State of New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division

| API # (assigned by OCD) 30-039-06148 5. Lease Number 6. State Oil&Gas Lease # E-291-5 7. Lease Name/Unit Name Canyon Largo Unit 8. Well No. 101 9. Pool Name or Wildcat S.Blanco Pictured Cli |
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| _ Change of Plans |
| New Construction |
| Non-Routine Fracturing |
| Water Shut off |
| Conversion to Injection |
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PLUG AND ABANDONMENT PROCEDURE

7-2-98

Canyon Largo Unit #101

South Blanco Pictured Cliffs DPNO 50294A

990' FSL, 1650' FEL, / SE Sec. 2, T25N, R6W Latitude / Longitude: 36° 25.4342'/ 107° 25.9699'

Rio Amba County, New Mexico

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.

- 1. Install and test location rig anchors. Prepare blow pit. Comply to all NMOCD, BLM, and Burlington safety regulations.
- 2. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. NU relief line. Blow down well and kill with water as necessary. ND wellhead and NU BOP, test BOP.
- Plug #1 (Pictured Cliffs perforations, Fruitland tops, 2870' 2500'): Tally and PU 1-1/4" IJ tubing workstring. TIH with open ended tubing to 2870' or as deep as possible. Load casing with water if able or pump 30 bbls water down tubing. Mix and spot 15 sxs Class B cement (50% excess, due to next plug) to fill Pictured Cliffs perforations and cover Fruitland top. Pull up hole to 2425' and reverse circulate well clean, then TOH with tubing. Shut in well and WOC. While WOC, round-trip 2-7/8" gauge ring to 2415'. TIH with tubing and tag cement. Pressure test casing to 500#. If casing does not test, then spot or tag subsequent plugs as appropriate. TOH with tubing.
- 4. Plug #2 (Kirtland and Ojo Alamo top, 2415' 2100'): Perforate 2 squeeze holes at 2415'. If casing tested after plug #1, then mix and pump 167 sxs Class B cement down 2-7/8" casing. squeeze 157 sxs outside 2-7/8" casing from 2415' to 2100' and leave 10 sxs inside to cover Ojo Alamo top. If casing did not test, then set a 2-7/8" wireline cement retainer at 2365': POH with tubing. If cement retainer not used then WOC and tag cement with wireline. Pressure test casing to 500#.
- 5. Plug #3 (Nacimiento top, 620' 520'): Perforate 2 squeeze holes at 620'. Establish rate into squeeze holes. If casing tested then mix 54 sxs Class B cement and pump down 2-7/8" casing, squeeze 50 sxs outside 2-7/8" casing and leave 4 sxs inside casing to cover Nacimiento top. If casing did not test after plug #3, then set 2-7/8" wireline cement retainer at 570'. If no retainer then tag cement. POH and LD tubing.
- 6. Plug #4 (8-5/8"Casing shoe at 109"): Perforate 2 squeeze holes at 159". Establish circulation out bradenhead valve. Mix and pump approximately 59 sxs Class B cement down 2-7/8" casing, circulate good cement out bradenhead valve. Shut in well and WOC.

7. ND BOP and cut off wellhead below surface casing. Install P&A marker to comply with regulations. RD, MOL, cut off anchors, and restore location.

Recommended:

Orilling Superintone

7-14-99

Approval:

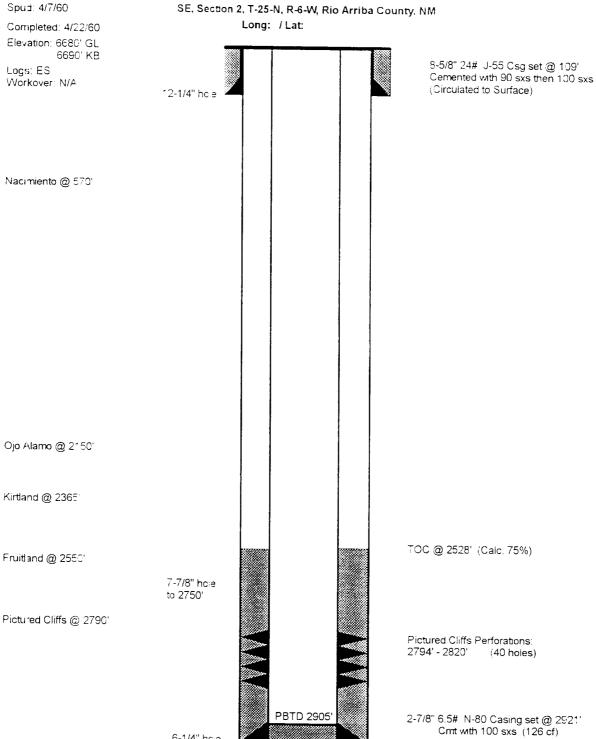
Canyon Largo Unit #101

Current DPNO 50294A

So. Blanco Pictured Cliffs

Today's Date: 7/2/98

SE, Section 2, T-25-N, R-6-W, Rio Arriba County. NM



TD 2925'

6-1/4" hc:e

Canyon Largo Unit #101

Proposed P&A

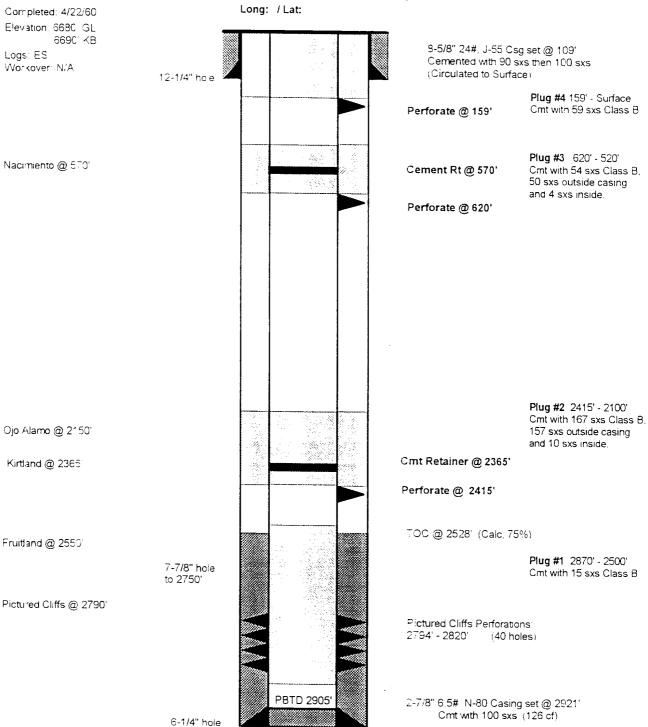
DPNO 50294A

So. Blanco Pictured Cliffs

Today's Date: 7/2/98

Spud: 4/7/60

SE, Section 2, T-25-N, R-6-W, Rio Arriba County. NM



TD 29251