Ranger Energy Plug and Abandonment Solution

Gulf Exploration

Black Powder #2

September 2020

Plug and Abandonment

Sean,

We truly appreciate the opportunity to submit pricing to abandon this well. If after reviewing our proposal you have any questions please don't hesitate to contact us.

Bid Includes:

- NOV High Spec Rig with Operator and 3 Man Crew
- Well Supervisor
- 340 JWS Pump, Return Tank, Work Tank, Beam, and BOPE
- Restroom Facility
- Wireline Services
- Cement Services
- Mob and De-Mob
- 500 BBL Fresh Water Tank
- Trucking for 260 BBL. of Fresh Water
- Tubing/Casing Trailer with Handrails
- Trucking of Excess Tubulars from Location to Ranger Yard
- Cut and Capping of Well Including Information Plate/Backfill

Bid Does Not Include:

- Catting of equipment in or out of location if necessary
- Location preparation including any dirt work required before operations
- Removal of pumping units, tank batteries, production equipment, flow lines, or underground piping
- Cleaning of tanks, trucking and disposal of fluids at the completion of the job
- Combating water flows or annular gas flows
- Fresh Water
- Casing Spear
- Extra Cement Beyond Amounts in Provided Procedure
- Crossover spool from 7-1/16" 5K BOP to customers wellhead (if required)
- Casing Jacks (If needed)

If downhole problems are encountered (hunting of casing leaks, cannot get plugs to setting depth, extra squeezes, need to fish stuck pipe, bit/scrapper runs, and the State changes the procedures before or during the P&A process. Extra rig time will be charged per our attached 2020 Price Schedule. We will offer $.50/foot for the tubing and casing salvaged from the well.

Josh Anderson
District Manager
Ranger Energy Services
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Procedure Black Powder #2

Well Information

Operator: Gulf Exploration
Well Name: Black Powder #2
Location: Weld County, Colorado
Surface: 9-5/8" 36# at 878'
Production: 5-1/2" 17# at 7,600'

Tubing: 2-7/8" 6.5# at 7,370'
Prod. Zone: J Sand 7,402' -7442'
TD: 8,900'
PBTD: 7,562'

*__Note: This bid and procedure are subject to change based on the COGCC approved Form 6*__

Day 1

1. Conduct pre-job safety meeting and complete daily JSA
2. Confirm that bradenhead test has been performed
3. Prior to MIRU, record initial shut-in pressures on tubing and casing
4. Blow down well/kill if necessary
5. Dig out around wellhead and check surface annulus for pressure and record
6. MIRU P&A equipment, NDWH, NUBOP
7. Pressure test BOP to 2,000 for 5 minutes, RU tubing handling equipment
8. Release AS-1 Packer, TOOH and tally tubing standing back 7,310'; LD packer
9. RU wireline and run JB/GR to 7,352'; ROH with wireline
10. RIH with 5-1/2" 17# 10K CIBP and set at 7,352'; CDB two sacks on top of CIBP (Top of J Sand Perfs at 7,402'); ROH
11. TIH hole with tubing to 7,310' +/-
12. Roll the hole clean
13. Pressure test to 1,000 psi for 15 minutes

Note: If casing pressure test fails (step 13) additional steps/services required by the COGCC are not included in this bid and will be billed per our 2020 Time and Material Price Schedule.

Day 2

14. TOOH with tubing standing back 6,050'; LD remainder of tubing; RU wireline
15. RIH with casing cutter and cut 5-1/2" casing at 6,000'; ROH and RD wireline
16. ND BOP, un-land casing, NU BOP, RU casing handling equipment
17. Circulate and condition wellbore (Hole Volume); Verify that there is no gas or fluid migration (Document in Reports)
18. Pull 5-1/2" casing, RD casing equipment

Day 3

19. TIH with tubing to 6,050'; 50' inside casing stub; RU cementers
20. Establish circulation, mix and pump 90 sacks of 15.8# class G neat 1.15 cu.ft/sack yield cement from 6,050' to 5,850 (Stub plug)
21. TOH and LD to 1,680, RU cementers
22. Establish circulation, Mix and pump 95 sacks of 15.8# class G neat 1.15 cu.ft/sack cement from 1,680' to 1,480' (Estimated Pierre Zone coverage)
23. TOH and LD to 928', 50' below the shoe, reverse tubing clean
24. RU cementers; Mix and pump 60 sacks of 15.8# class G neat 1.15 cu.ft/sack cement from 928' to 828' (Shoe Plug)
25. TOH and LD tubing to 100'
26. RU cementers, mix and pump 38 sacks of 15.8# class G neat 1.15 cu.ft/sack cement from 100' to surface; verify good returns to tank
27. RDMO P&A equipment, dig out and cut off wellhead, verify cement at surface, top off if necessary
29. Weld on cap with ID plate, backfill, clean location, P&A complete