

State of Colorado Oil and Gas Conservation Commis

1120 Lincoln Street, Suite 801, Denver Colorado 80203 (303) 894-2100



RECEIVED NOV 26 2010 COGCC

WELL ABANDONMENT REPORT

Submit original plus one copy. This form is to be submitted as an intent whenever a plugging is planned on a borehole. The approved intent shall be valid for twelve months after the approval date after that period a new intent will be required. After the plugging is complete, this form and one copy shall again be submitted as a subsequent report of the work as actually completed.

COGCC Operator Number: 56565 Contact Name & Telephone: Michal K. White
Name of Operator: Merit Energy Company Address: 13727 Noel Road, Suite 500
City: Dallas State: TX Zip: 75240 No: 972.628.1658 Fax: 972.628.1958
API Number 05-081-06937 Well Name: Martin Livestock Well Number: 13-32
Location (QtrQtr, Sec, Twp, Rng, Meridian): NESW, Sec. 32, T11N-R93W, 6th PM
County: Moffat Federal, Indian or State Lease Number: COC56320
Field Name: Teardrop Field Number: 80950

24 hour notice required, contact:

Complete the Attachment Checklist

Table with columns for Wellbore Diagram, Cement Job Summary, Wireline Job Summary, and checkboxes for Oper and OGCC.

[X] Notice of Intent to Abandon [ ] Subsequent Report of Abandonment

Only Complete the Following Background Information for Intent to Abandon

Latitude: 40.866621 Longitude: 107.8634
Date of Measurement: 10/19/2010 PDOP Reading: 3.3 Instrument Operator's Name: Robert Thomas
Reason for Abandonment: [X] Production Sub-economic [ ] Mechanical Problems [ ] Other
Casing to be Pulled: [ ] Yes [X] No Top of Casing Cement:
Fish in Hole: [ ] Yes [X] No If yes, explain details below
Wellbore has Uncemented Casing Leaks: [ ] Yes [X] No If yes, explain details below

Current and Previously Abandoned Zones

Table with columns: Formation, Perforations - Top, Perforations - Bottom, Date Abandoned, Method of Isolation, Plug Depth.

Casing History

Table with columns: String, Size of Hole, Size of Casing, Weight per ft, Setting Depth, Sacks Cement, Cement Bottom, Cement Top.

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth 7350 with 2 sacks cmt on top. CIBP #2: Depth with sacks cmt on top.
Set \_\_\_\_\_ sks cmt from \_\_\_\_\_ ft. to \_\_\_\_\_ ft. in [ ] Casing [ ] Open Hole [ ] Annulus
Perforate and squeeze at 873 ft. with 50 sacks Leave at least 100 ft. in casing
Dry-Hole Marker: [ ] Yes [X] No

Additional Plugging Information for Subsequent Report Only

Casing Recovered: \_\_\_\_\_ ft. of \_\_\_\_\_ in. casing Plugging date: \_\_\_\_\_
\*Wireline Contractor: \_\_\_\_\_ \*Cementing Contractor: \_\_\_\_\_
Type of Cement and Additives Used: \_\_\_\_\_
\*Attach job summaries.

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

Print Name: Michal Karam White Email: Michal.White@meritenergy.com
Signed: [Signature] Title: Regulatory Analyst Date: 11/22/10
OGCC Approved: [Signature] Title: EIT 3 Date: 12/4/2010

CONDITIONS OF APPROVAL, IF ANY:

# MERIT ENERGY COMPANY



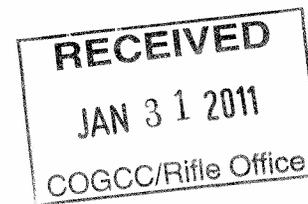
LEASE	Martin Livestock 13 32	COUNTY	Moffat Co	K.B.	6738'
FIELD	Teardrop - Sandwash	STATE	CO	D.F.	
LOC-STR	NE SW 32-T11N-R93W	API NO.	05-081-06937	G.L.	6723'
LOC-FT	1362' FWL & 1468' FSL				

CASING DETAIL										
	OD	Grade	Lb/Ft	Thread	ID	Drift ID	Col'pse	Burst	Top	Bottom
Surface	8 5/8"	J55	24.00#						0'	823'
Production	4 1/2"	N80	11.60#		4"	3.875"	6350#	7780#	0'	7709'
*.0155 BBL/FT										

ADDT'L TUBING DETAIL	
KB correction	14
blast jt	4
230 jts	7241
x nipple, 1.875"	1
1 jt	32
x nipple (1.875") w/ no-go (1.791")	1
1 jt	32
notched collar	0

CURRENT PERF DETAIL
<b>MIDDLE LEWIS SAND (OPEN)</b>
7400-7404
7408-7414
7421-7434
7438-7475
7478-7493

DEPTHS	
PB '05	7268'
PB orig	7560'
TD	7720'
TVD	7720'



**WELL STATUS:**

SI Middle Lewis producer with production equipment in hole.

**WORK OBJECTIVE:**

Plug and abandon well.

