

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:
 402848314
 Date Received:

OGCC Operator Number: 10651 Contact Name: Brian Stanley
 Name of Operator: VERDAD RESOURCES LLC Phone: (435) 6406426
 Address: 1125 17TH STREET SUITE 550 Fax: _____
 City: DENVER State: CO Zip: 80202 Email: bstanley@verdadresources.com
For "Intent" 24 hour notice required, Name: Silver, Randy Tel: (720) 827-6688
COGCC contact: Email: randy.silver@state.co.us

Type of Well Abandonment Report: Notice of Intent to Abandon Subsequent Report of Abandonment

API Number 05-001-06996-00
 Well Name: MILE-HI DUCK CLUB-TRACY Well Number: 1
 Location: QtrQtr: NENE Section: 12 Township: 1S Range: 66W Meridian: 6
 County: ADAMS Federal, Indian or State Lease Number: _____
 Field Name: WATTENBERG Field Number: 90750

Only Complete the Following Background Information for Intent to Abandon

Latitude: 39.984170 Longitude: -104.718106
 GPS Data: GPS Quality Value: _____ Type of GPS Quality Value: _____ Date of Measurement: _____
 Reason for Abandonment: Dry Production Sub-economic Mechanical Problems
 Other Re-enter to re-plug
 Casing to be pulled: Yes No Estimated Depth: _____
 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
J SAND	7978	7995	07/27/1977	SAND PLUG/CEMENT	7896

Total: 1 zone(s)

Casing History

Casing Type	Size of Hole	Size of Casing	Grade	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top	Status
SURF	12+1/4	8+5/8	J55	24	0	165	175	165	0	VISU
1ST	7+7/8	4+1/2	J55	10.5	6500	8096	300	8096	6653	CALC
OPEN HOLE	7+7/8		NA	NA	165	6500				

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth _____ with _____ 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 45 sks cmt from 7225 ft. to 6825 ft. Plug Type: CASING Plug Tagged:
Set 45 sks cmt from 2500 ft. to 2400 ft. Plug Type: OPEN HOLE Plug Tagged:
Set 180 sks cmt from 1275 ft. to 875 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:
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 110 sacks half in. half out surface casing from 275 ft. to 0 ft. Plug Tagged:
Set _____ 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 Number of Days from Setting Surface Plug to Capping or Sealing the Well: _____
Surface Plug Setting Date: _____ Cut and Cap Date: _____
*Wireline Contractor: _____ *Cementing Contractor: _____
Type of Cement and Additives Used: _____
Flowline/Pipeline has been abandoned per Rule 1105 Yes No

Technical Detail/Comments:

1. Provide 48 hr notice Form 42 to COGCC prior to rig up per Form 6 COA
2. Familiarize all personnel with allowed access to location and areas allowed to be disturbed.
3. Secure permission to access area and identify prospective well locations via satellite and survey data.
4. Verify well location and excavate well.
5. Once permission to begin work is secure, excavate area around well to sufficient size for safe access of casing, Verify casing size, cut off cap, weld on slip collar w/ wellhead and riser, set cellar ring and back-fill.
6. MIRU WO Rig, beam, doghouse, BOP, accumulator, rig pump, shaker tank, rig tank, 9.5ppg water-based mud, pipe float, 3-1/8" collars, 2-7/8" EUE work string, power swivel.
7. Make up BHA; 2 7/8 EUE string, 2x 3-1/8" drill collars, Float, POBS, 6.5" roller-cone bit.
8. RIH and drill out cement plugs from 0-28', 120-165', 900-1200'.
9. Wash/Ream in 7-7/8" Open Hole to 6,400'. STOP before running into 4.5" Casing (top at 6500').
10. Circulate and condition hole.
11. TOOH, Laydown BHA.
12. RIH w/ 3-3/4" Tricone mill, XO, string float and wash/ream to 7900' and tag existing plug. If unable to tag, contact COGCC engineer for further instruction.
13. POOH to 7225' and circulate and condition hole.
14. MIRU cementers and pump 45sx Class G Neat Cement from 7225'-6825'. Displace and POOH through cement. Release cementers.
15. WOC 4 hours or otherwise advised by cementers and tag cement. If not tagged at or above 6825', contact engineer. May require additional cement.
16. POOH to 2500', circulate and condition hole. MIRU cementers and pump 45sx Class G Neat Cement from 2500'-2400'. Displace and POOH through cement.
17. WOC 4 hours or otherwise advised by cementers and tag cement. If not tagged at or above 2400', contact engineer. May require additional cement.
18. POOH to 1275', circulate and condition hole. MIRU cementers and pump 180sx Class G Neat cement from 1275'-875'. Displace and POOH through cement.
19. WOC 4 hours or otherwise advised by cementers and tag cement. If not tagged at or above 875', contact engineer. May require additional cement.
20. POOH to 275', circulate and condition hole. MIRU cementers and pump cement until returns taken to surface (110sks prescribed). Once good returns taken, SD cement and POOH. Top off as necessary.
21. RDMO Cementers, Rig, and supporting equipment. Tidy location and prep for reclamation.
22. After 5 days, verify TOC is within 5' of surface. Top off if needed. Excavate cellar ring and wellhead, cut off casing 6' below ground level and weld on cap with full legal description welded onto plate. Back fill hole.
23. Reclaim location.
24. Submit Form 6 Subsequent and Form 42 for completion of COA.

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

Signed: _____ Print Name: Brian Stanley
 Title: Completions Engineer Date: _____ Email: bstanley@verdadresources.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: _____ Date: _____

CONDITIONS OF APPROVAL, IF ANY: _____ Expiration Date: _____

COA Type	Description

Attachment List

Att Doc Num	Name
402848321	WELLBORE DIAGRAM
402848322	PROPOSED PLUGGING PROCEDURE
402848323	WELLBORE DIAGRAM
402848324	LOCATION PHOTO
402858265	SURFACE OWNER CONSENT

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
		Stamp Upon Approval

Total: 0 comment(s)