Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31,1993

BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. SF 079338 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name 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 N/A 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE N/A 1. Type of Well Gas Well Well Other 8. Well Name and No. Oil Sunico Federal 19 2. Name of Operator 9. API Well No. Rio Chama Petroleum, Inc. 30-039-05296 3. Address and Telephone No. 10. Field and Pool, or Exploratory Area P.O. Box 3027, Pagosa Springs, CO 81147 Blanco Pictured Cliffs 4. Location of Well (Footage, Sec., T., R., M. or Survey Description) I 1. County or Parish, State Rio Arriba Co., NM Unit Letter 1, 1850 FSL & 790 FEL; Sec. 26 T24N-R2W CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12 TYPE OF ACTION TYPE OF SUBMISSION Change of Plans Abandonment Notice of Intent **New Construction** Recompletion Non-Routine Fracturing Plugging Back __ Subsequent Report Water Shut-Off Casing Repair Conversion to Injection Altering Casing Final Abandonment Notice Dispose Water (Note: Report resulB 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 markers and zones pertinent to this work.)* Well will be P&A'd according to attached procedure. 14. I hereby certify that the foregoing is true and correct Signed

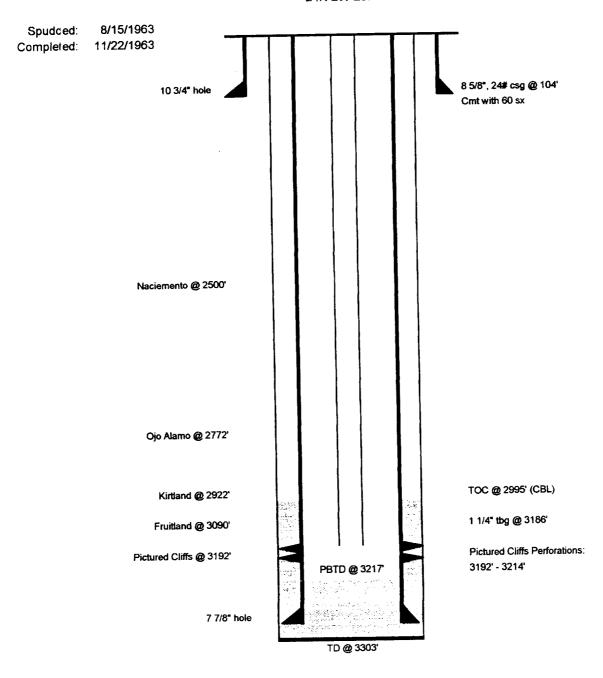
Plug and Abandonment Procedure Sunico Federal #19 I 26-24N-2W Rio Arriba County, New Mexico

- 1. MIRU
- 2. ND wellhead and NU BOP; test BOP
- 3. PU 1 1/4" tbg. and circulate to bottom. POOH
- 4. Set CIBP @ 3185;. Perforate 2 sqz holes at 2558' (Nacimiento) and 2 sqz holes at 150'.
- 5. PLUG #1 (Fruitland, Kirtland, and Ojo Alamo top 3185' 2772') -- PU 2 3/8" workstring and RIH. Tag CIBP @ 3185'. Mix 32 sx cmt, spot a plug from 3185' to 2772' to cover Ojo Alamo top. POOH and WOC. Load well with water and pressure test casing to 500#.
- 6. Plug #2 (Naciemento top, 2558' 2500'): PU 4 ½" cmt retainer and RIH, set at 2450'. Pressure test csg to 500#. Mix and pump 25 Sxs cmt, sqz leave 5 sxs cmt inside csg to cover Naciemento top. POOH and LD tbg and setting tool.
- 7. Plug #3 (Surface): Establish circulation out bradenhead valve. Mix 50 sxs cmt and pump down 4 ½" csg; circulate good cement out bradenhead valve. Shut-in well and WOC.
- 8. ND BOP and cut off well head below surface casing flange. Install P&A marker with cmt to comply with regulations. RD, MOL and cut off anchors.

