

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:
400812635

Date Received:
03/20/2015

OGCC Operator Number: 47120 Contact Name: CHERYL LIGHT

Name of Operator: KERR MCGEE OIL & GAS ONSHORE LP Phone: (720) 929-6461

Address: P O BOX 173779 Fax: (720) 929-7461

City: DENVER State: CO Zip: 80217- Email: CHERYL.LIGHT@ANADARKO.COM

For "Intent" 24 hour notice required, Name: Peterson, Tom Tel: (303) 815-9641

COGCC contact: Email: tom.peterson@state.co.us

API Number 05-123-09134-00

Well Name: DEEMS Well Number: 1

Location: QtrQtr: SWSE Section: 11 Township: 2N Range: 67W Meridian: 6

County: WELD Federal, Indian or State Lease Number: _____

Field Name: SPINDLE Field Number: 77900

Notice of Intent to Abandon Subsequent Report of Abandonment

Only Complete the Following Background Information for Intent to Abandon

Latitude: 40.147467 Longitude: -104.865132

GPS Data:
Date of Measurement: 11/26/2014 PDOP Reading: 1.7 GPS Instrument Operator's Name: BEN MILIUS

Reason for Abandonment: Dry Production for Sub-economic Mechanical Problems

Other RE-ENTER AND PLUG

Casing to be pulled: Yes No Estimated Depth: 2500

Fish in Hole: Yes No If yes, explain details below

Wellbore has Uncemented Casing leaks: Yes No If yes, explain details below

Details: This well was drilled and abandoned in 1977 as an openhole Niobrara completion. This well was originally abandoned on 06/23/77. The purpose is to reenter and adequately replug prior to hydraulic stimulation of proposed horizontal well per DJ Basin Offset Policy dated December 16, 2012. Well will be re-entered to add cement above the Niobrara, cover the Sussex, and add cement to cover the Fox Hills marker. The 5-1/2" casing was cut and pulled from 6388'. This well is within ~200 feet of planned HZ lateral and needs a gyro run for anti-collision. We will attempt to re-enter the stub to lay a plug from at least 100' into the stub to 400' on top of the stub in the openhole.

Formation is Open-Hole Niobrara with a sand plug with 10 sacks of cement.

Current and Previously Abandoned Zones

| Formation | Perf. Top | Perf. Btm | Abandoned Date | Method of Isolation | Plug Depth |
|-----------|-----------|-----------|----------------|---------------------|------------|
| NIOBRARA | 7195 | 7365 | 06/23/1977 | CEMENT | 7144 |

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 | 430 | 260 | 430 | 0 | VISU |
| 1ST | 7+7/8 | 5+1/2 | 15.5/17 | 7,195 | 75 | 7,195 | 6,821 | CALC |

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth 80 with 25 sacks cmt on top. CIBP #2: Depth _____ with _____ sacks cmt on top.

CIBP #3: Depth _____ with _____ sacks cmt on top. CIBP #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 200 sks cmt from 6488 ft. to 5980 ft. Plug Type: CASING Plug Tagged:

Set 1050 sks cmt from 5164 ft. to 4156 ft. Plug Type: OPEN HOLE 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 _____ 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

Perforate and squeeze at _____ ft. with _____ sacks. Leave at least 100 ft. in casing _____ CICR Depth

(Cast Iron Cement Retainer Depth)

Set 1000 sacks half in. half out surface casing from 1300 ft. to 230 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:

Closed loop system will be used.
Re-plug and re-entry procedure attached

Surface Owner Consent:

In order to comply with the Horizontal Offset Policy and the COA for the completion of a number of wells, including the Vollmar 4N-11HZ well, and possibly other wells, KMG is relying on lease rights for access to the surface to remediate the Deems #1 Well. Those lease rights extend from leases that cover the Township 2 North, Range 67 West, Section 11, SW ¼ and other lands, as well as leases that cover the drilling unit for the Vollmar 4N-11HZ well which is 2N-67W-Section 2: SWSW; Section 11: W/2W/2; and Section 14 NWNW. The Deems #1 Well falls within the referenced drilling unit.

Kerr-McGee would like to request a pre-inspection of the property prior to us going in to start the re-enter project.

