

CONDITIONS OF APPROVAL FOR PERMANENT WELL ABANDONMENT**A COPY OF THESE CONDITIONS SHOULD BE FURNISHED YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

Failure to comply with the following conditions of approval may result in a Notice of Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. All Plugging and Abandonment operations shall be conducted per OO#2.III.G. and 43 CFR 3160 and completed by January 31, 2012.
2. Approval for this operation must also be obtained from the Colorado Oil and Gas Conservation Commission.
3. This office should be notified sufficiently in advance, 48 hour minimum of actual plugging work, so that a representative may have an opportunity to witness the operation.
4. Upon completion of approved plugging, all casing shall be cut-off at least 3 feet below final restored ground level and attach the regulation marker plate (**4-inch pipe above ground will not be allowed**) in accordance with 43 CFR 3162.6 and OO#2.III.G.10. The top of the marker must be closed or capped and have a weep hole. Pits must be fenced unless approved otherwise by the authorized officer.
5. The following minimum information shall be permanently placed on the marker with a plate, cap, or beaded-on by welding:
 - a. Operator Name
 - b. Federal Lease Serial Number
 - c. Well Number
 - d. Location by 1/41/4, Section, Township and Range or other Acceptable Surveyed Description.
6. Within 30 days after well bore plugging operations are completed, a Subsequent Report of Abandonment, Form 3160-5, must be filed showing the date of the abandonment operation, location of plugs, amount of cement in each plug, the amount of casing left in the hole and the **GPS coordinates for location of wellhead**.
7. Prior to abandonment reclamation work, the operator shall submit a sundry notice describing their proposed reclamation plans. The plan must be approved prior to beginning any reclamation of the well site. If the approved APD contains a reclamation plan, you can reference it in your submission. Do not conduct any well pad or access reclamation without an approved reclamation plan for the subject well.
8. If not previously filed, submit in duplicate, Well Completion or Recompletion Report and Log, Form 3160-4, well history, electric logs, and other surveys, and if taken, core analysis and water analysis. These reports must also be filed within 30 days after completion of plugging operations.
9. All trash, junk, and other waste material shall be contained in trash cages or bins to prevent scattering and shall be removed and deposited in an approved landfill.
10. Port-a-pots will be provided on the well site during operations. All human waste will be hauled offsite and disposed of properly.

11. The procedure will be modified as follows:

Plugs will be tagged after an appropriate waiting period.

All plugs, other than cement on a bridge plug, which may be dump-bailed, must be set with tubing.

The maximum length of plug acceptable to WRFO is 700'.

Intervals of >40% casing loss as indicated by the Casing Integrity Tool must be protected by plugs (or a series of plugs) extending from 50' below to 50' above the bad casing. The interval of bad casing is from 2180' to 2850'.

The intervals of Wasatch perms cannot be closer than 50' from the surface casing shoe @1067'.

If there is a Wasatch perm @ 50' below the surface casing shoe, it may be used to attempt to circulate cement in the annulus between the production casing and the surface casing. If it is not possible to circulate to the surface, it will probably not be possible to one-inch the annulus between 8.625" and 5.5" casing strings. If this is the case, the only remaining way to make sure the annulus is properly sealed is to cut and pull a minimum of 100' of casing and set a stub plug in accordance with Onshore Order #2.

Per Onshore Order #2, G9. Mud.

Each of the intervals between plugs shall be filled with mud of sufficient density to exert hydrostatic pressure exceeding the greatest formation pressure encountered while drilling such interval. In the absence of other information at the time plugging is approved, a minimum mud weight of 9 pounds per gallon shall be specified.

12. This approved procedure is based upon the assumption that wellbore conditions are as presented in the Notice of Intent. If unexpected wellbore conditions occur, this procedure may require modification to meet our regulations. This will be done on a case-by-case basis with consultations with the BLM and your personnel. If casing integrity is compromised, it may be necessary to set cement plugs across the compromised intervals, unless you can prove to the satisfaction of the authorized officer that there are no porous zones in the intervals.

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