

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Budget Bureau No. 1004-0135
Expires August 31, 1985

6. LEASE DESIGNATION AND SERIAL NO.

NOO-C-14-20-2717

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Navajo 14C

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Eagle Mesa Entrada

11. SEC., T., R., M., OR B.L. AND SURVEY OR AREA

Sec. 14, T19N, R4W

12. COUNTY OR PARISH

Sandoval

13. STATE

New Mexico

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" for such proposals.)

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR

Merrion Oil & Gas Corp.

3. ADDRESS OF OPERATOR

P. O. Box 840, Farmington, New Mexico 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State law or regulation.
See also space 17 below.)
At surface

330' FNL and 330' FEL

14. PERMIT NO.

15. ELEVATIONS (Show whether DP, RT, OR, etc.)

6661' KB

OIL CON. DIV
DIST. 3

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETION

ABANDON*

CHANGE PLANS

X

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(Note: Report results of multiple completion or Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

The following is an "Application for Suspension of Production" for the last producing well on a federal jurisdictional lease.

1. The Navajo 14C lease is in its extended term.
2. The Navajo 14C No. 1 is the only well on the lease and is currently producing.
3. The Navajo 14C No. 1 is a stripper well in that it generates a very small margin of profit. Exceedingly high operating costs are incurred in lifting and disposing of the large volume of water associated with the oil production.
4. The Navajo 14C No. 1 produces 50 BOPD and 8000 BWPD and is therefore capable of production in paying quantities. Failure to suspend production could lead to premature abandonment.

Approval of this Sundry Notice does not imply approval by the BIA. Before approval of suspension of production can be granted, consent of the mineral owners must be obtained and BIA concurrence will be required.

THIS APPROVAL EXPIRES

AUG 25 1989

18. I hereby certify that the foregoing is true and correct

SIGNED

T. Greg Merrion

TITLE Production Engineer

DATE 9/28/87

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

NMOCD

*See Instructions on Reverse Side

APPROVED
AS AMENDED

AUG 26 1988

AREA MANAGER



United States Department of the Interior

BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA

Caller Service 4104
Farmington, New Mexico 87499

General Requirements For Non-Producing Wells on Federal Leases

May 12, 1986

I. Any temporary abandonment request must include the following:

A. Justification of the reason the well should be temporarily abandoned rather than permanently plugged and abandoned.

B. A complete record of perforations in the well casing.

C. Provide for the installation of a bridge plug or a cement plug no more than 50 feet above each set of open perforations and the well bore filled with conditioned, non-corrosive fluid and shut-in at the surface. If a bridge plug is used, it must be capped with cement. The cement cap must be the greater of 35 feet or five sacks of cement if placed by dump bailer or, 25 sacks if spotted by tubing. If a cement plug is used it must be the greater of 100 feet or 25 sacks of cement.

D. The casing and uppermost plug must be pressure tested.

E. Rehabilitation of the surface must be performed on all disturbed surface except for that necessary to service the well.

F. The anticipated date the operations will occur. _____, Petroleum Engineering Technician, MUST BE NOTIFIED A MINIMUM OF 48 HOURS PRIOR TO COMMENCING ANY ABANDONMENT SO THAT THE OPERATIONS MAY BE WITNESSED.

G. Approval will be granted for one year and one extension may be granted upon receipt of a proper request. All temporarily abandoned wells must either be reconditioned to a useful function within two years from the date of the first approval or permanently plugged and abandoned.

II. Any request for long-term shut-in status will be approved under the following conditions:

A. Approval may be granted for long-term shut-in of a well for reasons that include, but are not limited to the following:

1. Unable to buck line pressure.
2. Unable to produce due to lack of or litigation of sale contracts.

3. Unable to produce in paying quantities under existing market conditions.

4. Sales line unavailable.

5. Time required to evaluate well for usefulness.

B. The following terms and conditions will apply to all wells approved for long-term shut-in:

1. Approval will be granted for one year and renewed annually, upon receipt of a proper request.

2. Approved SI wells are to be tested annually. This office shall be notified 48 hours prior to testing to allow BLM to witness the test. Testing will include verification of production capabilities and casing integrity, such as pressure testing annulus, bradenhead tests, etc.

3. Close all valves on wellhead and seal. (This is to only identify the well as shut-in and to let the operator/BLM know if the well has been tampered with. All disconnected lines shall have bull plugs installed in the connections broken.

4. Clean up the location - pick up trash and junk, and remove to an acceptable area.

5. For oil wells with pump jacks, the operator will be allowed to leave the pump and rods in the hole and close all valves at the surface. The operator is to advise BLM if they will be removing the pump jack.

6. All wells approved for long-term shut-in will be carried in BLM records as being in a producible condition.

III. Any request for permanent plugging and abandonment must include the following:

A. The reason that the well should be permanently plugged and abandoned.

B. A plugging program to isolate and protect subsurface zones, other minerals and water zones.

C. The anticipated date the plugging will occur. _____,
Petroleum Engineering Technician, MUST BE NOTIFIED A MINIMUM OF 48 HOURS PRIOR
TO COMMENCING ANY ABANDONMENT SO THAT THE PLUGGING MAY BE WITNESSED.