

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

OCT 18 2011

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5 Lease Serial No
NMSF - 079205

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2 Name of Operator
LIVELY EXPLORATION COMPANY

3a. Address
Post Office Box 3307
Farmington, NM 87499-3307

3b Phone No (include area code)
505-327-4902

7 If Unit of CA/Agreement, Name and/or No.

8 Well Name and No
LIVELY #27

9 API Well No.
30-045-21580

10 Field and Pool or Exploratory Area
BASIN DAKOTA

4 Location of Well (Footage, Sec, T., R, M, or Survey Description)
790°FSL & 790°FEL
SECTION 18, T28N-R8W

11 Country or Parish, State
SAN JUAN COUNTY, NM

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection)

LIVELY EXPLORATION PROPOSES TO PERMANENTLY PLUG AND ABANDON SUBJECT WELL PER THE ATTACHED PROCEDURE:

RCVD OCT 25 '11

OIL CONS. DIV.

DIST. 3

* Add Mancos plug from 4500' - 4600'
run current CBL and review w/ Agencies before cementing

14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
JIM HICKS

Title AGENT

Signature

Date 10/16/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason

Title

Date

OCT 20 2011

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOC

PLUG AND ABANDONMENT PROCEDURE

Lively #27

Basin Dakota
790' FSL and 790' FEL, Section 18, T28N, R8W
San Juan County, New Mexico / API 30-045-21580
Lat N 39.3938 / Long W 107.4298

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 14.8 ppg with a 1.18 cf/sx yield.

- 1 This project requires a NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up
- 2 Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
- 3 Rods: Yes ☐ , No ☒ , Unknown ☐
Tubing: Yes ☐ , No ☐ , Unknown ☐ , Size 1.25" , Length 6545'
Packer: Yes ☐ , No ☒ , Unknown ☐ , Type
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
- 4 Plug #1 (Dakota interval, 6436' – 6259') RIH and set 4 5" CR at 6436' Pressure test tubing to 1000 PSI Pressure test casing to 800 PSI *If casing does not test then spot or tag subsequent plugs as appropriate* Mix 18 sxs Class B cement and set a balanced plug inside casing to isolate the Dakota interval PUH
- 5 Plug #2 (Gallup top, 5588' – 5488') Mix 12 sxs Class B cement and set a balanced plug inside casing to cover the Gallup top TOH
- 6 **Plug #3 (Mesaverde top, 3817' – 3717'):** Perforate 3 squeeze holes at 3817'. Attempt to establish rate into squeeze holes if the casing pressure tested. Set 4.5" cement retainer at 3767'. Establish rate into squeeze holes. Mix and pump 30 sxs cement, squeeze 18 sxs outside the 4.5" casing and leave 12 sxs inside the casing to cover the Mesaverde top. TOH with tubing
- 7 **Plug #4 (7" casing shoe, Pictured Cliffs, Fruitland tops, 2407' – ¹²²⁵~~1770~~)**: Perforate 3 squeeze holes at 2407'. Attempt to establish rate into squeeze holes if the casing pressure tested. Set 4.5" cement retainer at 2357'. Establish rate into squeeze holes. Mix and pump ~~126~~ sxs cement, squeeze ~~70~~ sxs outside the 4.5" casing and leave ~~53~~ sxs inside the casing to cover through the Fruitland top. TOH with tubing
- 8 **Plug #5 (Kirtland and Ojo Alamo tops, 1282' – 977'):** Perforate 3 squeeze holes at 1282'. Attempt to establish rate into squeeze holes if the casing pressure tested. Set 4.5" cement

Chaco Plug →
3112' - 3012'
inside + outside
4 1/2" casing

retainer at 1232'. Establish rate into squeeze holes. Mix and pump 63 sxs cement, squeeze 36 sxs outside the 4.5" casing and leave 27 sxs inside the casing to cover through the Ojo Alamo top. TOH and LD tubing.

