

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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FORM APPROVED
Budget Bureau No. 1000-1135
Expires September 30, 1991

Lease Designation and Serial No.
NM - 15841

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
CELSIUS ENERGY COMPANY

3. Address and Telephone No.
1125 17th Street, Suite 2240, Denver, Colorado 80202

4. Location of Well (Footage, Sec., T., R., S., or Survey Description)

1520' FNL; 790' FEL

Section 5, T22N-R7W

5. If Lease Agreement Designation

FEDERAL 5

6. Well Name and No.

1-6

7. API Well No.

10. Field and Pool, or Exploration Area

WILDCAT Rusty Chasera

11. County or Parish, State

SANDOVAL, NEW MEXICO

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☒ Abandonment

☐ Recompletion

☐ Plugging back

☐ Casing Repair

☐ Annular Casing

☐ Other

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

(Note: Section 1000 of multiple completion on well completion or
Recompletion Report and Log form.)

13. 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 intervals and zones pertinent to this work.)

The above captioned well was drilled by R. E. Lauritsen under a farmout agreement with Celsius Energy in 1982. Mr. Lauritsen has filed bankruptcy and ~~due to the fact~~ that Celsius is the record title owner, Celsius Energy agrees to plug and abandon the well in the following manner:

- 1) Attached please find the present status drawing of the well. Celsius intends to set a cast iron bridge plug at 1700' and pressure test the casing and plug to 500 psi. Circulate a 10 sack Class "G" cement plug (129' of cement) on top of the bridge plug. Fill the hole with 8.6 ppg mud.
- 2) Set a 20 sack Class "G" plug from 1450' to approximately 1200' to cover the Picture Cliff Top @ 1350' KBM (inside of casing).
- 3) Set a 20 sack plug from approximately 250' to surface.
- 4) Fill the 7"x45" annulus with 15 Sx of cement, if possible.
- 5) Cut off the casing head and install a regulation dry hole marker.
- 6) Reclamation of road and location will occur per BLM's recommendation. Please send reclamation stipulations.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Continued/Attached
Page

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

Signed

(This space for Federal or State Office Use)

Title MANAGER OPERATIONS

Approved by

Conditions of Approval, if any:

Title

NMOCD

APPROVED

AS AMENDED

JAN 30 1991

STEPHEN MASON

AREA MANAGER

The 4-1/2" production casing may be cemented to surface according to the amount of cement pumped. It is Celsius' intention to plug the well with the casing left in place.

Should you have any questions concerning this, please advise.

TAKEN

ZERO ELEV.: Grounds Elevation
LOCATION: 1847'
152' FNL + 740 FEI
SEL 5 T22-N 27W
SANDWAL P. N.M.

109' 7" O.D., 23 LB, + CSC.

Set @ 109' w/ 35 sx.in 8 7/8 "hole.

(Top of Cmt. @ Circ. by _____)

RELOCATED 1734-44' 16 HOLE

1752-68 16 HOLE

1774-78' 4 HOLE

RELOCATED w/ 1000 GALS 15% HCL

TRACED w/ 55 GCS = 10/26

TO C. FORM

LANDED 54 H. 1 1/4" 2 CM

ISS 1600 W/SET TAB. LANDED

1712

2 1/4"

1710

18x5 4 1/2" O.D., 10.5 LB, 15.5 CSC

Set @ 18x5 w/ 35 sx.in 6 1/2 "hole.

(Top of Cmt. @ Circ by _____)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401

Attachment to Notice of

Re: Permanent Abandonment

Intention to Abandon

Well: 1-5 Federal

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."
2. Mark Kelly with the Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 326-6201.
3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made (when applicable):

See attached for mud

Add a plug from 1000'-700' (Ojo Alamo)

Office Hours: 7:45 a.m. to 4:30 p.m.

GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON RESOURCE AREA

1. Secure prior approval either on a Sundry Notice (Form 3160-5) or verbally from the Fluids Drilling & Production Section at this office before changing the approved plugging program.
2. Plugging equipment used shall have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs. The Operator is responsible for providing all measuring devices needed to assure proper measurement of materials being used.
3. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations. Unattended pits are to be fenced.
4. All cement plugs are to be placed through tubing (or drillpipe) and shall be a minimum of 100 feet in length with 50% excess inside casing or 100% excess when plug is set in open hole or squeezed into perforations. 15.6#/gal slurry weight is to be used when using class B neat cement or when CaCl_2 is used. Use the recommended slurry weight of other type cements when they are used (Class C, Pozzolan etc.).
5. Any cement plugs placed when well is not full of fluid, or when well may be taking fluid, (i.e. across perms-unless bridge plug or retainer is used, across bad csg., or fresh water formations) will be tagged (touched) after cement has set to verify proper location.
 - 5a. Testing The first plug below the surface plug shall generally be tested by either tagging the plug with the working pipe string, or pressuring to a minimum pump (surface) pressure of 1000 psig, with no more than a 10 percent drop during a 15-minute period (cased hole only). If the integrity of any other plug is questioned, it must be tested in the same manner. Also, any cement plug which is the only isolating medium for a fresh water interval or a zone containing a valuable mineral deposit should be tested by tagging with the drill string.
6. Mud must be placed between plugs. Plugging mud is to be made up with a minimum of 15 lbs/bbl of sodium bentonite, and a nonfermenting polymer. Minimum consistency of plugging mud must be 9 lbs/gal and with a minimum viscosity of 50 sec/qt. Fresh water is to be utilized for mixing mud.
7. Following the placement of a cement plug, the withdrawal rate for at least the length of the cement plug shall not exceed 30 ft/min, in order to minimize the contamination of the plug.

8. Within 30 days after plugging work is completed, file a Sundry Notice (Subsequent Report of Abandonment, Form 3160-5), in quintuplicate with Area Manager, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

9. All permanently abandoned wells are to be marked with a regulation marker (4" pipe extending 4' above the ground line) containing the information as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10. After plugging work is completed the surface is to be rehabilitated in accord with instructions from the Fluids Surface Management Section of the Farmington Resource Area Office.

All above are minimum requirements. The period of liability under the bond of record will not be terminated until the lease is inspected and surface work approved.

Please advise this office when the well location is ready for final inspection.

Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1.

You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.