

Caller Service 4104
Farmington, New Mexico 87499

JUN 25 1986

JUN 27 1986
OIL COM. DIV.
F.E.C. 8

CERTIFIED--RETURN RECEIPT REQUESTED

Chace Oil Company, Incorporated
313 Washington SE
Albuquerque, NM 87108

Gentlemen:

Enclosed are your Applications for Permit to Drill (APDs) the following wells:

1. No. 361-5, Jicarilla Tribal, SWNE sec. 4, T. 23 N., R. 4 W., Rio Arriba County, New Mexico.
2. No. 361-6 Jicarilla Tribal, SWSE sec. 4, T. 23 N., R. 4 W., Rio Arriba County, New Mexico.
3. No. 71-43 Jicarilla Tribal, SWNE sec. 3, T. 23 N., R. 4 W., Rio Arriba County, New Mexico.
4. No. 70-19 Jicarilla Tribal, SWSE sec. 33, T. 24 N., R. 4 W., Rio Arriba County, New Mexico.

As discussed with Frank Walker of your Company on June 10, 1986, the subject APDs are rescinded and returned due to drilling not being commenced within one year of the approval date.

You are required to request surface rehabilitation instructions from this office if construction activities occurred on the referenced drill site. If this office does not receive comment within 15 days, we will presume that no construction occurred. Later discovery that construction activities have in fact occurred, will result in an assessment.

Sincerely,



FOR John S. McKee
Acting Area Manager

Enclosure

cc:
NMOCD

ABANDONED LOCATION

BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work should be submitted with a Sundry Notice. Questions? Call Pat Hester at (505) 761-8786.

1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location. Non-retrieved flowlines and pipelines will be abandoned in accordance with State Rule 714. Information supporting the non-retrieval will be included in the subsequent report or final abandonment Sundry Notice.

2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils can be remediated on-site according to these guidelines or disposed of in an approved facility.

3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped/disked to a minimum of 12" in depth before reseeding.

4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to deter vehicle travel. Access will be ripped to a minimum of 12" in depth, water barred and reseeded. All erosion problems created by the development must be corrected prior to acceptance of release. Water bars should be spaced as shown below along the fall line of the slope:

% Slope	Spacing Interval
Less than 20%	200'
2 to 5 %	150'
6 to 9 %	100'
10 to 15 %	50'
Greater than 15%	30'

5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required). Seed mix must be certified weed free to avoid the introduction of noxious weeds. Refer to the original APD for seed mix.

6. Notify Surface Managing Agency seven (7) days prior to seeding so that they may be present to witness.

7. The period of liability under the bond of record will not be terminated until the well is inspected and the surface rehabilitation approved.

Other Surface Managing Agencies (SMA's) may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us. On private land, a letter from the fee owner stating that the surface restoration is satisfactory will be provided to the office. Questions? Call Pat Hester at (505) 761-8786.

IN REPLY REFER TO
3162.3-1 (017)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
Albuquerque Field Office
435 Montano N.E.
Albuquerque, New Mexico 87107

Company Golden Oil Company

Well No. Jicarilla 361 No. 4

Location 459' FSL & 648' FEL Sec. 4, T23N, R4W, NMPM

Lease No. Jicarilla Contract 361

Government Contacts:

Bureau of Land Management , Albuquerque Field Office Office 505.761.8700
Manager: Steve Anderson, Assistant Field Manager 505.761.8982
Petroleum Engineer: Brian W. Davis 505.761.8756, Home 505.323-8698,
Pager 505.969.0146, Cell 505.249.7922,
Petroleum Engineering Technician: **Bryce Hammon, Office 505.759.1823, x-31, Cell 505.320.9741**
BLM Geology / Environmental Contact: Patricia M. Hester 505.761.8786

GENERAL REQUIREMENTS
FOR
OIL AND GAS OPERATIONS FEDERAL & INDIAN LEASES

1. Plugging operations authorized are subject to the "General Requirements for Permanent Abandonment of Wells on Federal and Indian Leases."
2. For wells on Indian leases, Bryce Hammond with the Jicarilla Nation Tribal Oil and Gas Office is to be notified at least 24 hours (48 hours if possible) before the plugging operations commence. His phone number is (505) 759-1823, x-31 office, (505) 320-9741 cell. Office hours are 7:45 a.m. to 4:30 p.m.
3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made :

N/A