

A-PLUS WELL SERVICE, INC.

COPY

P.O. BOX 1979
FARMINGTON, NM 87499
505-325-2627 • FAX: 505-325-1211

January 14, 2003

Kinder Morgan CO₂ Company, LP

500 Dallas
Suite 1000
Houston, TX 77002
Attn: Douglas A. Frederick

Invoice #2884

Rig #4

For the plug and abandonment of your **Risley Canyon Unit #5**, a Leadville CO₂ well located in NE, Section 22, T-36-N, R-19-W, Montezuma County, CO. Review report for work details.

Cost Summary:

Estimate per November 15, 2002 - *Revised* letter: \$ 19,670.00
Cement: Estimate 350 sxs, Actual 555 sxs, Extra 205 sxs at \$10.74 * \$ 2,201.70

Explanation of extra cement:

1) The Chinle plug required 185 sxs vs. a plan of 64 sxs. The extra sxs were required by the BLM to cover three sets of perforations (required by the BLM) after injection was not established into the initial perforations at 1350'. Covering these perforations required an additional cement plug (#5a).

2) The surface plug anticipated 43 sxs of cement, but required 140 sxs. The extra sxs were required to fill the 7-5/8" casing and 10-3/4" x 7-5/8" annulus from 156' vs. a depth of 100', when circulation was not established from the perforations at 100'. An extra cement plug was also required.

Credit Materials and Services:

Anticipated using 1 7-5/8" cement retainer, did not use due to well conditions; \$ (1,450.00)

Materials and Services Not Anticipated:

Cement pump charge for plug #5a and plug #6a, at \$550/each: \$ 1,100.00
Schlumberger Tool Operator called out to set 7-5/8" CR not used, 2 days; \$ 1,420.00
Perforate at 1300', unable to pump into at 1350', BLM required; \$ 550.00
Perforate at 1004', unable to pump into at 1300', BLM required; \$ 550.00

Rig Hours: Estimated 38 hours, actual work was 43.5 hours, 5.5 hours extra;

Events Not Anticipated:

1/09/03 3.0 Attempt to establish circ for inside/outside Chinle plug #5;
1/10/03 2.0 Setting plug #5a to cover the perforations at 1004';
5.0 Extra hours at \$174 per hour \$ 870.00

Materials and Rentals:

#1 1/2 Roll of poly film to line waste fluid pit; * \$ 245.00
Rental of A-Plus 2-3/8" workstring (per bid letter) \$ 800.00

Transportation:

1/7/03 #2 Move A-Plus' 2-3/8" workstring to location;
Unit #152 4.5 hours x \$74/hr \$ 333.00

TOTAL \$ 26,289.70

Colorado TAX @ 3% of materials (\$6152.00) * \$ 184.56

THANK YOU

TOTAL DUE \$ 26,474.26

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Kinder Morgan CO₂ Company, LP
Risley Canyon Unit #5
1479' FNL & 187' FEL, Section 22, T-36-N, R-19-W
Montezuma County, CO
Lease Number: COC-10366
API Number: 05-083-6298

January 14, 2003
Page 1 of 2

Plug & Abandonment Report

Cementing Summary:

- Plug #1** with CIBP at 7338', spot 37 sxs cement in 7-5/8" casing above CIBP up to 7254' to isolate the Leadville perforations and cover the 5-1/2" liner top.
- Plug #2** with 75 sxs cement in 7-5/8" casing from 5715' to 5503' to cover the Desert Creek top.
- Plug #3** with 40 sxs cement in 7-5/8" casing from 4476' to 4351' to cover Hermosa top.
- Plug #4** with 88 sxs cement in 7-5/8" casing from 2667' to 2359' to cover 10-3/4" casing shoe and Cutler top.
- Plug #5** with 135 sxs cement: first, spot all cement inside 7-5/8" casing from 1400' to 800'; second, TOH with all tubing; third, load hole with 4 bbls and close blind rams; forth, hesitate squeeze 2 bbls outside 7-5/8" casing to cover Chinle top and perforations at 1350', 1300' and 1004' (resulted in 82 sxs cement inside casing and 53 sxs outside).
- Plug #5a** with 50 sxs cement in 7-5/8" casing from 1020' to 798' to cover the squeeze holes at 1004'.
- Plug #6** with 20 sxs cement pumped into the 7-5/8" x 10-3/4" annulus, displaced to 100' with a final squeeze pressure of 300.
- Plug #6a** with 100 sxs: first, spot 44 sxs cement in 7-5/8" casing from 158' to surface; second, LD all tubing; third, pump 40 sxs cement down annulus; and forth, squeeze 16 sxs cement down 7-5/8" casing out the perforations at 100'.

Plug and Abandonment Summary:

Notified BLM on 01/07/03

Note: Production casing is filled with 9.2 ppg corrosion inhibited water from completion/TA operations.

