

CONDITIONS OF APPROVAL FOR PERMANENT ABANDONMENT

Operator EnRe Corporation Well Name I-18-27N-c2w Leavry Canyon 18I#1

1. Plugging operations authorized are subject to the "General Requirements for Permanent Abandonment of Wells on Federal Leases."

2. For wells on Federal leases, Al Yepa with the Cuba Field Office is to be notified at least 24 hours (48 hours if possible) before the plugging operations commence. His phone number is (505) 289-3748. Office hours are 7:45 a.m. to 4:30 p.m.

For wells on Jicarilla leases notify Erwin Elote with the Jicarilla Apache Tribe at least 24 hours (48 hours if possible) before the plugging operations commence. His phone number is (505) 759-3242.

3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made :

Plug #1: The Mancos perforations, 7104' to 7309' must be isolated from the rest of the well by placing a cement plug from 50' above to 50' below the perforated zone (7054' to 7359') or by placing a bridge plug within 50' to 100' of the top of the perforations and capping the bridge plug with 50' of cement.

Plug #2: The Point Lookout perforations, 5887' to 5897' must be isolated from the rest of the well by placing a cement plug from 50' above to 50' below the perforated zone (5837' to 5947') or by placing a bridge plug within 50' to 100' of the top of the perforations and capping the bridge plug with 50' of cement.

Plug #3: A cement plug will be placed from 3658' to 3758' to protect the Pictured Cliffs.

Plug #4: A cement plug will be placed from 3185' to 3285' to protect the Ojo Alamo.

Plug #5: Before placing the plug from 400' to 500', the well bore will be perforated at 500' and circulation established through the annulus. At a minimum, the top 50' of the annulus must be filled with cement.

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