



STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DIVISION
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

August 9, 1994

MR TOM KNOWLTON
NERDLIHC COMPANY INC
337 E SAN ANTONIO DRIVE SUITE 101
LONG BEACH CA 90807

RE: BULLSEYE #2 N-18-16N-09W
BULLSEYE #9 O-18-16N-09W
BULLSEYE #8 D-19-16N-09W
BULLSEYE A #2 P-13-16N-10W

Dear Mr. Knowlton:

Your intents to place the above referenced wells on Temporarily Abandon status while a study is being conducted for a water injection project in the Marcelina Dakota Pool, are not feasible for the following reasons:

The **Bullseye #8** was lost while drilling at 732' in 1978. The well is uncased and it is my understanding that 3 drill collars were left in the hole and that circulation was lost and could not be re-established. This well will not be considered as a candidate for an injection well and must be plugged and abandoned.

The **Bullseye #9** was drilled to and completed in the Hospah or Gallup in 1979 has 5 1/2" casing set at 932' and is perforated from 836'-850'. The completion report indicated the well was a dry hole. The depth of the well and the well bore configuration would in my estimation preclude it from becoming a **CANDIDATE** for a Dakota injection well. This well must also be plugged and abandoned.

The status of the **Bullseye A #2** is cloudy. It was drilled to 897' in the Hospah or Massive Gallup in 1957 by Elmer L. White, and was known as the Walker Dome Santa Fe #1 or Santa Fe 16-10 #1. Paul Slayton filed an intent to re-enter the well, deepen it to 986' and swab test the Massive Gallup. We have no reports indicating this work was done. Lewis C. Jameson filed an affidavit of responsibility for conversion to a domestic water well for Paul Slayton in 1982.

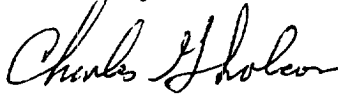
Mr. Tom Knowlton
Page 2

This was notarized and signed by the landowner R.M. Albers. The request was not approved by this office. We need more information on the present status of the well before a determination can be made as to its disposition.

To place the **Bullseye #2** (or any well) on a temporarily abandoned status you must comply with Rule 203. This will require cutting off and fishing out the 14 joints of 2 3/8" tubing and setting tool left on top of a cast iron bridge plug at 932', drilling out the bridge plug and setting another bridge plug within 100' of the top perforation at 1730', loading the casing with an inert fluid and running a mechanical integrity test by pressuring the casing to 500 PSI for 30 minutes with a pressure loss of no more than 10%. If the test fails you will be required to repair the casing or plug and abandon the well within 90 days. If the well has mechanical integrity it may remain on a temporarily abandoned status for up to 5 years before plugging or returning it to beneficial use. All mechanical integrity tests will be witnessed by personnel from this office.

If you have any questions you may call me at 505-334-6178.

Yours Truly,



Charles Gholson
Deputy Oil & Gas Inspector

CG/cs

xc: - Rand Carroll - OCD Santa Fe
Well Files
Operator File

To Approve
District Office

Energy, Minerals and Natural Resources Department

Form 1-1-89
Revised 1-1-89

DISTRICT I
P.O. Box 2083, Santa Fe, NM 87504

OIL CONSERVATION DIVISION

P.O. Box 2083
Santa Fe, New Mexico 87504-2083

DISTRICT II
P.O. Box 2083, Santa Fe, NM 87504

DISTRICT III
1000 San Antonio Rd., Santa Fe, NM 87505

WELL API NO.
Indicate Type of Lease
STATE ☐ FEDERAL ☒
State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐	7. Lease Name or Unit Agreement Name BULLSEYE
2. Name of Operator NERDLHC COMPANY, INC.	8. Well No. A2
3. Address of Operator 337 E San Antonio Dr., Suite 101	9. Pool name or Wellcat Marcelina
4. Well Location Unit Letter <u>P</u> : <u>990</u> Feet From The <u>South</u> Line and <u>990</u> Feet From The <u>East</u> Line Section <u>13</u> Township <u>16N</u> Range <u>10W</u> N.M.P.M. McKinley County	
10. Revision (Show whether DP, RCR, RT, GR, etc.)	

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☒	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐		CASING TEST AND CEMENT JOB ☐	
OTHER: ☐		OTHER: ☐	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1002. Temporarily abandon well while water flood feasibility is completed. Subsequent report with casing integrity will be submitted upon completion. Estimate integrity verification will be completed by September 15, 1994.

RECEIVED
AUG - 8 1994
OIL CON. DIV.
DIST. 3

I hereby certify that the information furnished is true and complete to the best of my knowledge and belief.

Signature: Tom E. Knowlton Title: President Date: August 4, 1994

Signature: Tom E. Knowlton

100-422-1271

NOT APPROVED