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Date Received:
11/29/2010

Document Number:
2592116

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.

OGCC Operator Number: 56565 Contact Name: MICHAL K. WHITE
 Name of Operator: MERIT ENERGY COMPANY Phone: (972) 628-1658
 Address: 13727 NOEL ROAD STE 500 Fax: (972) 628-1958
 City: DALLAS State: TX Zip: 75240 Email: MICHAL.WHITE@MERITENERGY.COM

For "Intent" 24 hour notice required, Name: MELTON, LES Tel: (970) 903-5311
COGCC contact: Email: les.melton@state.co.us

API Number 05-033-06120-00
 Well Name: DOE CANYON FEDERAL Well Number: 41-8
 Location: QtrQtr: NENE Section: 8 Township: 40N Range: 17W Meridian: N
 County: DOLORES Federal, Indian or State Lease Number: USA-C-11160
 Field Name: DOE CANYON Field Number: 17210

Notice of Intent to Abandon Subsequent Report of Abandonment

Only Complete the Following Background Information for Intent to Abandon

Latitude: 37.747487 Longitude: -108.740431
 GPS Data:
 Date of Measurement: 12/01/2008 PDOP Reading: 2.8 GPS Instrument Operator's Name: FRED PROCTOR
 Reason for Abandonment: Dry Production for Sub-economic Mechanical Problems
 Other _____
 Casing to be pulled: Yes No Top of Casing Cement: _____
 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 |
|---------------|-----------|-----------|----------------|---------------------|------------|
| HONAKER TRAIL | | | | | |

Total: 1 zone(s)

Casing History

| Casing Type | Size of Hole | Size of Casing | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bot | Cement Top | Status |
|-------------|--------------|----------------|-----------------|---------------|--------------|------------|------------|--------|
| SURF | 12+1/4 | 8+5/8 | 24 | 1,995 | 900 | 1,995 | 0 | VISU |
| 1ST | 7+7/8 | 5+1/2 | 15.5 | 5,550 | 535 | 5,550 | 3,510 | CBL |

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth _____ with _____ sacks cmt on top. CIPB #2: Depth _____ with _____ sacks cmt on top.
CIBP #3: Depth _____ with _____ sacks cmt on top. CIPB #4: Depth _____ with _____ sacks cmt on top.
CIBP #5: Depth _____ with _____ sacks cmt on top.

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

Set 18 sks cmt from 5049 ft. to 5207 ft. Plug Type: _____ Plug Tagged:
Set 25 sks cmt from 3724 ft. to 3944 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:
Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged:
Perforate and squeeze at 2661 ft. with 50 sacks. Leave at least 100 ft. in casing _____ CICR Depth
Perforate and squeeze at 1026 ft. with 43 sacks. Leave at least 100 ft. in casing _____ CICR Depth
Perforate and squeeze at 100 ft. with 40 sacks. Leave at least 100 ft. in casing _____ CICR Depth
(Cast Iron Cement Retainer Depth)
Set 170 sacks half in. half out surface casing from 1895 ft. to 2045 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: 12/08/2008
*Wireline Contractor: A-PLUS WELL SERVICE *Cementing Contractor: A-PLUS WELL SERVICE
Type of Cement and Additives Used: _____
Flowline/Pipeline has been abandoned per Rule 1103 Yes No *ATTACH JOB SUMMARY

Technical Detail/Comments:

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

Signed: _____ Print Name: MICHAL KARAM WHITE
Title: REGULATORY Date: 11/8/2010 Email: MICHAL.WHITE@MERITENERGY.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: WEEMS, MARK Date: 12/29/2011

CONDITIONS OF APPROVAL, IF ANY:

Attachment Check List

| Att Doc Num | Name |
|-------------|-----------------------------|
| 2592116 | FORM 6 SUBSEQUENT SUBMITTED |

Total Attach: 1 Files

General Comments

| User Group | Comment | Comment Date |
|-------------------|---|--------------------------|
| Permit | Sorry it has taken me so long to get you this information. Here is the correct coordinates and PDOP for the Doe Canyon Federal 41-8. GPS Coordinates: 37.74748754 -108.7404315 PDOP: 2.807 Please contact me if you need any further information. Thanks, Kim Brand | 12/29/2011 5:40:56 AM |
| Permit | Wellbore diagram on file doc.#2568355, CBL #1042473, incorrect latitude was given and no DPOP value supplied Rules 303 & 215. Emailed Michal White but that bounced back tried Kim Mercer and got out of office response. BY | 10/26/2011 6:22:53 AM |

Total: 2 comment(s)