- 1/07/03 MOL. Held PJSM. RU. Well pressures: 0# CSG, 5# BH. No H₂S. ND wellhead, NU spool, flange, BOP and test BOP. Tally and TIH with 2-3/8" tubing workstring. Ran 100 joints workstring. Shut in well. SDFD.
- 1/08/03 Held PJSM. No well pressure. Continue to TIH with 132 joints workstring and tag existing 5-1/2" CIBP at 7338'. Pump 80 bbls water down 7-5/8" casing catching brine returns into flowback tank. Pressure test casing to 800# for 5 minutes, held OK. Plug #1 with CIBP at 7338', spot 37 sxs cement inside 7-5/8" casing above CIBP up to 7254' to isolate the Leadville perforations and cover the 5-1/2" liner top. Displaced cement with 27 bbls of brine for balanced plug. LD tubing to 5715'. Plug #2 with 75 sxs cement inside 7-5/8" casing from 5715' to 5503' to cover the Desert Creek top. POH to 4475' and reverse circulate tubing clean with 40 bbls, no cement in returns. Secure well and SDFN.

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1479' FNL & 187' FEL, Section 22, T-36-N, R-19-W
Montezuma County, CO
Lease Number: COC-10366, API Number: 05-083-6298

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Page 2 of 2

Plug & Abandonment Report

Plugging Summary Continued:

- 1/09/03 Held PJSM. TIH and tag cement at 5429'. LD tubing to 4476'. Plug #3 with 40 sxs cement inside 7-5/8" casing from 4476' to 4351' to cover Hermosa top. LD tubing to 2645'. Plug #4 with 88 sxs cement inside 7-5/8" casing from 2667' to 2359' to cover 10-3/4" casing shoe and Cutler top. TOH with tubing. RU A-Plus wireline unit and perforate 3 HSC holes at 1350'. Attempt to establish rate into squeeze holes, pressured up to 1200#. Connect pump line to 7-5/8" x 10-3/4" annulus and pump 110 bbls of water, 3 bpm at no pressure. Perforate 3 HSC holes at 1300' as required by G. Retherford with Colorado BLM. Attempt to establish rate in squeeze holes, pressured up to 1200#. Pump 20 additional bbls of water down 7-5/8" x 10-3/4" annulus with no pressure. Shut in well and Wait on Orders from BLM. SDFD.
- 1-10-03 Held PJSM. Wait on orders from BLM. Perforate 3 HSC holes at 1004'. Then establish rate into squeeze holes at 1/2 bpm at 1400#. TIH with tubing to 1400' (50' below 1st set of squeeze holes). Plug #5 with 135 sxs cement: first, spot all cement inside 7-5/8" casing from 1400' to 800'; second, TOH with all tubing; third, load hole with 4 bbls and close blind rams; fourth, hesitate squeeze 2 bbls outside 7-5/8" casing to cover Chinle top and perforations at 1350', 1300' and 1004' (resulted in 82 sxs cement inside casing and 53 sxs outside). WOC. TIH with wireline and tag cement at 1035', below top perforation. TIH with tubing to TOC. This plug required by the BLM. Plug #5a with 50 sxs cement inside the 7-5/8" casing from 1020' to 798' to cover the squeeze holes at 1004'. TOH. Pump 10 bbls water into the 7-5/8" x 10-3/4" annulus at 0#. Plug #6 with 20 sxs cement pumped into the 7-5/8" x 10-3/4" annulus, displaced to 100' with a final squeeze pressure of 300#. SDFN.
- 1-13-03 Held PJSA. Open up well. TIH with tubing and tag cement at 815'. LD all tubing. Pressure test 7-5/8" casing to 1000#. Attempt to pressure test 7-5/8" x 10-3/4" casing annulus, establish rate 1-1/2 bpm at 400#. Perforate 3 HSC squeeze holes at 100'. Establish rate into squeeze holes 1-1/2 bpm at 1400#. Unable to establish circulation down out the 7-5/8" x 10-3/4" annulus with 25 bbls. Unable to establish circulation down annulus and up 7-5/8" casing with 15 bbls. TIH with tubing to 158'. Plug #6a with 100 sxs: first, spot 44 sxs cement in 7-5/8" casing from 158' to surface; second, LD all tubing; third, pump 40 sxs cement down annulus; and fourth, squeeze 16 sxs cement down 7-5/8" casing out the perforations at 100'. WOC. ND BOP, dig out wellhead. Hot Work Permit issued. Cut off wellhead and found cement in 7-5/8" casing and 7-5/8" x 10-3/4" annulus at surface. Weld underground dry hole marker (1/2" x 12" x 18" plate) to casing and surround with 10 sxs cement. MOL.
Note: Gary Retherford with Colorado BLM on location.

