stripping head; test BOP. TOH with the 2.375" tubing; note depth and quantity of scale or mud, if observed.
3. PU a 3.875" bit and 4.5" casing scraper and TIH. Install a SV in the SN and pressure test each row of tubing while TIH. Note: if tubing has paraffin, scale or mud inside, then do not run a SV until the tubing is clean. Round trip the bit and scraper to PBTD, determine if any perforations are covered with fill. TOH and LD scraper.
4. PU a 4.5" RBP and TIH. Set the RBP at 5300'. Load the casing with 3% KCl and circulate well clean. Pressure test the casing to 500#, hold for 30 minutes. If the casing leaks, then PU a packer and isolate the casing leak(s) – top and bottom hole.
5. Call A-Plus Office/Questar Representative for squeeze cementing instructions. May further isolate casing leaks by moving the RBP and packer. May run a Casing Inspection Log. Note: **Must notify the NMOCD before doing any cement squeeze work.**
6. Repair casing leak(s) per instruction with Class B cement. WOC. Drill out cement and pressure test each leak zone to 500#. TOH with bit.
7. Notify the NMOCD and then pressure test the casing to 500# for 30 minutes; record this test on a chart. *1000# MAX SPRING + 2 HOUR CLOCK SETTING*
8. Run a casing scraper and CO to RBP. Then circulate the well clean. TOH with scraper and TIH with the retrieving head (unloading well in 1500' stages if air package available). Release the RBP. TOH and LD RBP and retrieving head. If the perforations are covered with fill then clean out by circulating or bailing.
9. If scale was observed on the 2.375" tubing, consider acidizing the Gallup perforations with 1000 gallons 15% mud acid (with corrosion inhibitors, surfactant and iron additive). Let acid soak 2 to 3 hours before circulating or swabbing the well clean. TOH and LD bit.
10. Run production tubing per instructions provided by Questar. Land tubing at approximately 5670'. ND BOP and NU the wellhead.
11. RD and move off location

## State J #3

### Current

Lybrook Gallup

1850' FNL, 990' FWL Section 16, T-23-N, R-7-W, Rio Arriba, NM

API #30-039-24375 / Lat: 36.22923 / Long: -107.58501

Today's Date: 8/7/09  
Spud: 5/9/89  
Comp. 6/20/89  
FtC Completed. 8/1/08  
Elevation. 7243' GL  
7255' KB

12.25" hole

8.625" 23#, J-55 Casing set @ 215'  
Cement with 155 sxs, circ 5 bbl to surface

#### Well History

While cementing prod csg, cmt  
reported "bridged off with 40 bbl to  
disp" Drilled cement from 3220' -  
5753'

TOC @ 860' (CBL 1989)

Ojo Alamo @ 1494'

Kirtland @ 1584'

Fruitland @ 1845'

Pictured Cliffs @ 2110'

Chacra @ 2512'

Mesaverde @ 3602'

2.375" tubing at 5670'

Gallup @ 5326'

Gallup Perforations  
5480' - 5683'

7 875 " Hole

4 5", 11.6#, J-55 Casing set @ 5797'  
Cement with 1295 sxs

TD 5797'  
PBTD 5753'