9. Plug #6 (9 625" casing shoe and surface, 316' - Surface). Perforate 3 squeeze holes at 316'. Establish circulation out the bradenhead valve with water. Mix and pump approximately 90 sxs cement down the 4 5" casing to circulate good cement out annulus valve. Shut well in and WOC.
10. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Lively #27

Current

Basin Dakota

790' FSL, 790' FEL, Section 18, T-28-N, R-8-W,

San Juan County, NM / API #30-045-21580

Lat N. 36.3938 / Long W. 107.4298

Spud: 11/30/74

Completed. 12/13/74

Elevation 5733' GI

Nacimiento @

13.75" hole

Ojo Alamo @ 1027' *est

Kirtland @ 1232' *est

Fruitland @ 1820' *est

Pictured Cliffs @ 2103' *est

8.75" hole

Mesaverde @ 3767'

Gallup @ 5538'

Dakota @ 6309'

6 25" hole

TOC @ surface, (Calc 75%)

9 625" 36#, K-55 Casing set @ 276'
Cement with 225 sxs (Circulated to Surface)

1 25" tubing at 6545'
(204 joints)

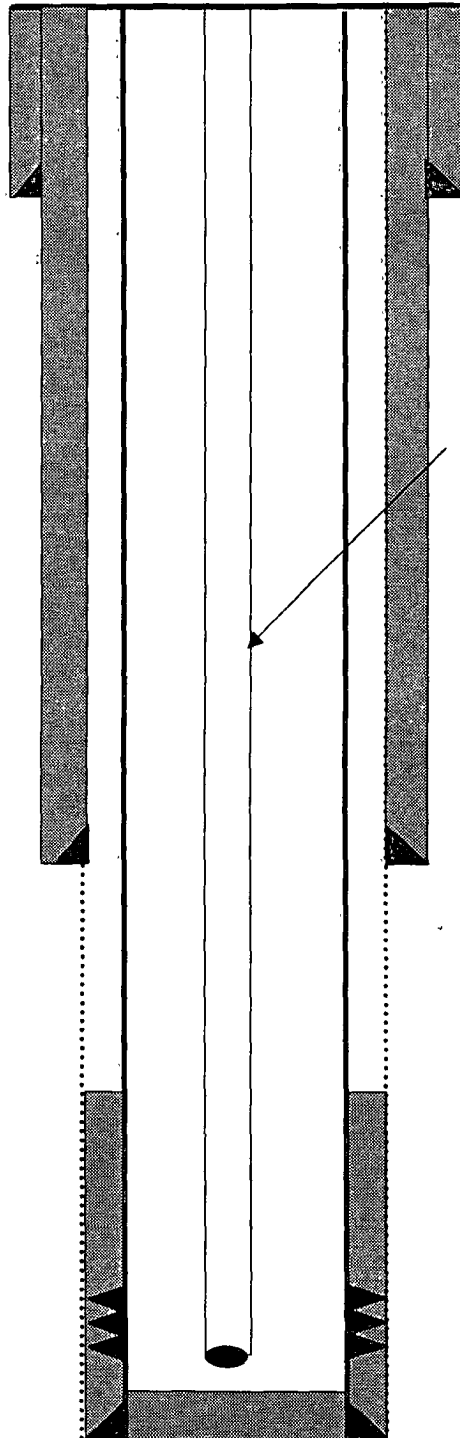
7" 20#, Casing set @ 2357'
Cement with 300 sxs (502 cf)

TOC @ 4074' (Calc, 75%)

Dakota Perforations
6486' - 6568'

4 5", 10 5#, K-55 Casing set @ 6609'
Cement with 250 sxs (346 cf)

TD 6610'



