

Ultra Resources Inc.

Plugging Procedure

Well: Naos State 32-4

Location: (SWNE) Sec 4 T16S R64W

County/State: El Paso County, CO

API Number: 05-041-6063

KB: 11 ft

Spud Date: 5-Dec-10

Hole Size: 7-7/8"

Total Depth: 4630 ft

Surface Casing: 8-5/8" set @ 484'. Cemented with 300 sks. Circulated 28 bbls to surface.

Production Casing: 5-1/2" J55 LTC 15.5ppf 8rd set @ 4470' (stuck, uncemented)

Directions: From Colorado Springs, CO go south on I-25. Take exit #128 at Fountain, CO. Continue east and north on Hwy 85 (Sante Fe road) for 0.9 miles. Turn right on West Ohio Ave and go 1.3 miles east to tee. Turn left on REA road. Go north 0.1 miles to Kane road. Turn right and continue 0.25 miles east to Link road. Turn left and go north 0.5 miles to Squirrel Creek road. Turn right and go east 6.0 miles to lease road. Turn right and go south and east 0.4 miles to location.

Objective: Plug and abandon well in accordance with COGCC rules.

Procedure:

1. Check pressures on 5-1/2" casing and 5-1/2" x 8-5/8" annulus. Bleed off any pressure.
2. Remove 11" 2k/3k combination drilling adapter flange from well head. Install hanger retaining ring onto W92 well head.
3. Remove 5-1/2" casing coupling (with welded plate) and install threaded 7-1/16" adapter flange and NU 7-1/16" doublegate BOP with side outlet valve.
4. Set anchors and MIRU workover rig, pump and tank. Unload and rack 2-7/8" tubing.
5. PU and TIH with 4-3/4" tri-cone bit and 2-7/8" tubing to float collar at ~ 4430'.
6. RU power swivel, establish reverse circulation and drill out float collar and guide shoe. Circulate well clean.
7. Circulate and wash down below guide shoe cautiously depending on returns and hole conditions. Attempt to clean out at least 50 ft below 5-1/2" casing.
8. Circulate clean and RD power swivel.
9. TOH with tubing and bit.
10. PU 5-1/2" cement retainer on tubing and TIH.
11. Set retainer ~60 ft from end of casing. Pressure test retainer.
12. RU cementers.

- a. Mix and pump 100 sks regular class G cement down 2-7/8" tubing. Spot cement to within 5 bbls of end of tubing. Sting into retainer.
 - b. Pump 80 sks (16 bbls) of cement slurry under retainer
 - c. Sting out of retainer and drop 20 sks (4 bbls) of slurry on top of retainer . Pull up hole ~150 ft and reverse out with well bore volume + 10 bbls.
13. Lay down ~800' of tubing. Standback ~3600' of tubing.
14. RUWL. RIH with 4" perforating gun and shoot 4 holes, 90 degree phasing at 3700' near top of Sharon Springs formation. RDWL.
15. PU and TIH with 5-1/2" cement retainer and 2-7/8" tubing.
16. Set retainer at 3600'.
17. RU cementers.
 - a. Sting into retainer and establish rate. Mix and pump 100 sks regular class G cement down 2-7/8" tubing.
 - b. Pump 80 sks (16 bbls) of cement slurry under retainer
 - c. Sting out of retainer and drop 20 sks (4 bbls) of slurry on top of retainer . Pull up hole ~150 ft and reverse out with well bore volume + 10 bbls.
18. TOH and laydown all but ~600 ft of tubing.
19. RUWL. RIH with 4" perforating gun and shoot 4 holes, 90 degree phasing at 700'. RDWL.
20. TIH with 5-1/2" cement retainer and 2-7/8" tubing.
21. Set retainer at 600'. Pressure test retainer.
22. RU cementers.
23. Open valve from 8-5/8" surface casing to take returns. Establish rate down tubing and pump water until obtaining returns from surface casing. (Note: Calculated volume of annulus is ~120 sks.)
24. Mix and pump regular class G cement until cement circulates from surface casing.
25. Sting out of retainer. Continue pumping cement down tubing to fill 5-1/2" casing with cement from 600' to surface, (70 sks without tubing displacement).
26. TOH with tubing.
27. ND and wash up BOP.
28. Fill 5-1/2" casing back up with cement.
29. RDMO workover rig and related equipment.
30. Weld dry hole marker onto 5-1/2" casing according to COGCC rule 319a, paragraph (5). (Note: well head has minimal salvage value).
31. Clean, reclaim and rehabilitate location to COGCC standards.