

**From:** hinaman@lexry.com  
**Sent:** Monday, July 14, 2008 5:35 PM  
**To:** Andrews, David  
**Cc:** King, Kevin  
**Subject:** RE: Argali 36-1 P&A



Dear Kevin, Thank you for the reply. The requirement of tagging and 100' above the top perf is the same for both you and the BLM and we will certainly do that. I doubt we will get started before wed or thursday so I thought I'd cc Kevin to make sure we were all together on this. As soon as I hear from Racs on when they can be there I'll let you know. Enjoy your time off. Gary L. Hinaman 970-675-8257

----- Original Message Follows -----

From: "Andrews, David" <David.Andrews@state.co.us>  
To: <hinaman@lexry.com>  
Cc: "King, Kevin" <Kevin.King@state.co.us>  
Subject: RE: Argali 36-1 P&A  
Date: Mon, 14 Jul 2008 08:48:49 -0600

> RE: FEDERAL 36-1, API NO. 05-103-07821  
>  
> Gary,  
>  
> Cement across the perfs would be acceptable in lieu of the CIBP at  
> 2300'. However, if you go that route, I would like you to tag to  
> verify that the cement top is at least 100' above the top perf. In  
> any event, keep me updated on your progress. If this stretches past  
> Tuesday, you can contact Kevin King in our Rifle office at  
> 970-625-2497 or [Kevin.King@state.co.us](mailto:Kevin.King@state.co.us) (I will be out on leave this  
> week Wednesday through Friday).  
>  
> Thanks,  
>  
> David D. Andrews, P.E., P.G.  
> Engineering Supervisor - Northeast Area  
>  
> State of Colorado  
> Oil and Gas Conservation Commission  
> 1120 Lincoln Street, Suite 801  
> Denver, Colorado 80203  
> Phone: (303) 894-2100 Ext. 145  
> Fax: (303) 894-2109  
> E-mail: [David.Andrews@state.co.us](mailto:David.Andrews@state.co.us)  
> Website: <http://www.oil-gas.state.co.us/>  
>

> -----Original Message-----

> From: [hinaman@lexry.com](mailto:hinaman@lexry.com) [<mailto:hinaman@lexry.com>]  
> Sent: Sunday, July 13, 2008 7:56 PM  
> To: Andrews, David  
> Cc: [davidandrews@state.co.us](mailto:davidandrews@state.co.us)  
> Subject: Argali 36-1 P&A  
>

> Dear Dave, Thanks for the phone call, I'm sorry I didn't get it until  
> about noon on Saturday as the boys and I were out loading a string of

> 2 3/8 tubing in case we need it.  
> I did send an email to you at the CC adress, but I am assuming it  
> didn't have the period after David and so you didn't get it.  
> It did not come back to my email undelivered so I assume it's out  
> ther in cyberspace somewhere. We were not able to get down past 234'  
> with the cast iron bridge plug or a 3" sinker bar on friday morning and  
> decided to get a coiled tubing rig to try and go down past what we  
> think is a scale bridge this wed or thurs when RACS gets off two P&A's  
> for the DOE with their coiled tubing rig. I was surprised that we had  
> this problem because we had no problem with the removal of the 2  
> 1/16th inch tubing three summers ago when we last worked on the well.  
> The well has been sitting cracked open and is in a stable condition  
> for the last three years and the tubing was in poor but usable shape  
> when we pulled it. The bottom few joints were quite rusted but the  
> rest of it I gave to a rancher at church for fencing and he was happy  
> to get it. The bridge plug came back with a few dime size piees of  
> scale on it on friday. In talking with Edward Scartenzina the owner  
> of Racs he suggested they take out 1 3/4 coiled tubing and we will  
> attempt to wash thru the bridge and get to the bottom perf at 2684' and  
> start pumping cement as we come up to the top perf at 2368'. He says  
> he has had good luck doing this and if the well casing hasn't parted  
> then we will attempt this first. I talked to him friday night and we  
> both thought we would have a plan B and that would be if we cannot  
> wash down with the AQ Core Rod then we would change to a bit and sub  
> on the end of a string of 2 3/8th and try and drill thru the  
> obstruction. He thought he could bring everything but the 2 3/8ths  
> which I have a "new" string of in our yard about 5 miles down highway  
> 139.  
> I'm also sending this email to Mike McLaren who is the PE with the  
> BLM in Meeker and who has been most helpful. I have to go to Craig to  
> change charts on the wells I own there and will be in my truck monday  
> morning. My truck phone is 970 629 9419 if you need to reach me. I  
> don't have voicemail on that so if you need to leave a message or  
> cannot get to me please call the house @ 970-675-8257.  
> Thanks you for your help and I hope this one reaches you.  
> Respectfully yours, Gary Hinaman

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**From:** hinaman@lexry.com  
**Sent:** Monday, July 21, 2008 5:22 PM  
**To:** Andrews, David  
**Cc:** King, Kevin  
**Subject:** Argali 36-1 P&A