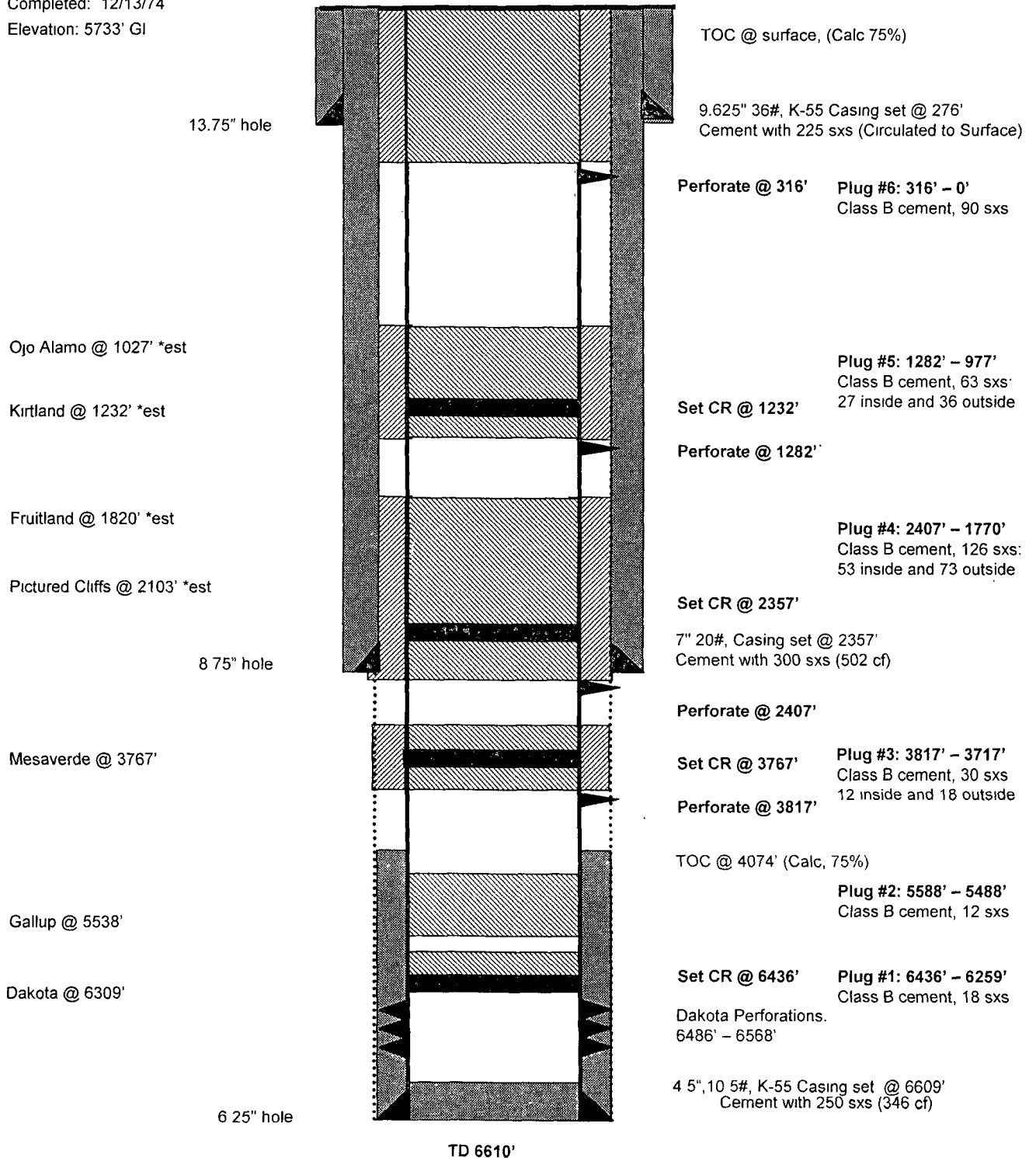
Lively #27

Proposed P&A

Basin Dakota

790' FSL, 790' FEL, Section 18, T-28-N, R-8-W,
San Juan County, NM / API #30-045-21580
Lat N. 36.3938 Long W. 107.4298

Spud 11/30/74
Completed: 12/13/74
Elevation: 5733' GI



**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 27 Lively

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."

2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.

3. The following modifications to your plugging program are to be made:

a) Place the Chacra plug from 3112' – 3012' inside and outside the 4 ½" casing.

b) Bring the top of the 7" Casing Shoe/Pictured Cliffs/Fruitland plug to 1725' inside and outside the 4 ½" casing.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

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