

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. LEASE DESIGNATION AND SERIAL NO.

SF 078563

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Federal

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Grace Federal 24

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Devils Fork-Gallup

11. SEC., T., R., M., OR BLK. AND  
SURVEY OR AREA

Sec. 24 T24N R7W

12. COUNTY OR PARISH 13. STATE

Rio Arriba

NM

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

Bannon Energy, Inc.

3. ADDRESS OF OPERATOR

P.O. Box 2085, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface

Unit C; 950' FNL and 1640' FWL NMPM

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

6644 GR

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)

PULL OR ALTER CASING

MULTIPLE COMPLETION

ABANDON\*

CHANGE PLANS

X

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.)\*

1. Proposed work is to begin on or about August 15, 1989,
2. Spot 25 sx cement plug, 50' above and below the producing formation, from 5550' to 5220'.
3. Spot 80 sx cement plug, from 50' below the bottom porosity in the Point Lookout to 50' above the top of the Cliffhouse (Mesa Verde), from 4500' to 3480'.
4. Spot 10 sx cement plug being 50' below the bottom porosity in the Picture Cliffs to 50' above the Picture Cliffs from 2080' to 1950'.
5. Spot 20 sx cement plug being 50' above to 50' below the Ojo Alamo from 1600' to 1050'.
6. Spot 10 sx cement plug across base of surface casing from 380' to 280'.
7. Cut 4 1/2" production casing 4' below ground level, spot surface cement plug, install P&A marker.

Top of producing formation: Gallup @ 5270'.

Top of potential oil, gas or water zones: Point Lookout @ 4254',  
Cliffhouse @ 3532', Picture Cliffs @ 2024', Ojo Alamo @ 1430', Menefee  
@ 3686'.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

SIGNED

W. J. Holcomb

(This space for Federal or State office use)

TITLE Agent, Bannon Energy, Inc. DATE 8-1-89

AS AMENDED

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

NN000

DATE  
AUG 21 1989

Ken Townsend  
AREA MANAGER

\*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: 1 Grace Federal 24

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):
  - a) Place a cement plug from 2850'-2750' (Chacara)
  - b) " " " " " 1820'-1720' (Frontland)
  - c) Place cement in 4 1/2" - 8 5/8" annulus 380'-280'  
0'-50'

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 weight is to be used when using class B neat cement or when  $\text{CaCl}_2$  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 perms-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.