

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.

Document Number:
2431590

Date Received:
11/27/2013

OGCC Operator Number: 10453 Contact Name: CHRISTOPHER NOONAN
 Name of Operator: CCI PARADOX UPSTREAM LLC Phone: (303) 5635377
 Address: 600 17TH STREET #1900S Fax: _____
 City: DENVER State: CO Zip: 80202 Email: CHRISTOPHER.NOONAN@CCI.COM

For "Intent" 24 hour notice required, Name: BROWNING, CHUCK Tel: (970) 433-4139
 Email: chuck.browning@state.co.us

COGCC contact: _____

API Number 05-085-06046-00 Well Number: 5-22
 Well Name: SOUTH NUCLA UNIT
 Location: QtrQtr: SENW Section: 5 Township: 46N Range: 14W Meridian: N
 County: MONTROSE Federal, Indian or State Lease Number: COC62125
 Field Name: WILDCAT Field Number: 99999

Notice of Intent to Abandon Subsequent Report of Abandonment

Only Complete the Following Background Information for Intent to Abandon

Latitude: 38.272550 Longitude: -108.436955
 GPS Data:
 Date of Measurement: 03/23/2007 PDOP Reading: 1.8 GPS Instrument Operator's Name: D. MCBRIDE
 Reason for Abandonment: Dry Production for Sub-economic Mechanical Problems
 Other CCI AGREES TO ABANDON ORPHANED WELL FROM
 Casing to be pulled: Yes No Estimated Depth: _____
 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 | Perf. Top | Perf. Btm | Abandoned Date | Method of Isolation | Plug Depth |
|--------------|-----------|-----------|----------------|---------------------|------------|
| ISMAY | 7910 | 7950 | | | |
| DESERT CREEK | 8040 | 8582 | 09/19/2008 | B PLUG CEMENT TOP | 8020 |
| AKAH SALT | 8786 | 9114 | 05/25/2008 | BRIDGE PLUG | 8700 |

Total: 3 zone(s)

Casing History

| Casing Type | Size of Hole | Size of Casing | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bot | Cement Top | Status |
|-------------|--------------|----------------|-----------------|---------------|--------------|------------|------------|--------|
| CONDUCTOR | | | | | | | | |
| SURF | 12+1/4 | 9+5/8 | 36 | 1,605 | | 1,605 | 0 | VISU |
| 1ST | 8+3/4 | 5+1/2 | 17 | 9,257 | | 9,257 | 6,200 | CALC |

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth 8850 with 0 sacks cmt on top. CIBP #2: Depth 8700 with 0 sacks cmt on top.
CIBP #3: Depth 8430 with 2 sacks cmt on top. CIBP #4: Depth 8120 with 2 sacks cmt on top.
CIBP #5: Depth 8020 with 2 sacks cmt on top.

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

Set 100 sks cmt from 7910 ft. to 7950 ft. Plug Type: CASING Plug Tagged:
Set 8 sks cmt from 4950 ft. to 5000 ft. Plug Type: CASING Plug Tagged:
Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged:
Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged:
Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged:
Perforate and squeeze at 1655 ft. with 50 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 _____ sacks half in. half out surface casing from _____ ft. to _____ ft. Plug Tagged:
Set 25 sacks at surface
Cut four feet below ground level, weld on plate Above Ground Dry-Hole Marker: Yes No
Set _____ sacks in rat hole Set _____ sacks in mouse hole

Additional Plugging Information for Subsequent Report Only

Casing Recovered: _____ ft. of _____ inch casing Plugging Date: _____
*Wireline Contractor: _____ *Cementing Contractor: _____
Type of Cement and Additives Used: _____
Flowline/Pipeline has been abandoned per Rule 1103 Yes No *ATTACH JOB SUMMARY

Technical Detail/Comments:

THE WELL IS NOT BELIEVED TO HAVE ANY MECHANICAL INTEGRITY ISSUES

The original lease operator Redwine Resources Inc. (Redwine) declared bankruptcy in 2010. The COGCC contacted Patara Oil & Gas LLC (Patara) regarding its liability to plug the S. Nucla Unit 5-22 well as the remaining majority interest owner in 2012, having acquired the interest from EnCana Oil & Gas USA (EnCana) via an asset purchase in 2010. Patara agreed to accept the outstanding liability to plug the subject well and reclaim the surface site, pending a potential asset sale to Castleton Commodities International (CCI) due to close in late 2012. CCI inherited the agreed-upon plugging liability from Patara and hereby submits its intention to plug, abandon, and reclaim the subject wellsite, originally scheduled for completion in December, 2013. (This has been moved to early in 2014).

CCI will tag the top CIBP set in place by Redwine during their original drill & test (CIBP #5 @ 8020'), circulate the hole with produced water and perform a 100' block squeeze (Squeeze #1) on the uppermost open perms (7910' - 7950'). Coming uphole, operator will then place a 50' cement block @ 5000' - 4950' (Plug #1), a cement block @ 1950' - 2050' (Plug #2), and a 50' surface block (Plug #3). All tubing will be recovered and retained by CCI, the casing cut off below ground level and a P&A plate will be welded on. Reclamation will begin once favorable ground/weather conditions present themselves.

Please contact company representative with any operations questions. Thank you.

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

Signed: _____ Print Name: CHRISTOPHER A NOONAN
Title: SUPERVISOR Date: 11/25/2013 Email: CHRISTOPHER.NOONAN@CCI.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: KRABACHER, JAY Date: 6/4/2014

CONDITIONS OF APPROVAL, IF ANY: _____

Expiration Date: 12/3/2014

COA Type

Description

| | |
|--|--|
| | will add perf-&-squeeze plug across (and inside of) surface shoe interval. also increased surface cement amount to ensure minimum 50' length Received updated wellbore diagrams w/updated P&A procedure from CCI -- 12/26. will add to wellfiles -- see doc #s 2122021 and 2122020. |
|--|--|

Attachment Check List

Att Doc Num

Name

| | |
|-----------|-------------------------|
| 2431589 | WELLBORE DIAGRAM |
| 2431590 | FORM 6 INTENT SUBMITTED |
| 400531536 | WELLBORE DIAGRAM |
| 400531537 | OTHER |

Total Attach: 4 Files

General Comments

User Group

Comment

Comment Date

| | | |
|--------|---|--------------------------|
| Permit | Passes Permitting:look OK. Passes Permitting 6/4/2014 dhs. | 12/18/2013 8:16:45 AM |
|--------|---|--------------------------|

Total: 1 comment(s)