

DEPARTMENT OF THE INTERIOR (Other Instructions on Reverse Side)
BUREAU OF LAND MANAGEMENT

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. ON WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	5. LEASE DESIGNATION AND SERIAL NO. N00-C-14-20-3743
2. NAME OF OPERATOR Graham Royalty, Ltd.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME <i>Allotted</i>
3. ADDRESS OF OPERATOR 1675 Larimer Street, Suite 400, Denver, CO 80202	7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 790' FNL & 1650' FWL	8. FARM OR LEASE NAME Union Navajo <i>Allotted</i>
14. PERMIT NO.	9. WELL NO. #21
15. ELEVATIONS (Show whether OF, BY, OR, ETC.) 6975' GL	10. FIELD AND POOL OR WILDCAT Nageezi Gallup
	11. SEC., T., R., N., OR S.E., AND SURVEY OR AREA Sec. 5-23N-8W
	12. COUNTY OR PARISH San Juan
	13. STATE NM

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

NOTICE OF INTENTION TO

TEST WATER SHUT-OFF	PULL OR ALTER CASING
FRAC TREAT	MULTIPLE COMPLETION
KILN OR ACIDIZE	ABANDON <input checked="" type="checkbox"/>
REPAIR WELL	CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	REPAIRING WELL
FRAC TREAT	ALTERING CASING
SHOOTING OR ACIDIZING	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.)

- Contact Farmington BLM at 505-327-5344 24 hours prior to RU.
- MIRU. Install and test BOP stack.
- TOOH with production string.
- TIH with cement retainer on tubing. Set retainer at 5100'. Squeeze 50 sx cement below retainer, sting out, and dump 5 sx on top. Fill hole with 9.2 ppg mud.
- Spot a 100' plug from 3210' to 3110' (Mesaverde) inside and outside 4½" casing.
- Spot a 100' plug from 2560' to 2460' (Chacra) inside and outside 4½" casing.
- Perf @ 1740'. Place a cement plug from 1740' to 1400' inside and outside 4½" casing.
- Perf @ 1300'. Place a cement plug from 1300' to 1040' inside and outside 4½" casing.
- Perf @ 620'. Set a 100' cement plug inside and outside 4½" casing.
- Spot plug from surface to 50'.
- Squeeze a 50' plug down braidenhead.
- RDMO. Weld plate on casing. Weld P&A marker.
- Clean up and restore location.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

SIGNED *Wilbur L. Dover*

TITLE Division Manager

DATE January 4, 1989

(This space for Federal or State office use)

APPROVED BY
CONDITIONS OF APPROVAL IF ANY:

TITLE

DATE

James E. Edwards Jr.
JAMES E. EDWARDS JR.

*See Instructions on Reverse Side

BUREAU OF LAND MANAGEMENT
1235 La Plata Highway
Farmington, New Mexico 87401
Phone (505) 327-5344

Attachment to Notice of
Intention to Abandon

Re: Permanent Abandonment

Well: 5-21 Uncon Navajo

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) 327-5344.
3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made (when applicable):
See Sundry Notice

Note well is to be plugged by May 1, 1989

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 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 perfs-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.