



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

NOV 17 1999

IN REPLY REFER TO:

SF-080213(WF)
3162.3-2(07100)

Union Oil Company of California
Attn.: Charlotte Beeson
P.O. Box 671
Midland, TX., 79702

Dear Ms. Beeson:

Reference is made to the following well on Federal oil and gas lease SF-080213:

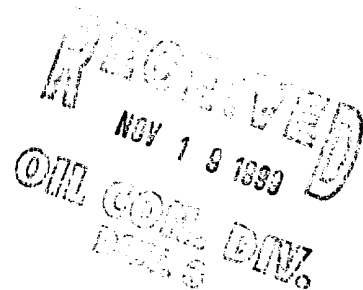
**No. 227 Rincon Unit, located 1850' FSL and 2080' FEL, Section 28, T.27N., R.7W.,
Rio Arriba County, New Mexico.**

We received your Well Completion Report and Sundry Notices dated October 25, 1999, and November 3, 1999, which details the work conducted to plug back the Dakota and recomplete in the Mesaverde Formation. These reports indicated that a CIBP was set at 5450' and capped with 10' of cement to plug back the Dakota formation.

Pursuant to your Sundry Notice dated June 23, 1999, and subsequently approved by this office with conditions on July 9, 1999, you were required to properly plug back the Dakota Formation by setting a CIBP at 7228' and capping it with 50' of cement. In addition, you were required to set a cement plug inside the 4 1/2" casing from 6362' to 6262' to properly plug the Gallup Formation. Because both of these conditions were not met, you are in violation of 43 CFR 3162.3-2 Subsequent Well Operations, which requires adherence to approved plans containing modifications and/or special conditions. At this point, these are considered minor violations. However, this will serve as notice that in the future, failure to comply with a written order of the Authorized Officer will be subject to an assessment pursuant to 43 CFR 3163.1.

You will be required to report this well as dually completed in the Dakota and Mesaverde Formation with the status of the Dakota carried as temporarily abandoned. Furthermore, upon final abandonment of this well bore, the CIBP at 5450' must be drilled out and abandonment plugs set in accordance with the conditions previously outlined. Enclosed is the processed Sundry Notice and Well completion Report.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the assessment described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.



If you have any questions regarding the above, please contact Jim Lovato @ (505) 599-6367.

Sincerely,

/s/ Joe Hewitt

Joe Hewitt

Acting Team Leader, Petroleum Management Team

Enclosures (Sundry Notices)

cc:

NMOCD: Aztec & Santa Fe