

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 1480' FWL)

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MAY 01 1987

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

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

14. PERMIT NO.
Approved 12/14/84
15. ELEVATIONS (Show whether DP, ST, CR, etc.)
6931' GL, 6946' KB

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) For Long Term Shut-In

PCLL OR ALTER CASING
MULTIPLE COMPLETE
ABANDON*
CHANGE PLANS

XX

SUBSEQUENT REPORT OF:

WATER SHUT-OFF
FRACTURE TREATMENT
SHOOTING OR ACIDIZING
(Other)

REPAIRING WELL
ALTERING CASING
ABANDONMENT*

(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 of long term shut-in for the subject well. The current depressed oil price market makes this well uneconomic to continue to produce. The well was shut-in on 2/18/87. Production immediately prior to shut-in was 4 BOPD, 20 BWPD and Gas TSTM. In the year immediately preceding the shut-in, the well produced in paying quantities and averaged 16 BOPD, 1 BWPD and 23 MCFD. Approval for long term shut-in would prevent premature abandonment of recoverable hydrocarbon reserves.

See Part II, of General Requirements

THIS APPROVAL EXPIRES May 7, 1988

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MAY 11 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

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

MAY 07 1987

AREA MANAGER

NMOCC

*See Instructions on Reverse Side

April 27, 1987

United States Department of the Interior
Bureau of Land Management
Call Service 4104
Farmington, New Mexico 87499

Attention: Mr. Jim Lovato

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BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

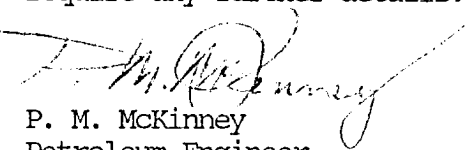
Re: Application for Long Term Shut-In
#2 Federal 24-2
Section 2-T20N-R3W
Rio Puerco Field
Sandoval County, New Mexico

Dear Mr. Lovato:

Champlin Petroleum Company respectfully requests authorization to temporarily shut in the above well for a one year period of time. The current depressed oil price market has left this well uneconomic to continue to produce. Due to the fact that significant undeveloped hydrocarbon potential remains behind pipe, a long term shut in is requested in lieu of abandonment. Favorable market conditions would allow the maximum reserve recovery potential of this well to be realized.

Attached are five copies each of Form 3160-5 "Notice of Intent for Long Term Shut In" for the above well. Also included is production history which demonstrates the well was capable of production in paying quantities up until the time of shut in and it is uneconomic to continue to produce under the current market structure. Champlin will, however, continue to monitor this situation and act on any favorable events as they arise.

Please return the excess copies to the undersigned and advise if you should require any further details.


P. M. McKinney
Petroleum Engineer

PMM:gm

Attachments

cc: Marie Wahl - Denver Lease Records



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.

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 in sufficient time before test 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.