

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Budget Bureau NO. 1004-0155
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 <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 22592	
2. NAME OF OPERATOR CHAMPLIN PETROLEUM COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA	
3. ADDRESS OF OPERATOR 420 Henry Ford Ave, Wilmington, CA. 90744		7. UNIT AGREEMENT NAME NA	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface NWSE (1980' FSL & 1980' FEL)		8. FARM OR LEASE NAME Federal 33-29	
14. PERMIT NO. Approved 8-15-84		9. WELL NO. #1	
15. ELEVATIONS (Show whether DP, RT, CR, etc.) 6488' GR, 6498' KB		10. FIELD AND POOL, OR WILDCAT Bisti-Gallup	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 29-T25N-R11W	
		12. COUNTY OR PARISH San Juan	13. STATE New Mexico

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) To Vent/Flare Gas (NTL-4A) <input checked="" type="checkbox"/>		(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 to vent/flare associated oil well gas from the subject Lease pursuant to NTL-4A, Section IV-B "Venting and Flaring Oil Well Gas."

Based on the latest production test on February 12, 1986, the subject well is producing an average of 13 BOPD, 5 BWPD and 15 MCFD. Approximately 6 MCFD is used on the Lease for fuel, releasing 9 MCFD to flare.

Enclosed as attachments "A", "B" and "C" are engineering evaluation and economic data to demonstrate that expenditures necessary to market or beneficially use such gas are uneconomical and that required conservation of the gas could result in premature abandonment of recoverable oil reserves.

RECEIVED
APR 16 1986
OIL CON. DIV.
DIST. 3

18. I hereby certify that the foregoing is true and correct		Date 4/15/87	
SIGNED <u>P. A. McKinney</u>	TITLE <u>Petroleum Engineer</u>	DATE <u>4/7/86</u>	
(This space for Federal or State office use)			
APPROVED BY _____	TITLE _____	DATE <u>4/15/86</u>	
CONDITIONS OF APPROVAL, IF ANY:		for <u>P. A. McKinney</u>	

*See Instructions on Reverse Side

BACKGROUND

Production at the #1 Federal 33-29 occurs in the Lower Gallup Sand. Due to the fact that the well experienced a casing failure in 1985 and was off production for approximately four months, decline curve analysis prior to the casing problem was used to estimate reserves.

Recent test data and other pertinent well information are shown below:

#1 Federal 33-29

Production Period	24 hours
Test Date	2/12/86
Oil Rate	13 BOPD
Gas Rate	15 MCFD
GOR	1154 SCF/Bbl.
Drilling and Completion Cost	\$556 M
Estimated Remaining Oil Reserves	41.4 MBO
Estimated Remaining Gas Reserves	47.8 MMCF
Champlin W.I.	.50
Champlin R.I.	.4125

CHAMPLIN PETROLEUM COMPANY
#1 FEDERAL 33-29
SAN JUAN COUNTY, NEW MEXICO

Evaluation for Feasibility of Marketing Gas

It is determined that there is no current economically feasible alternative to venting the gas at the #1 Federal 33-29. A brief discussion of the alternatives and economics of each is presented as follows:

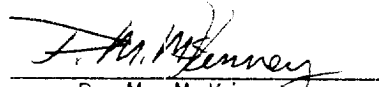
1. Gas Sales Via Pipeline:

Champlin has contacted the nearest gas purchasers, El Paso Natural Gas and Northwest Pipeline, to again look at the feasibility of a gas connection. Both parties state that they are no longer negotiating additional gas sales contracts in the San Juan Basin at the present time. Also, they indicate that even if this situation changes, the #1 Federal 33-29 does not have a sufficient reserve base to justify the construction expense of approximately 3-4 miles of pipeline to connect to the nearest system.

2. Installation of a Small Gas Plant to Strip Liquids:

This type of Plant would cost + \$300,000. Reserves from the #1 Federal 33-29 are insufficient to cover initial costs and increased operating expenses could affect premature abandonment. In addition, there would still be measurable gas to vent.

In conclusion, there is no reasonable alternative to venting our produced gas at the present time. Champlin will, however, continue to investigate alternatives as they arise.


P. M. McKinney

Cenref Labs

Century Refining Company

GAS ANALYSIS

ANALYSIS NO.: C85NG1241 II PA-60 DATE RECEIVED: MAY 2, 1985
 COMPANY: CHAMPLIN PETROLEUM DATE RUN: MAY 8, 1985
 CYLINDER NO.: SS-7B 8 DATE SAMPLED: APRIL 30, 1985
 DESCRIPTION:
 WELL NAME: #1 FEDERAL 33-29 BISTI FIELD LOCATION: SEC. 29-25N-11W
 COUNTY: SAN JUAN STATE: NM SAMPLED FROM: SEPARATOR OUTLET
 PERF. FROM: TO: ZONE: MS#:
 FIELD DETERMINATIONS: SAMPLE PRESS (PSIG): 55 SPEC. GRAVITY: .944
 AMBIENT TEMP (F): SAMPLE TEMP (F): 130
 REQUESTED BY: G. WILDER SAMPLED BY:

CHROMATOGRAPH METHOD

<u>COMPONENT</u>	<u>MOL%</u>	<u>G.P.M.*</u>
HELIUM	0.03	
HYDROGEN	0.00	
OXYGEN/ARGON	0.04	
CARBON DIOXIDE	0.38	
NITROGEN	1.56	
METHANE	58.87	
ETHANE	16.73	4.450
PROPANE	14.72	4.034
I-BUTANE	1.57	0.510
N-BUTANE	4.11	1.288
I-PENTANE	0.77	0.279
N-PENTANE	0.72	0.259
HEXANES-PLUS	<u>0.50</u>	<u>0.215</u>
TOTAL	100.00	11.035

* CALCULATED VALUE BASED ON IDEAL
 GAS VALUES FROM LATEST G.P.A.
 PUB. 2145 @ 60F AND 14.65 PSIA.

** CALCULATED VALUE USING METHOD
 FROM G.P.A. PUB. 2172 AND LATEST
 GAS VALUES FROM 2145.

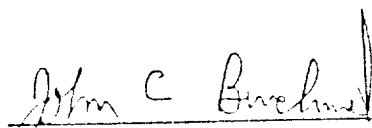
** GROSS HEATING VALUE PER CU.FT. @ 60F & 30 IN.HG SAT.	1516.2	BTU
** GROSS HEATING VALUE PER CU.FT. @ 60F & 30 IN.HG DRY	1543.0	BTU
** NET HEATING VALUE PER CU.FT. @ 60F & 30 IN.HG SAT.	1382.7	BTU
** NET HEATING VALUE PER CU.FT. @ 60F & 30 IN.HG DRY	1407.1	BTU
** SPECIFIC GRAVITY (AIR = 1.00)	0.9165	

REMARKS: D.N. 40096

ACCOUNT NUMBER:

INVOICE: Champlin Petroleum Company

ChPCo-Englewood(GWilder)
 CRC

 ANALYST
 EXPRESS INDUSTRIES TO LABORATORY MANAGER