

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

October 13, 2009

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

WELL API NO.

30-031-20248

5. Indicate Type of Lease

STATE ☐ FEE X ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Hospah Sand Unit

8. Well Number 84

9. OGRID Number

256689

10. Pool name or Wildcat

Upper Hospah

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 ☐ Gas Well ☐ Other: Injection Well

2. Name of Operator

Nacogdoches Oil & Gas Inc.

3. Address of Operator

PO Box 23418 Nacogdoches TX. 75963

4. Well Location

Unit Letter F : 1425' feet from the North line and 2600' feet from the West line
Section 1 Township 17N Range 9W NMPM McKinley County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6934' GR 6942' KB

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The HSU #84 Injection well has failed previous MIT's. NOG has preformed multiple squeezes to Repair this wellbore to pass an MIT. All repair attempts have failed as it appears the casing is failing. Due to this, NOG is requesting authorization to plug and abandon this wellbore. Due to the multiple squeezes a new bond log will need to be run to determine TOC for the surface annulus plug which will follow the plugging procedure. Surface will be remediated by removing contaminated soil, if needed and leveling location, removing related equipment, valves, electric and injection lines.

Plugging operations will begin within 7 days of finalization of plugging of the HSU #92 per OCD discussions in Santa Fe. District office will be notified 48 hours prior to beginning operation.

RCVD NOV 10 '10
OIL CONS. DIV.

Spud Date:

Rig Release Date:

DIST. 3

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

SIGNATURE

TITLE VP E&P

DATE: 10-21-2010

Type or print name:

Mike Allen

E-mail address: mike.allen@nogtx.com

PHONE: 918-260-7620

For State Use Only

APPROVED BY:

TITLE

Deputy Oil & Gas Inspector,
District #3

DATE

11-19-10

Conditions of Approval (if any):

* SEE CHANGES IN PROCEDURE

Plug and Abandonment Plan
Nacogdoches Oil & Gas Inc.
Hospah Sand Unit #84
1425' FNL & 2600' FWL
Sec. 6 T17N R8W
McKinley County, New Mexico

1. Comply with all OCD, NOG and contractor safety rules and regulations. Hold safety meetings each morning.
2. MIRU, AWS Workover rig, power swivel, pump truck. Check casing and bradenhead for pressure, bleed pressure off of well if necessary.
3. RIH with 2 3/8" workstring and tri-cone bit. Drill out cement from previous squeeze attempts to 1654' TD. Circulate hole clean. POOH with workstring, LD.
4. MIRU, Logging/Perforating truck, RIH with Bond Log Tool, run bond log from TD to surface to determine TOC. POOH with bond tool, LD. RIH with (2) 3/8" perforating shots @ 180 deg, and CCL, shoot at free point. POOH, LD.
** CBL MUST BE REVIEWED AND APPROVED BY NMOC PRIOR TO CONTINUING*
- * 5. Plug # 1- (Gallup Top, 1574'-1436')* RIH with 2 3/8" work string to approximately 1574' (GL) Pump 12 sks Class B cement from 1574' (KB) to approximately 1436' (50' above Gallup Sand plus 50' excess). Load casing with 8.33 ppg water through workstring from 1436' to squeeze holes'. POOH with workstring LD and attach 4 1/2" J-Packer. WCC MINIMUM 6 HOURS AND TAG
6. **Plug #2-(Squeeze and Surface plug).** RIH with workstring and packer, J-set packer. Pump Class B cement (Volume to be determined from Bond Log) through squeeze hole and circulate cement into 7 7/8" hole and around 4 1/2" casing to surface. At successful surface circulation, un-J Packer POOH with workstring LD. Pump cement to within 3' of surface. Allow cement to stabilize, top off cement within 3' of surface.
7. Cut off well 3' below ground and install P&A marker per OCD specifications. RD, cleanup MOL.
8. Restore location to OCD specifications by leveling location, removing contaminated soil and removing any associated equipment, valves, electric and injection lines.