Sunico Federal #19

Current

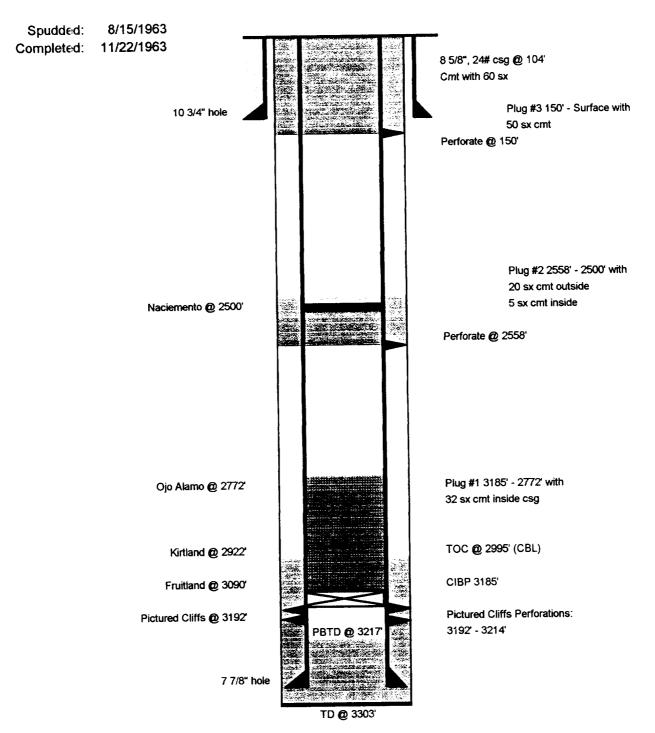
So. Blanco Pictured Cliffs 24N 2W 26I



Sunico Federal #19

Proposed P&A

So. Blanco Pictured Cliffs 24N 2W 26l



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BUREAU OF LAND MANAGEMENT Albuquerque Field Office 435 Montano N.E. Albuquerque, New Mexico 87107

Company Rio Chama Petroleum, Inc.

Well No. Sunico Federal No. 19

Location 1850' FSL & 790' FEL Sec.26, T24N, R2W, NMPM

Lease No. NMSF-079338

Government Contacts:

Bureau of Land Management , Albuquerque Field Office Office 505.761.8700

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GENERAL REQUIREMENTS **FOR** OIL AND GAS OPERATIONS ON FEDERAL AND INDIAN LEASES

- 1. Plugging operations authorized are subject to the "General Requirements for Permanent Abandonment of Wells on Federal and Indian Leases."
- 2. Blowout prevention equipment is required.
- 3. The sundry is approved with the following changes:
- 1. Plug 1: 36 sx for adequate excess
- 2. Plug 2 (Naciemento): Perforate 2 holes @ 1630', Set cement retainer @ 1580'. Pump 40 sx (29 sxs outside, 11 sxs inside).
- 3. Plug 3, Peforate @ 154'

BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work should be submitted with a Sundry Not ce. Questions? Call Pat Hester at (505) 761-8786.

- 1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location. Non-retrieved flowlines and pipelines will be abandoned in accordance with State Rule 714. Information supporting the non-retrieval will be included in the subsequent report or final abandonment Sundry Notice.
- 2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils can be remediated on-site according to these guidelines or disposed of in a an approved facility.
- 3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped to a minimum of 12" in depth before reseeding.
- 4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to deter vehicle travel. Access will be ripped to a minimum of 12" in depth, water barred and reseeded. All erosion problems created by the development must be corrected prior to acceptance of release. Water bars should be spaced as shown below along the fall line of the slope:

% Slope	Spacing Interval
Less than 20%	200'
2 to 5 %	150'
6 to 9 %	100'
10 to 15 %	50'
Greater than 15%	30'

- 5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required). Seed mix must be certified weed free to avoid the introduction of noxious weeds. Refer to the original APD for seed mix.
- 6. Notify Surface Managing Agency seven (7) days prior to seeding so that they may be present to witness.
- 7. The period of liability under the bond of record will not be terminated until the well is inspected and the sur ace rehabilitation approved.

Other Surface Managing Agencies (SMA's) may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us. On private land, a letter from the fee owner stating that the surface restoration is satisfactory will be provided to the office. Questions? Call Pat Hester at (505) 761-8786.