**P&A PROCEDURE:**

1. Test anchors.
2. MIRU PU.
3. Open sales line and blow well down. ND wellhead tree. NU x-over flange and 5000# BOP stack (blind and pipe rams).
4. RU pump truck and kill well with water.
5. POOH with production TBG per most recent pull report. Lay down TBG. Notify Dallas if report is not available.
6. PU 4 1/2" 11.6# bit and scraper on 2 7/8" work string. Round trip to PBTD, 7268' or current.
7. Contact BLM representative (Craig Office) for witness per approved sundry.
8. RU WL. TIH with 4 1/2" 11.6# CIBP and set at 7350'. Dump bail 2 sx CMT on top.
9. Perforate squeeze holes at 873'. RD WL.
10. TIH with work string (open ended), and set at 850'.
11. RU cement company. Mix and pump a 50 sk CMT balance plug with additives (including 4% CaCl) from 873-773'. Leave half CMT in and half CMT out of casing. Flush TBG and PU 250' above plug. Shut well in and let CMT dry 4 hours.
12. Tag plug and TOOH with TBG.
13. Dump 10 sx CMT at surface (fill up 4 1/2" CSG).
14. Cut off wellhead and csg. Weld on cap with well
15. Clean, backdrag and reclaim location.

# MERIT ENERGY COMPANY



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FIELD	<u>Teardrop - Sandwash</u>	STATE	<u>CO</u>	D.F.	
LOC-STR	<u>NE SW 32-T11N-R93W</u>	API NO.	<u>05-081-06937</u>	G.L.	<u>6723'</u>
LOC-FT	<u>1362' FWL &amp; 1468' FSL</u>				

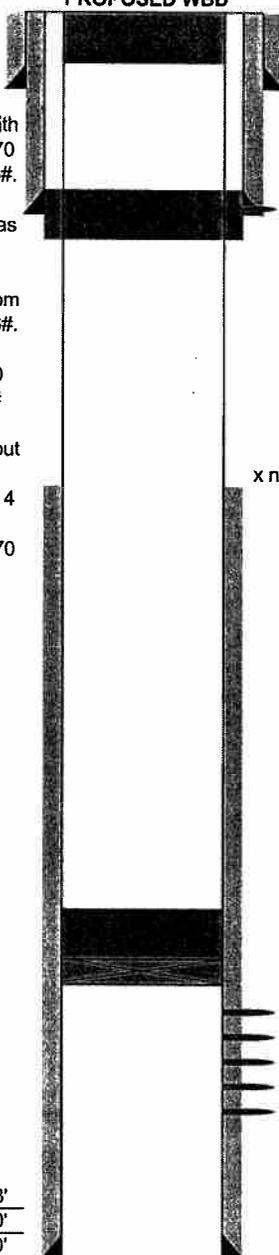
### WELL HISTORY

12/31/97 SPUD  
 1/15/98 TD  
 5/28/98 Perforated Lewis 7400-7493 4spf, 292 holes. Swab black shot wtr, no oil/gas. Broke perms with 3170 gal 4% KCL (10#/1000gal linear gel) w/ 70 balls. Formation broke @ 1.1 bpm & 1100-935#. Increased to 4.8 bpm & press climbed to 2340# as balled off. ISIP 795#, 30 min 615#. Swab gas cut after FL pulled to 6350', mostly water thereafter.

4/1/04 Break down perms w/ 29 bbls 2% KCL to 8.4 bpm @ 1163#. ISIP 856#, 15 min 632#, 30 min 536#. Ran tbg, tag @ 7628', landed EOT @ 7326'.

10/1/05 Dumped sand to 7442'. Frac'd remaining w/ 70 quality CO2 foam, using 792 bbl wtr, 242,340# 20/40 sand & 1266 bbl CO2 in 8 stages, averaged 20 bpm & 2445#. (bad fluid throughout job). Flowed back 298bbl same day. Day 2 flowed 452 bbls (0% burn gas). Flow back day 4 began getting 30% burnable (1mmcf total). Circulated sand out of hole. Total recovery 1770 bbls (864 over load). Ran tbg to 7353',

### PROPOSED WBD



CASING DETAIL				
	Surf	Prod	Liner	Tbg
Size	8 5/8"	4 1/2"		2 3/8"
Wt	24	11.6		4.7
Grade	J55	N80		N80
Thread				
U Depth				
L Depth	823'	7709'		7326'
Cmt 1	370sx	540sx		
Cmt 2				
TOC	surface	5275'		

#### \*Additional tbg data

KB correction	14	0
blast jt	4	18
230 jts	7241	7259
x nipple, 1.875"	1	7260
1 jt	32	7293
x nipple (1.875") w/ no-go (1.791")	1	7294
1 jt	32	7326
notched collar	0	7326

**RECEIVED**  
 JAN 31 2011  
 COGCC/Rifle Office

FORMATIONS	
Ft. Union	4329 est
Lance	5405 est
Fox Hills	6381 est
Lewis Sh.	6491 est
U Lewis Snd.	6511 est
U M Lewis Snd.	6967 est
L M Lewis Snd.	7238 est
B M Lewis Snd.	7308 est

#### MIDDLE LEWIS SAND

7400-04  
 7408-14  
 7421-34  
 7438-75  
 7478-93

10/2005\_PBD @ 7628'  
 ORIGINAL\_PBD @ 7560'  
 TD @ 7720'  
 TVD @ 7720'

NOT TO SCALE

PREP BY Nic McClymond  
 DATE 8/20/2009