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CONDITION OF APPROVAL, if any:

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

2003 SEP -8 AM 11: 42

Date 9/9/03

Address & Phone No. of Operator 4900 College Blvd., Farmington, NM 87402  Location of Well, Footage, Sec., T, R, M 660' FNL and 2140' FEL, Sec. 20, T-27-N, R-1-W 9. API Well No. 30-039-20172 10. Field and Pool West Puerto Chiqu 11. County & State Rio Arriba County,  2. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA Type of Submission X Abandonment Recompletion Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Altering Casing Conversion to injection  3. Describe Proposed or Completed Operations  Benson-Montin-Greer Drilling Corporation plans to plug and abandoned this well per the attached procedure.  SEE ATTACHED FOR CONDITIONS OF APPROVAL		•	BUREAU OF LAND MAN		<b>*****</b>	
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#### PLUG AND ABANDONMENT PROCEDURE

July 2, 2003

Florance #1 NE, S20, T27N, R1W Rio Arriba County, New Mexico API: 30-039-20172

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 is ASTM Type II, mixed at 15.6ppg with a yield of 1.18 cf/sx.

- 1. Set steel pit. Comply with all NMOCD, BLM, and BMG safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. NU relief line and blow down well; kill with water as necessary.
- 2. ND wellhead and NU BOP. Test BOP.
- 3. TOH and tally 2-3/8" tubing, total 6850'. Visually inspect and if necessary LD tubing and PU workstring. Round-trip 5-1/2" gauge ring to 6900'.
- 4. Plug #1 (Niobrara Top, 5-1/2" Shoe, and 3-1/2" Liner Top: 7061' 6817'): TIH and set 5-1/2" cement retainer at 6867'. Load casing with water and circulate casing clean. Pressure test casing to 500 psi. Mix 22 sxs type II cement, squeeze 12 sxs below retainer and spot 10 sxs above the retainer to isolate the Niobrara perforations and cover the 5-1/2" shoe and 3-1/2" liner top. POOH.
- 5. Plug #2 (Mesaverde Top: 5575' 5475'): GIH and perforate 3 HSC squeeze holes at 5575'. If casing pressure tested, establish injection rate into perforations. TIH and set 5-1/2" cement retainer at 5525'. Establish injection rate below retainer. Mix 47 sxs type II cement, squeeze 30 sxs outside 5-1/2" casing and leave 17 sxs inside casing to cover the Mesaverde top. TOOH.
- 6. Plug #3 (Pictured Cliffs, Fruitland, Kirtland, and Ojo Alamo Tops: 3270' 2718'): GIH and perforate 3 HSC squeeze holes at 3270'. If casing pressure tested, establish injection rate into perforations. TIH and set 5-1/2" cement retainer at 3220'. Establish injection rate below retainer. Mix 231 sxs type II cement, squeeze 162 sxs outside 5-1/2" casing and leave 69 sxs inside casing to cover the Pictured Cliffs, Fruitland, Kirtland, and Ojo Alamo tops. TOOH.
- 7. Plug #4 (Nacimiento Top: 1620' 1520'): GIH and perforate 3 HSC squeeze holes at 1620'. If casing pressure tested, establish injection rate into perforations. TIH open ended with 2-3/8" tubing to 1620'. Mix 47 sxs type II cement, spot a balanced plug from 1620' 1174'. POH and LD 5 joints 2-3/8" tubing. Close pipe rams and squeeze 30 sxs outside 5-1/2" casing and leave 17 sxs inside casing to cover the Nacimiento top. POOH and LD remaining tubing.
- 8. Plug #5 (8-5/8" casing shoe and surface, 365' Surface): GIH and tag TOC. Perforate 3 squeeze holes at 365'. Establish circulation out the bradenhead with water and circulate clean. Mix and pump approximately 107 sxs cement down the 5-1/2" casing to circulate good cement out bradenhead. Shut well in and WOC.
- 9. ND BOP and cut off casing below surface. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

### 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

Re: Permanent Abandonment

Intention to Abandon

Well: Florance #1

### **CONDITIONS OF APPROVAL**

- 1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Leases."
- 2. Notify the Albuquerque Field Office (505-761-8700) and the Cuba Field Station (505-289-3748) at least 24 hours before the plugging operations commence.
- 3. The following modifications to your plugging program are to be made (when applicable):
  - 1. The volume of cement on the first (1<sup>st</sup>) cement plug (Niobrara) is to be increased to 25 sacks. Squeeze 15 sacks below the retainer.
  - 2. Cement plug #3 (Pictured Cliffs, Fruitland, Kirtland, and Ojo Alamo) is to be placed from 3498' to 3168' inside and outside the 5 ½" casing. The calculated volume of cement necessary is 165 ft<sup>3</sup> (140 sxs.) (Pictured Cliffs top at 3448', Ojo Alamo top at 3218')
- 4. Surface rehabilitation requirements must be complied with as applicable for Jicarilla Tribal lands.

# GENERAL REQUIREMENTS FOR PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES FARMINGTON FIELD OFFICE

- 1.0 The approved plugging plans may contain variances from the following <u>minimum general</u> requirements.
  - 1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.
  - 1.2 Requirements may be added to address specific well conditions.
- 2.0 Materials used must be accurately measured. (densimeter/scales)
- 3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.
  - 3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.
- 4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.
  - 4.1 The cement shall be as specified in the approved plugging plan.
  - 4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
  - 4.3 Surface plugs may be no less than 50' in length.
  - 4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
  - 4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.
- 5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.
  - 5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.

- 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established
- 5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.
- 6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.
  - 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
  - 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.
- 7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H<sub>2</sub>S.
- 8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), five copies, with the Field Manager, Bureau of Land Management, 1235 La Plata Highway, Suite A, Farmington, NM 87401. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.
- 9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.

All of the above are minimum requirements. 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.