Daily Report

A - PLUS WELL SERVICE
 P.O. BOX 1979 • FARMINGTON, NM 87499
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20181

Rig No 4

Date 1-10-03 Day Fri

Well Name Risley Canyon #5

Company Kinder Morgan

FROM	TO	DESCRIPTION OF OPERATION
5:30	6:00	load supplies
6:00	8:00	TRAVEL TO LOC.
8:00	8:30	SETRU equip, RU P.T.
8:30	9:15	wait on BLM Rep.
9:15	10:00	Perf. at 1004 w/4" gun w/3-holes Est. rate at 1/2 bbl/m at 1400'
10:00	10:30	TTH w/22 stands to 1400'
10:30	11:15	load hole w/1/2 bbl, Pump Plug #5 w/135 sxs 15-6" cement (1400-800) TOC 799'
11:15	12:00	LD ALL TBG
12:00		Hook-up to csg, load hole w/4 BBLs, close & final RAMS Pump 1 1/2 BBLs in attempt to squeeze cement out holes at 1004', pressured upto 1000' & wait 30 mins Pressure at 0' in 30 mins, Pressure upto 500 w/1/2 bbl
	1:30	wait 15 mins, Pressure down to 0
1:30		Attempt to tag TOC w/w/h went down to 1015' did not tag, PDM & CK gun for cement (no cement)
	2:15	RIH w/w/h & TAG TOC at 1035
2:15	2:45	PH 32 jts to 1016' + 4' plugging sub = 1020
2:45		load hole w/1/2 bbl, did not Pt as requested by COLO. BLM
	3:15	Pump Plug #5 w/50 sxs 15-6" cement (1020-798) TOC 798'
3:15	3:30	LD 6 jts, strandback 13 stands.
3:30		Pump 10 BBLs down Annulus, Pump Plug #6 w/20 sxs 15-6" cement
	4:00	started to pressure up, displace to 100', S.I.W
4:00	4:30	drain-up Pump 10 BBLs down Annulus w/NO PSE
		SDED started pumping cement (About 12 sxs)
		Plug #5 started pressuring up to 300' after 20 sxs, stop
		82 sxs in 7 3/8 pumping cement, then displaced to 100', S.I.W
		squeezed 53 sxs outside
All procedure approved by Tracy Retherford w/COLO BLM.		

Extra
2 hrs

Fuel & Motor Oil _____ Water Hauled 2 ds A-Plus
 Rental Equipment _____ Cement Retainers w/h By STUART'S
 Cementing Plug #5 135 sxs, Plug #6 50 sxs, Plug #6 20 sxs
 Wireline Perf. at 1004' w/4" gun 3-holes

CREW	NAME	UNIT #	MILEAGE	HOURS
Supervisor	<u>B. RANDALL</u>			
Operator	<u>T. BAUFUR</u>	<u>12</u>		
Helper	<u>S. JACOBO</u>	<u>9</u>		<u>11</u>
Helper	<u>J. TORRES</u>			<u>11</u>
Helper	<u>L. LOUATO</u>			<u>11</u>
Trainee				<u>11</u>

Daily Report

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20182

Rig No 4

Date 1-13-03 Day Mon

Well Name RISLEY CANYON #5

Company Kinder Morgan

FROM	TO	DESCRIPTION OF OPERATION
5:30	6:00	LOAD supplies
6:00	8:00	TRAVEL TO LOC.
8:00	8:30	SETRU equip + HSM on P.T.S.A
8:30		Open-up well, T1H w/13 stands (830') TAG w/15 stick-up TAG TOC at 815', LD ALL TBg + P.sub down.
	9:00	P/T 7" csg 1000' Hold O.K. P/T 7" x 10 3/4", pump 1 1/2 bpm at 400'
9:00	9:15	Perf at 100' w/3 3/4 HSC, est. rate at 1 1/2 BPM at 1400'
9:15		unable to est. circulation out Annulus, pumped 25 BBLs
	9:30	Hook-up to annulus + pumped 15 BBLs w/NO circulation out 7" csg
9:30		T1H w/5 sfs to 158'
		Pump Plug #6, pumped 44 sxs 15-lb cement from 158' to surface circulate good cement out csg + P.T. thg, hook-up to annulus pump 40 sxs down the annulus, hook-up to csg + squeeze 16 sxs down csg at 1400', SD Pump pressure went down to 0, S.I.W
	10:30	pump 100 sxs total
10:30	11:30	wash-up thg + equip, RD floor + P.T.
11:30	12:30	ND BOP, dig-out wellhead
12:30		Hotwork permit issued by B.R. w/A-Plus, UTELY Constr. cut-off wellhead + weld-on under-ground dry hole marker EB cover w/10 sxs 15-lb cement
1:30	2:30	RD cement in 2" + 7 5/8 x 10 3/4 full MOL UTELY Constr. cut-off ANCHORS
All procedures approved by Larry Retherford w/COLO BLM on loc.		

*Fuel & Motor Oil _____ Water Hauled w/1/2 by B. STUART
 Rental Equipment _____ Cement Retainers _____
 Cementing Plug #6 100 sxs Plug #9 (marker) 10 sxs
 Wireline _____

CREW	NAME	UNIT #	MILEAGE	HOURS
Supervisor	<u>B. RANDALL</u>	<u>12</u>		
Operator	<u>T. BARFOUR</u>	<u>9</u>		<u>9</u>
Helper	<u>S. JACOBO</u>			<u>9</u>
Helper	<u>J. TORRES</u>			<u>9</u>
Helper	<u>L. LOVATO</u>			<u>7 1/2</u>
Trainee				