

Submit 3 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

WELL API NO. 30-039-05160
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-5582
7. Lease Name or Unit Agreement Name State H
8. Well Number #2
9. OGRID Number 23846
10. Pool name or Wildcat Lybrook Gallup

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 ☐

2. Name of Operator
Questar Exploration and Production Company

3. Address of Operator
1050 17th Street, Suite 500, Denver, CO 80265

4. Well Location

Unit Letter K : 1880 feet from the South line and 1980 feet from the West line
Section 2 Township 23N Range 7W NMPM County Rio Arriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6903' GL 6917' 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Questar Exploration and Production Company plugged and abandoned the State H #2 well on 5/29/08.

Please see the attached operations summary.

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

Approved for plugging of wellbore only.
Liability under bond is retained pending
Receipt of C-103 (Subsequent Report of Well
Plugging) which may be found @ OCD web page
under forms.
www.emnrd.state.us/oed

RCVD JAN 29 '09
OIL CONS. DIV.
DIST. 3

Spud Date:

11/16/1961

Rig Release Date:

11/28/1961

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 1/27/2009

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 JAN 29 2009

Conditions of Approval (if any):

8

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979

Farmington, New Mexico 87499

505-325-2627 * fax: 505-325-1211

FILE

Questar Exploration & Production Company

May 30, 2008

State H #2

Page 1 of 2

1880' FSL & 1980' FWL, Section 2, T-23-N, R-7-W

Lease Number: E-5582

Rio Arriba County, NM

API #30-039-05160

Plug & Abandonment Report

Plugging Summary:

Notified BLM and NMOCD on 5/20/08

5/20/08 MOL and RU. SDFD.

5/21/08 Lockout / tagout not required. Check well pressure: tubing and bradenhead, 0 PSI; casing, 40 PSI. ND wellhead. Donut stuck in wellhead. Use nuts to jar donut out of wellhead. Pull up to 45,000# on stuck tubing. LD donut. Replace Questar wellhead with A-Plus wellhead. NU BOP, test. Pull up on tubing to 54,000# down to 21,000# several times until tubing free. POH with 173 joints 2.375" tubing. LD SN and notch collar. TIH with 168 joints tubing and 4.5" casing scraper to 5255'. POH with 10 stands. Shut in well. SDFD due to high winds.

5/22/08 Open well, no pressure. POH with tubing. LD casing scraper. TIH with 4.5" DHS CR. CR stacked out. Work CR through tight spot. TIH with 168 joints 2.375" tubing and set CR at 5255'. Pressure test tubing to 1500 PSI, held OK for 5 minutes. Load hole with 2 bbls of water. Establish circulation out casing. Circulate well clean with additional 80 bbls of water. Attempt to pressure test casing, leak 1 bpm at 400 PSI. **Plug #1** with CR at 5255', spot 42 sxs Class G cement (49 cf) with 4% CaCl₂ inside casing above CR from 5255' up to 4719' to isolate the Gallup perforations and top. PUH. WOC. TIH and tag cement at 4719'. POH with tubing and LD stinger. Shut in well. SDFD.

5/23/08 Open well, no pressure. Perforate 3 holes at 3520'. TIH with 4.5" DHS CR and set at 3472'. Sting out of CR. Load casing with 4 bbls of water. Circulate well clean with additional 10 bbls of water. Attempt to pressure test casing, leak 1.5 bpm at 500 PSI. Attempt to establish rate through CR, pressured up to 100 PSI, no leak off. Procedure change approved by Shelly Cowden, NMOCD representative. **Plug #2** with CR at 3472', mix and pump 21 sxs Class G cement (25 cf) inside casing from 3472' up to 3200' to cover the Mesaverde top. PUH. WOC. TIH and tag cement at 3284'. TOH with tubing. Perforate 3 holes at 2830'. TIH with 4.5" DHS CR and set at 2784'. Sting out of CR. Load casing with 4 bbls of water. Attempt to pressure test casing, leak 1 bpm at 500 PSI. Sting into CR. Establish rate 1 bpm at 1200 PSI through CR. Establish circulation out casing valve. Shut in casing valve. **Plug #3** with CR at 2784', mix and pump 66 sxs Class G cement (76 cf), squeeze 40 sxs outside casing pressured up from 1200 PSI to 1500 PSI, leave 4 sxs under CR, establish partial circulation out of bradenhead, open casing valve, and pump 22 sxs inside casing from 2784' up to 2500' to cover the Chacra top. TOH with tubing. Shut in well. SDFD.

A-PLUS WELL SERVICE, INC.

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Farmington, New Mexico 87499

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Questar Exploration & Production Company

State H #2

May 30, 2008

Page 2 of 2

Plugging Summary – Continued:

5/27/08 Open well, no pressure. TIH and tag cement at 2512'. Perforate 3 holes at 1985'. TIH with 4.5" DHS CR and set at 1939'. Sting out of CR. Load casing with 10 bbls of water. Attempt to pressure test casing, leak 1.5 bpm at 400 PSI. Sting into CR. Establish rate 1 bpm at 1000 PSI through CR. Establish circulation out the bradenhead with 2 bbls of water. Started circulating out casing. Shut in casing valve.

Plug #4 with CR at 1939', mix and pump 148 sxs Class G cement (167 cf) with 4% CaCl₂, squeeze 111 sxs outside casing, leave 4 sxs below CR pressured up from 1000 PSI to 1500 PSI, sting out of CR, open casing valve, and pump 30 sxs inside casing from 1939' up to 1555' to cover the Pictured Cliffs and Fruitland tops.

TOH and LD tubing. WOC. RIH with tag sub and tubing to 1689'. WOC. TIH and tag cement at 1438'. LD tag sub. Shut in well. SDFD.

5/28/08 Open well, no pressure. RIH with perf gun. Stacked out at 1033'. RIH with A-Plus bit sub and 3.875" bit. RIH with tubing to 1094'. Circulate hole clean with 20 bbls of water. Soft cement. Clean out hard cement at 1126'. Circulate hole clean with 20 bbls of water. Pressure test casing to 750 PSI, held OK for 10 minutes. Henry Villanueva, NMOCD representative, approved procedure change to perforate at 1126'. TOH with tubing. LD bit and sub. Perforate 3 holes at 1126'. Load casing with 20 bbls of water and establish rate 1.5 bpm at 750 PSI. RIH with 4.5" DHS CR and set at 1063'. Casing full. Plug #5 approved by Henry Villanueva, NMOCD. WOC one hour.

Plug #5 with CR at 1063', mix and pump 56 sxs Class G cement (65 cf), squeeze 40 sxs outside casing, 5 sxs under CR pressured up 750 PSI down to 500 PSI, sting out of CR and leave 40 sxs inside casing above CR from 1063' up to 962' to cover the Kirtland and Ojo Alamo tops.

TOH and LD all tubing. Perforate 3 holes at 258'. Load casing with 5 bbls of water. Water coming out in 8.625" wellhead. No packing. Wait on backhoe. Dig ditch from wellhead to pit. Circulate well clean with 30 bbls of water.

Plug #6 mix and pump 118 sxs Class G cement (136 cf) down 4.5" casing from 258' to surface, circulate good cement out bradenhead.

ND BOP. Dig out wellhead. Issue Hot Work permit. Bump test monitor, OK.

Monitor around wellhead, OK. Cut off wellhead. Found cement at surface in the 4.5" casing and in the annulus.

Mix 20 sxs Class G cement and install P&A marker.

5/29/08 RD. MOL.

Shelly Cowden, NMOCD representative, was on location.

Kirby Sanchez, Questar representative, was on location.