Dear David, It was nice talking to you and here is the written report to date. We went in with a video camera and were able to see a clean break in the 4 1/2 casing at 234' we went down the backside of the lower piece about a foot and saw scale. The pipe was almost exactly 1/2 displaced and we were able to thread in with the 1 3/4" OD 1 1/4" ID AQ Core Rod into the 4 1/2 to 400'. RACS the coiled tubing contractor didn't have enough AQ Core Rod but said they could get another 2300' by morning. Our plan is to set a 40 sack plug which should cover 444' of the 4 1/2 316' interval that was perforated using 9 sacks per 100' which should be conservative. We'll wait overnight tag and pump more if necessary and then come to the surface. Our original approval had us perforating at 230' and with the casing parted at 234' our only question will be setting a retainer at 232' or just circulating the hole as is and then pumping cement until it gets to surface which should be around 60 sacks. The nice thing about RACS system is they can keep mixing until we have cement at the surface. We purchased some mud with corrosion inhibitor which we will mix and displace the hole after we tag and I think this will help to keep the cement in place. I will let you know what Mike with the BLM needs from his agency or if he would be okay to do it this way also. Thanks for you help and I'll keep you posted. Gary L. Hinaman, President, Argali Exploration CO.

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**From:** Andrews, David  
**Sent:** Wednesday, July 23, 2008 4:40 PM  
**To:** 'hinaman@lexry.com'  
**Subject:** RE: Argali 36-1 well P&A

Thanks,

David D. Andrews, P.E., P.G.  
Engineering Supervisor - Northeast Area

State of Colorado  
Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
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Phone: (303) 894-2100 Ext. 145  
Fax: (303) 894-2109  
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Website: <http://www.oil-gas.state.co.us/>

-----Original Message-----

From: [hinaman@lexry.com](mailto:hinaman@lexry.com) [<mailto:hinaman@lexry.com>]  
Sent: Tuesday, July 22, 2008 4:30 PM  
To: Andrews, David  
Cc: King, Kevin  
Subject: Argali 36-1 well P&A

Dear Dave and Kevin, I was able to get ahold of the BLM and they agree that we can just cement to surface from the 234' depth where the casing is parted instead of shooting holes at 230' as we proposed. Unfortunately the Rig folks are scrambling to get together the extra 2300' of AG Core Rod and will not be on location with that until tomorrow at 9 am. That will give us at least 2700' in the hole which is well below our bottom perf. They are actually having to buy a string as there is none to rent because it is all being used. I talked to Bud Thompson with the BLM and told him we will be probably ready to cement around 1 PM. Thanks for your help in this matter. Gary L. Hinaman

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**From:** hinaman@lexry.com  
**Sent:** Wednesday, July 23, 2008 7:23 PM  
**To:** Buddy\_L\_Thompson@BLM.gov  
**Cc:** Andrews, David  
**Subject:** Argali 36-1

Dear Bud, David and Kevin, We were sucessful at getting to 2560' and pumping 40 sacks of class G cement across all the perfs and at least 150' above the top perf. We pulled the string of core rod up to 1500' and will tag the cement in the morning. Our plan is to tag tomorrow, assuming we are 100' above the top perf we will then load the hole with 9 pound mud and corrosion inhibitor, and then pull the core rod out of the hole. Racs thought it might take them until late in the afternoon to get out and if we don't have sufficient time to set our surface plug then we will wait and start friday morning on that part. Thank you all for your support. So far so good. I'll keep you posted.  
Respectfully yours, Gary L. Hinaman

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**From:** hinaman@lexry.com  
**Sent:** Thursday, July 24, 2008 4:53 PM  
**To:** Andrews, David  
**Cc:** King, Kevin  
**Subject:** Argali 36-1

Dear David and Kevin, We tagged the cement over the perfs at 1990' which is well above our top perf at around 2310. We pumped 44 sacks and think we have solid cement from TD 2560 to 1990'. We will pump our surface plug tomorrow at 11 am and filled the hole this afternoon with 9 pound mud and inhibitor. Bud Thompson with the BLM has been there whitnassing this morning. I'll write more as things progress. Best Regards, Gary L. Hinaman

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**From:** hinaman@lexry.com  
**Sent:** Friday, July 25, 2008 5:46 PM  
**To:** Andrews, David  
**Cc:** King, Kevin  
**Subject:** Argali 36-1 P&A

Dear David, We were succesful in circulating 75 sacks from 234' to surface in both the casing and annulus of the Federal 36-1 well this afternoon. Bud Thompson of the BLM in Meeker was on hand to whitness and we will finish cutting off wellhead and anchors today. WE thought since we circulated into the production pit fresh water we would let it dry up before we backfilled it. I will contact Encanna to come remove their equipment and then contact the BLM on surface reclamation. Thanks for your help. Gary L.Hinaman