- 3 MIRU workover rig equipped for openhole re-entry work. NU 9" 3000 psi BOP stack on casing head. PT BOP and csg head per approved Form 2. Function test BOPE . NU rotating head on BOP. Hook up return line to shale shaker on flat tank. Spot trailer with 233 jnts of 2-7/8" WS, necessary drill collars and bits.
- 4 PU 7 7/8" rock bit, necessary drill collars and drill pipe/work string (WS). Drill through existing cement plugs at surface (10 sk) and at the base of surface casing (15 sk plug ~380'-425") using fresh water with biocide.
- 5 Once surface cement plugs are drilled, displace hole with drilling mud and continue in hole. Consider rigging up mud mixing equipment on site.
- 6 RIH to 1380' and drill out 35 sk plug.
- 7 Continue to RIH, circulating and cleaning the hole to the 5-1/2" casing stub at 6388'.
- 8 POOH and lay down drill bit and drill collars as necessary.
- 9 Notify Cementers to be on call.
- 10 RIH while hydrotesting to 3000 psi open ended to the 5-1/2" casing stub @ 6388'. Attempt to re-enter the 5-1/2" stub. Circulate and RIH to 10sx cement plug at PBTD at 7144'. Circulate out sand/fill but no need to run in with a bit. Contact Evans Engineering if unable to get at least 100' into the stub.
- 11 RU VES. Run gyro from EOT to surface. Send results to Sabrina Frantz and the COGCC. RD VES.
- 12 RU Cementers. Pump Nio stub plug. Spot cement plug consisting of 342 cu-ft (200 sx) "G" w/ 20% silica flour , 0.4% CD -32, 0.4% ASA -301 and R-3 to achieve 2:30 pump time mixed at 15.8 ppg and 1.38 cuft/sk yield. Volume based on 756' inside the 5-1/2" csg and 400' in the openhole assuming 8.5" hole size and 20% excess.
- 13 POOH to ~ 5000' and circulate hole clean with mud. WOC per cement company recommendation. Tag plug at 6050'. LD WS to place end of WS at 5164'.
- 14 Pump Sussex balanced plug. Spot cement plug consisting of 1208 cu-ft (1050 sx) "G" w/0.25pps cello flake, 0.4% CD-32, 0.4% ASA-301 with CaCl2 as necessary. Mixed at 15.8 ppg, 1.15 cuft/sack. Cement to be preceded by sodium metasilicate mixed in 20 bbls water per cementing company recommendation. Calculated top of plug is 4156' based on 13.5" hole with 20% excess.
- 15 POOH to ~ 3600' and circulate clean. WOC per cement company recommendation. Tag plug at 4156'. LD WS to place end of WS at 1300'.
- 16 Pump Fox Hills balanced plug. Pump mud flush of 10 bbls SAPP then 20 bbls water spacer ahead of 1330 cu-ft (1000 sx) Type III w/cello flake and CaCl2 as deemed necessary, mixed at 1.33 cf per sack, 14.8 ppg. Plug size is based on 13.5" hole with 40% excess covering 1300' to shoe of surface casing at 430' plus capacity of surface casing to 230'. TOH and WOC per cement company recommendation
- 17 Tag top of plug at 230'. POOH and LD WS.
- 18 PU casing scraper for 8-5/8" and RIH to 100'. POOH and LD scraper and WS.
- 19 RU WL. Run and set CIBP in the 8 5/8", 24# surface casing at 80'. PT CIBP and surface casing to 1000 psi for 15 minutes. Assuming successful test, RD WL. RDMO WO Rig.

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

Signed: _____ Print Name: CHERYL LIGHT
Title: SR. REGULATORY ANALYST Date: 3/20/2015 Email: DJREGULATORY@ANADARKO.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: SCHLAGENHAUF, MARK Date: 4/14/2015

CONDITIONS OF APPROVAL, IF ANY: _____ Expiration Date: 10/13/2015

| COA Type | Description |
|-----------------|---|
| | 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU. 2) For 1300' plug: pump plug and displace, shut-in, WOC 4 hours and tag plug – must be 380' or shallower. 3) Please submit gyro survey data with Form 6 (s) Subsequent Report of Abandonment. |

Attachment Check List

| Att Doc Num | Name |
|--------------------|-----------------------------|
| 400812635 | FORM 6 INTENT SUBMITTED |
| 400812640 | PROPOSED PLUGGING PROCEDURE |
| 400812641 | WELLBORE DIAGRAM |
| 400812694 | LOCATION PHOTO |
| 400812696 | LOCATION PHOTO |

Total Attach: 5 Files

General Comments

| User Group | Comment | Comment Date |
|-------------------|--|-------------------------|
| Permit | Surface access is granted by lease per operator. Ok'd by Permit Supervisor. | 3/23/2015 3:05:37 PM |
| Permit | Well Completion Report dated 5/20/1977. SRA dated 5/20/1977. ON HOLD: Requesting Surface owner consent. | 3/23/2015 1:46:27 PM |

Total: 2 comment(s)