



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178 Fax (505) 334-6170

GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

Certified Receipt P-987-892-173

June 18, 1996

Mountain States Petroleum Corporation
Attn Paul Slayton
PO Box 1936
Roswell NM 88202-1936

RE: Violations at the Northwest Cha Cha Unit Water Flood Facility and the adjacent production facility at G-21-29N-14W, San Juan County, New Mexico

Dear Mr. Slayton:

Mountain States Petroleum Corporation continues violating Oil Conservation Division rules and orders. Mountain States has failed to bring the injection and production facilities of the Northwest Cha Cha Unit into compliance with OCD rules and orders as outlined in certified letters dated 12/13/95 and 04/01/96 from this office. At the Northwest Cha Cha Unit Water Flood Facility, specifically, there has been no effort to remove water and oil from the existing overflow pit and failure to initiate closure of the pit.

Authority for production and injection activities associated with the wells listed below is canceled until satisfactory compliance activities are initiated:

30-045-25968, Northwest Cha Cha Unit #01, G-18-29N-14W
30-045-07877, Northwest Cha Cha Unit #46, E-26-29N-14W
30-045-08142, Northwest Cha Cha Unit #11, A-20-29N-14W
30-045-07837, Northwest Cha Cha Unit #50, K-27-29N-14W
30-045-08068, Northwest Cha Cha Unit #16, E-22-29N-14W
30-045-07774, Northwest Cha Cha Unit #56, O-25-29N-14W
30-045-08141, Northwest Cha Cha Unit #17, H-21-29N-14W
30-045-07756, Northwest Cha Cha Unit #57, M-25-29N-14W
30-045-25979, Northwest Cha Cha Unit #02, L-18-29N-14W
30-045-07779, Northwest Cha Cha Unit #58, O-26-29N-14W
30-045-25808, Northwest Cha Cha Unit #20, G-20-29N-14W
30-045-07772, Northwest Cha Cha Unit #59, M-26-29N-14W
30-045-07990, Northwest Cha Cha Unit #24, H-21-29N-14W
30-045-07686, Northwest Cha Cha Unit #66, G-36-29N-14W

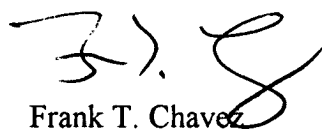
Paul Slayton
Mountain States Petroleum Corp
Page 2
June 18, 1996

30-045-13104, Northwest Cha Cha Unit #30, O-22-29N-14W
30-045-07684, Northwest Cha Cha Unit #67, E-36-29N-14W
30-045-07932, Northwest Cha Cha Unit #35, C-28-29N-14W
30-045-07692, Northwest Cha Cha Unit #68, G-35-29N-14W
30-045-07924, Northwest Cha Cha Unit #36, A-28-29N-14W
30-045-08215, Northwest Cha Cha Unit #07, M-17-29N-14W
30-045-07920, Northwest Cha Cha Unit #39, A-27-29N-14W
30-045-07598, Northwest Cha Cha Unit #74, O-36-29N-14W
30-045-07864, Northwest Cha Cha Unit #43, G-25-29N-14W
30-045-13267, Northwest Cha Cha Unit #75, M-36-29N-14W
30-045-07865, Northwest Cha Cha Unit #44, E-25-29N-14W
30-045-07596, Northwest Cha Cha Unit #76, O-35-29N-14W

Further lack of activity to come into compliance may result in fines or other enforcement action.

Please feel free to contact me or Denny Foust if you have questions.

Sincerely,



Frank T. Chavez
District Supervisor

FTC\sh

cc: Well files
Operator file

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

☐ Oil Well ☐ Gas Well ☒ Other WIW

2. Name of Operator

MOUNTAIN STATES PETROLEUM CORP.

3. Address and Telephone No.

P O BOX 3531, MIDLAND, TX 79702 915/685-0878

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL & 660' FWL Sec. 36, T29N, R14W, NMPM
E

5. Lease Designation and Serial No.
14-20-603-2172

6. If Indian, Allottee or Tribe Name

Navajo Nation

7. If Unit or CA, Agreement Designation

NW Cha Cha Unit

8. Well Name and No.

NW Cha Cha Unit 67

9. API Well No.

30-045-07684

10. Field and Pool, or Exploratory Area

Cha Cha Gallup

11. County or Parish, State

San Juan, NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Time Extension
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

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.)

Due to the unavailability of rigs in this area, we have been unable to start this temporary abandonment. We would like to request a 20-day extension or until a rig becomes available.

RECEIVED
DEC 20 1996

OIL CON. DIV.
DIST. 3

THIS APPROVAL EXPIRES 1/6/97

RECEIVED
BLM
96 DEC 17 PM 2:05
070 FARMINGTON, NM

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

Signed [Signature] Title Agent

(This space for Federal or State office use)

Approved by _____ Title _____
Conditions of approval, if any: _____

APPROVED

DEC 17 1996

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

NM000