| UNITED | | STATES | |
|------------|-----|--------|----------|
| DEPARTMENT | OF | THE | INTERIOR |
| BUREAU OF | LAI | ID M | MAGEMENT |

| Sundry Notices and Reports on Wel | ls |
|--|--|
| 1. Type of Well GAS | 5. Lease Number SF079758 6. If Indian, All. or Tribe Name 7. Unit Agreement Name |
| Name of Operator Meridian Oil Inc. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700 Location of Well, Footage, Sec., T, R, M 950'FNL, 1480'FEL Sec.18, T-29-N, R-4-W, NMPM | San Juan 29-4 Unit 8. Well Name & Number San Juan 29-4 U #12 |
| 12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE Type of Submission | |
| It is intended to plug & abandon this well per th wellbore diagram. SEE ATTACHED FOR CONDITIONS OF APPROVAL | e attached procedure and SCORPYED RECEIVED RECEIVED |
| Signed (DW) Title Regulatory Af (This space for Federal or State Office use) APPROVED BY Title CONDITION OF APPROVAL, if any: | |

PLUG AND ABANDONMENT PROCEDURE SAN JUAN 29-4 UNIT #12 NE/4, Section 18, T29N, R4W Rio Arriba County, New Mexico

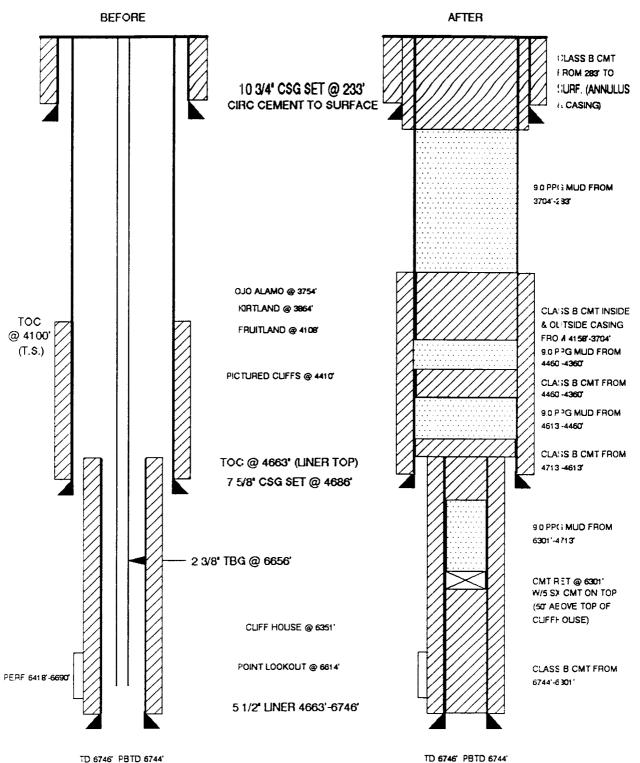
- MIRU Bedford rig on location and blow down well, kill with water if needed. ND WH and NU BOP assembly.
- 2. TOH w/2-3/8" tubing. Run gauge ring to 6301' on sand line. Run 5-1/2" cement retainer on 2-3/8" tubing and set @ 6301'. (50' above Cliffhouse). Pump 103 sx cement. This will cover all perfs to 50' above the Cliffhouse w/100% excess. Sting out of retainer and dump 5 sx cement on top of cement retainer and reverse circulate. Spot 39 bbls of 9.0 PPG mud from TOC to 4713'. Pressure test casing to 500 psi.
- 3. POH to 4713'. Spot 26 sx cement across liner top. This will cover from 4713-4613' (50' above and below liner top, 50% excess). POH to TOC. Spot 5 bbls of 9.0 PPG mud from TOC to 4460'.
- 4. POH to 4460'. Spot 34 sx cement from 4460-4360'. This will cover the Pictured Cliffs top 50' above and below w/50% excess. POH to TOC. Spot 7 bbls of 9.0 PPG mud from TOC to 4158'. TOOH.
- 5. Perforate 2 squeeze holes at 4080' (20' above TOC, 7-5/8" casing). Establish rate into squeeze holes with rams closed and bradenhead open.
- 6. TIH w/tubing to 4158'. Spot 297 sx cement inside casing. Pull out of cement. Open bradenhead and close rams. Squeeze 144 sx rement from 4080-3704' outside of casing. This will cover from 50' below the Fruitland to 50' above the Ojo Alamo (4158-3704') with 50% excess inside the casing and 100% excess outside the casing. WOC and tag cement top. Spot 9.0 PPG mud from TOC to 283' (approx. 151 bbls). TOOH.
- 7. Perforate 2 squeeze holes @ 283' (50' below surface casing) and establish circulation out bradenhead. Pump cement down casing and out bradenhead valve. Approximately 122 sx cement.
- 8. Cut off wellhead below surface casing flange and install dry hole marker to BLM specifications.
- 9. Restore location to BLM specifications.

Service Company:

Bedford, Inc. - Bill Clark 325-1211: Rig, cement, perf, water trucks, BOP, and dry hole marker.

SAN JUAN 29-4 UNIT #12

BLANCO MESAVERDE NE/4 SECTION 18, T29N-R04W



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 Abardonment

Intention to Abandon

Well: 12 San Juan 29-4 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)
- 3. Blowout prevention equipment is required.
- 4. The following modifications to your plugging program are to be made (when applicable):

Add a plug from 1395-1295 inside a outside 75%"
Cesing + 100% excess (Nacimiento)

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 CaCl₂ 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.