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| FORM 6 Rev 02/11 | State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2100 |  | DE ET OE ES |
| | | | Date Received: Document Number: |

WELL ABANDONMENT REPORT

This form is to be submitted as an Intent to Abandon whenever an abandonment is planned on a borehole. After the abandonment is complete, this form shall again be submitted as a Subsequent Report of the actual work completed. The approved Intent shall be valid for six months after the approval date, after that period, a new intent will be required. Attachments required with the Intent to Abandon are wellbore diagrams of the current configuration and the proposed configuration with plugs set. A Subsequent Report of Abandonment shall indicate the actual work completed. Attachments required with a Subsequent Report are a wellbore diagram showing plugs that were set and casing remaining in the hole, the job summaries from all plugging contractors used, including wireline and cementing (third party verification) and any logs that may have been run during abandonment.

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|--|-------------------------------|
| OGCC Operator Number: <u>51090</u> | Contact Name: <u>Joe Dyk</u> |
| Name of Operator: <u>Lone Mountain Production Company</u> | Phone: <u>(970) 250-9770</u> |
| Address: <u>P O Box 250</u> | Fax: <u>(970) 858-4163</u> |
| City: <u>Loma</u> State: <u>CO</u> Zip: <u>81524</u> | Email: <u>joevdyk@aol.com</u> |
| For Intent 24 hour notice required, Name: <u>David Andrews</u> Tel: <u>(970) 825-2497</u> COGCC contact: Email: _____ Fax <u>970-625-5682</u> | |

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|---|---|--------------------------|
| API Number: <u>045-06106-</u> | Well Name: <u>Federal 27-8</u> | Well Number: <u>27-8</u> |
| Location: QtrQtr: <u>SENE</u> Section: <u>27</u> Township: <u>7S</u> Range: <u>104W</u> Meridian: _____ | County: <u>Garfield</u> Federal, Indian or State Lease Number: <u>C-15331</u> | |
| Field Name: <u>South Canyon</u> | Field Number: _____ | |

Notice of Intent to Abandon
 Subsequent Report of Abandonment

Only Complete the Following Background Information for Intent to Abandon

Latitude: 108 58.200 Longitude: 39 25.574

GPS Data:
 Date of Measurement: 6/30/2006 PDOP Reading: 1.8 GPS Instrument Operator's Name: Tyler Ryan

Reason for Abandonment: Dry Production for Sub-economic Mechanical Problems
 Other

Casing to be pulled: Yes No Top of Casing Cement: +/- 2500'

Fish In Hole: Yes No If yes, explain details below

Wellbore has Uncemented Casing leaks: Yes No If yes, explain details below

Details: _____

Current and Previously Abandoned Zones

| Formation | Code | Perf. Top | Perf. Btm | Date | Method of Isolation | Plug Depth |
|------------------|------|-----------|-----------|------------|---------------------|------------|
| Dakota | | 3789 | 3823 | 04/06/1977 | Cement | 3865 |
| Total: 0 zone(s) | | | | | | |

Casing History

| Casing Type | Size of Hole | Size of Casing | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bot | Cement Top | Status |
|-------------|--------------|----------------|-----------------|---------------|--------------|------------|------------|--------|
| Surface | 12.25 | 8.625 | 24 | 310 | 214 sx | 310 | 0 | |
| Production | 7.875 | 4.5 | 10.5 | 3907 | 275 sx | 3907 | 2500 | |

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth 3760 with 5 sacks cmt on top. CIBP #2: Depth 3760 with 5 sacks cmt on top.
 CIBP #3: Depth 3760 with 5 sacks cmt on top. CIBP #4: Depth 3760 with 5 sacks cmt on top.
 CIBP #5: Depth 3760 with 5 sacks cmt on top.

NOTE: Two(2) sacks cement required on all CIBPs.

Set _____ sks cmt from _____ ft. to _____ ft. in Plug Type: _____ Plug Tagged:
 Set _____ sks cmt from _____ ft. to _____ ft. in Plug Type: _____ Plug Tagged:
 Set _____ sks cmt from _____ ft. to _____ ft. in Plug Type: _____ Plug Tagged:
 Set _____ sks cmt from _____ ft. to _____ ft. in Plug Type: _____ Plug Tagged:
 Set _____ sks cmt from _____ ft. to _____ ft. in Plug Type: _____ Plug Tagged:

Perforate and squeeze at _____ ft. with _____ sacks. Leave at least 100 ft. in casing _____ CICR Depth
 Perforate and squeeze at _____ ft. with _____ sacks. Leave at least 100 ft. in casing _____ CICR Depth
 Perforate and squeeze at _____ ft. with _____ sacks. Leave at least 100 ft. in casing _____ CICR Depth
 (Cast Iron Cement Retainer Depth)

Set 35 sacks half in. half out surface casing from 360 ft. to 260 ft. Plug Tagged:
 Set 15 sacks at surface
 Cut four feet below ground level, weld on plate Above Ground Dry-Hole Marker: Yes No
 Set done sacks in rat hole Set done sacks in mouse hole

Additional Plugging Information for Subsequent Report Only

Casing Recovered: _____ ft. of _____ inch casing Plugging Date: _____
 *Wireline Contractor: None *Cementing Contractor: Well Pluggers, Inc.

Type of Cement and Additives Used: Neat cement
 Flowline/Pipeline has been abandoned per Rule 1103 Yes No *ATTACH JOB SUMMARY

Provide Technical Detail:

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: Joe Dyk by Nettie Reed Print Name: Joe Dyk
 Title: Petroleum Engineer Date: 03/24/2011 Email: joevdyk@aol.com

Based on the information provided herein, this Well Abandonment Report (Form 6) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Date: _____

CONDITIONS OF APPROVAL, IF ANY:

Attachment Check List

| Att Doc Num | Name |
|-------------|------|
| | |
| | |

Total Attach: _____

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|-----------------------|----------------------------|
| | | |
| | | |

Total: