

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

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

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
Champlin Petroleum Co

3. ADDRESS OF OPERATOR
420 Henry Ford Ave, Wilmington, CA. 90744

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface
SESW (660' FSL 1980' FWL)

14. PERMIT NO.
Approved 12/14/84

15. ELEVATIONS (Show whether OF, ST, GR, etc.)
6931' GL, 6946' KB

5. LEASE DESIGNATION AND SERIAL NO.
NM 39532

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal 24-2

9. WELL NO.
#2

10. FIELD AND POOL, OR WILDCAT
Rio Puerco Mancos-Gallup

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 2 - T20N - R3W

12. COUNTY OR PARISH
Sandoval

13. STATE
New Mexico

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

NOTICE OF INTENTION TO: Obtain Approval

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

(Other) To Vent/Flare Gas (NTL-4A) ☒

(NOTE: Report results of multiple completion on 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.)

Champlin Petroleum Company requests approval to vent/flare gas from the subject well pursuant to NTL-4A, Section IV.B "Venting and Flaring Oil Well Gas".

Based on the latest production test on Sept. 9, 1986, the subject well is producing an average of 13 BOPD and 23 MCFD. Approximately 10 MCFD is used on the lease for fuel, releasing 13 MCFD to flare.

Enclosed as Attachments A, B, and C are engineering evaluation and economic data to demonstrate that expenditures necessary to market or beneficially use such gas are uneconomical and that required conservation of the gas could result in premature abandonment of recoverable oil reserves.

RECEIVED
JAN 26 1987
OIL CON. DIV.
DIST. 3

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

SIGNED P. M. McKinney TITLE Petroleum Engineer

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

APPROVED
DATE 1-19-87
JAN 23 1987
DATE Jan 23 1987
AREA MANAGER
FARMINGTON RESOURCE AREA

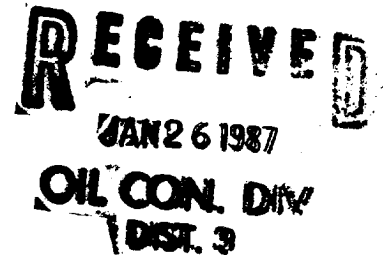
BACKGROUND

Production in the Rio Puerco Field, Sandoval County, New Mexico, occurs in the Gallup-Mancos member of the Mancos Shale. This formation is characterized as a fractured, silty, interbedded formation with predominant fracturing occurring along the flanks of the localized structures.

Volumetric reserve estimates are considered to be invalid due to the lack of matrix porosity and the degree of fracturing through the productive interval. Reserves, however, have been based upon well performance during the last six month period and projecting this information to the economic limit.

The recent well test and othe pertinent well data are shown below:

	#2
	<u>Federal 24-2</u>
Production Period	24 hours
Test Date	9/9/86
Oil Rate	13
Gas Rate	23
GOR	1769
Drilling & Completion Cost	\$555,000
Est'd Gas Reserves	Minimal
Champlin W.I.	50.0%
Champlin R.I.	41.25%



CHAMPLIN PETROLEUM COMPANY
RIO PUERCO FIELD
SANDOVAL COUNTY, NEW MEXICO

EVALUATION FOR FEASIBILITY OF MARKETING

It is determined that there is no economically feasible alternative to venting the gas at the Rio Puerco Field. Four of the existing wells are shut in due to depressed oil pricing and to prevent premature abandonment, permission is requested to vent the gas. A brief discussion of the alternatives and economics of each is as follows:

1. Sales via Gas Pipeline:

Sales via gas pipeline is unfeasible due to the 12-15 miles of line that would have to be installed. The subject well produces 23 MCFD and has insufficient reserves at current prices to cover the cost of installation of the line.

2. Installation of a Small Gas Plant to Strip Liquids:

This type of Plant would cost + \$300,000. Reserves are insufficient to cover initial costs and increased operating expenses would affect premature abandonment. In addition, there would still be measurable gas to vent.

In conclusion, there is no reasonable alternative to venting our produced gas at this time. Champlin will, however, continue to investigate alternatives as they may be presented to us.



P. M. McKinney
Petroleum Engineer

Page 1 of 1File 3806-G-1414

Company CHAMPLIN PETROLEUM COMPANY Formation Mancos - Gallup
Well #1 FEDERAL 44-2 County SANDOVAL
Field RIO PUECO Field State NEW MEXICO

HYDROCARBON ANALYSIS OF: SEPARATOR GAS

<u>Component</u>	<u>Mol Percent</u>	<u>GPM</u>
Carbon Dioxide	.07	
Nitrogen	8.70	
Methane	57.46	
Ethane	10.49	2.789
Propane	13.75	3.762
iso-Butane	1.75	.569
n-Butane	3.71	1.163
iso-Pentane	.78	.284
n-Pentane	.65	.234
Hexanes Plus	2.64	1.131
	<u>100.00</u>	<u>9.932</u>

Calculated gas gravity (air = 1.000) = .954

Calculated gross heating value = 1479 BTU per
cubic foot of dry gas at 14.65 psia and 60°F.

Collected at 36 psig and 76 °F.

Date Sampled : 8-16-84
Cylinder Number: 868

#2 FEDER 24-2

PRODUCED 24 hrs

9/9/86

13 BO.
23 MCF
0 BW

NOON

1

2

3

4

5

6 PM

7

8

9

10

11

MIDNIGHT

2

3

4

5

6 AM

7

8

9

10

11

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90

80

70

60

50

40

30

20

10

90