

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. SF-078924
2. Name of Operator BANNON ENERGY, INCORPORATED 713-537-9000	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 3934 F.M. 1960 West, Ste 240, Houston, TX 77068	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FSL, 1730' FWL Sec. 21, T24N, R7W	8. Well Name and No. GRACE Federal 21-1
	9. API Well No. 30-039-22105
	10. Field and Pool, or Exploratory Area ESCRITO Gallup
	11. County or Parish, State RIO ARriba, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results 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.)*

See Attached for Revised plugging procedure

RECEIVED

MAY 26 1993

OIL CON. DIST. 3

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED
BLM
MAY 21 AM 11:05
070 FARMINGTON, NM

14. I hereby certify that the foregoing is true and correct
Signed Dorothy Blameth Title Field Foreman Date 5-19-93
(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

APPROVED

MAY 24 1993

DISTRICT MANAGER

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

NMOCD

May 4, 1993

Grace Federal #21-1 (G1)
NE, SW, Sec. 21, T24N, R7W
Rio Arriba County, New Mexico

PLUG AND ABANDONMENT PROCEDURE:

1. MOL and RUSU. Comply to all NMOCB, BLM and Bannan safety rules and regulations.
2. Blow well down; kill with water if necessary. ND wellhead and NU BOP and stripping head; test BOP.
3. POH and tally 2-3/8" tubing and LD; RIH with open ended tubing to 6128'; circulate hole.
4. Plug #1 from 6128' to 5610' with 79 sxs Class B cement (100% excess); POH to 4000' and WOC.
5. RIH and tag cement; pressure test casing to 500#; spot 25 bbls. 8.4# 40 vis mud from top of cement to 3942'; POH.
6. Perforate 4 holes at 3942'. PU 4-1/2" cement retainer and RIH; set at 3900; pressure test tubing to 1500#.
7. Plug #2 from 3942' to 3842' with 51 sxs Class B cement (100% excess outside and 50% inside, Mesaverde top), and squeeze 45 sxs under CR and spot 6 sxs on top.
8. POH to 3780' and spot 22 bbls. 8.4# mud from 3780' to 2418'; POH and LD setting tool; pressure test casing to 500#.
9. Perforate 4 holes at 2418' (50' below Pictured Cliffs top) establish rate into squeeze holes; PU 4-1/2" cement retainer and RIH to 2350' and set CR.
10. Plug #3 from 2418' to 1618' with 336 sxs Class B cement, squeeze 314 sxs under CR and outside casing (100% excess), and then spot 22 sxs on top CR up to 2089' (50% excess, 50' above Fruitland top).

May 4, 1993

Grace Federal #21-1 (G1)
NE, SW, Sec. 21, T24N, R7W
Rio Arriba County, New Mexico

PLUG AND ABANDONMENT PROCEDURE (cont'd):

11. POH to 2000' and spot 3 bbls. 8.4# mud from 2000' to 1805'; POH to 1805'.
12. Plug #4 from 1805' to 1618' with 21 sxs Class B cement (50% excess, 50' above and below Ojo Alamo formation, note Plug #3 covered this interval outside the casing).
13. POH to 1500' and spot 18 bbls 8.4# 40 vis to 361'; POH and LD tubing.
14. Perforate 2 holes at 361' (50' below base of surface casing); establish circulation out bradenhead valve. Plug #5 - pump cement down casing until good cement circulates out bradenhead; approx. 110 sxs; shut in well.
15. ND BOP and cut off wellhead below ground level and install dry hole marker. RD and MOSU.
16. Restore location to BLM stipulations.

IN REPLY REFER TO
(019)

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 Grace Federal/21

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) 599-8907
3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made (when applicable):

- 1.) Spot Gallup cement plug from 6162' to 5600' inside the casing. Adjust cement volume
- 2.) Spot Ojo Alamo plug from 1863' to 1618' inside the casing. Adjust cement volume.

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