Form	9-331
(May	1963)

16.

UNITED STATES DEPARTMENT OF THE INTERIOR (Other Interior Property of the Interior Pro

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(Other 1	ņstr	uctions	- 0 p /	r

Form approved. Budget Bureau No. 42-R1424.

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GEOLOGICAL SURVEY	M00-C-1420-0623
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME
(Do not use this form for proposals to drill or to deepen or plug back to a different reservoi Use "APPLICATION FOR PERMIT—" for such proposals.)	Ute Mtn Tribal
I. OIL GAS OTHER WE'LL WELL OTHER	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR Hardscrabble Associates (c/o Elliott Riggs)	8. FARM OR LEASE NAME Pinon Mesa D
3. ADDRESS OF OPERATOR P. O. Box 711, Farmington, New Mexico 87401	9. WELL NO. #1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface RECEIVE	10. FIELD AND POOL, OR WILDCAT Basin Dakota
850' FSL & 1690' FWL DE0.1 # 100	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
DEC 1 4 198	32 14-31N-14W NMPM
14. PERMIT NO. 15. BLEVATIONS (Show whether DF, RT, GR, etc.) 5819 GL GRAND JUNCTION	, CO San Juan NM

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

C. 1	cent i ippropriate ben i e i					
NOTICE OF INTENTION TO:			SUBSEQUENT REPORT OF:			
TEST WATER SHUT-OFF	PULL OR ALTER CASING		WATER SHUT-OFF	REPAIRING WELL		
FRACTURE TREAT	MULTIPLE COMPLETE		FRACTURE TREATMENT	ALTERING CASING		
SHOOT OR ACIDIZE	ABANDON*		SHOOTING OF ACIDIZING	ABANDON MENT*		
REPAIR WELL	CHANGE PLANS		(Note: Report results of	multiple completion on Well		
(Other) Kequest -	SI Extension	× ←	Completion or Recompletion	n 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.)*

See attached SI well Data Sheet

See attached letter

	TITLE	DATE
s. I hereby certify that the foregoing is true and correct SIGNED Elliott A. Riggs	Agent	DATE November 30, 198

*See Instructions on Reverse Side

NMOCD, Aytec

SHUT-IN WELL DATA SHEET

Lca	se MOO-C-1420-0623, Well No. #1-D, SE & SW & sec. 14,
Ι	. 31N , R. 14W , County <u>San Juan</u> , State <u>New Mexico</u> .
F	ormation: Dakota Interval: 3578' to 3679'.
1.	Date of Completion: 3/27/75; I.P. 6 BO/3 hrs
	Last production (see letter "A") Date of Last Test: (a) 3/76; Shut-in Pressure: N/A psig;
	24 Hour Rate: N/A BOPD; MCFPD N/A
	Working Pressure: N/A psig; Water Vol. N/A BWPD
3.	Is well capable of producing hydrocarbons in paying quantities? <u>yes</u> .
	Estimated current daily producibility: 20 mcfd + 1 BOD
	Estimated lift cost: \$\frac{20}{} \setable bbl.
4.	Reason for Not Producing and/or Reason Not to Plug and Abandon: (*)
	*(If not capable of producing in paying quantities.) (b)
	Court problems. (see attached letter "A")
5.	Date producer was shut-in and reason for shut-in status (c)
	4/76 – low productivity, low gas price
6.	Additional information: (d)
	Pending resolution of court case (letter "A") we will review moving a pumping unit and storage tank on location and tie into gas sales line.

(See reverse side for instructions)



OFFICE: 505/325-9881 RES.: 505/325-8194

ELLIOTT A. RIGGS

Petroleum Geologist

P.O. BOX 711
FARMINGTON, NEW MEXICO 87401

November 30, 1982

RECEIVE D DEC 1 0 1982

Minerals Management Service Attention: Mr. Carl A. Barrick P. O. Box 3524 Durango, Colorado 81301

MINERALS MANAGEMENT SERVICE DURANGO, CO

Re: Your letter October 6, 1982 Lease No. MOO-C-1420-0623 Well No. 1 Pinon Mesa D SE¼ SW¼ Section 14-T31N-R14W NMPM, San Juan County, NM

Dear Mr. Barrick:

With regard to subject letter, we purchased the #1-D Pinon Mesa well in 1977 from El Paso Natural Gas Company after we became aware that they were going to plug and abandon it. Their decision to plug and abandon the well was due to its low productivity and low gas price at the time.

The purpose of our buying this well was because we thought it still capable of producing small amounts of oil and gas and in anticipation of the forthcoming NGPA of 1978 and its rumored provision for a stripper gas price, we thought it would be at our best interest to preserve the cased hole rather than to plug and abandon it. As we now know the NGPA of 1978 did provide for stripper gas production price at a satisfactory economic level and we had scheduled reworking the well and placing it on production during good weather in 1980.

We were then notified by El Paso Natural Gas Company, by letter dated December 14, 1979 that certain FERC staff members, as well as, a number of public utilities and state utility commissions had objected, on a third-party basis, to producers in the San Juan Basin collecting increased rates under the NGPA of 1978. El Paso informed us that if this protest was upheld, all funds collected under the NGPA would have to be refunded with interest. Since our reworking of the well was entirely dependent on the new gas prices, we did not know whether to go ahead and place the well on production or to wait until the court case was decided. If the protestors were successful in their efforts, we would have to refund the money and thus it would not have been economically feasible to rework the well. To the best of our knowledge these court problems have not been resolved. We still feel that it is necessary to hold in abeyance placing this well on production until the question of the

Mr. Carl A. Barrick November 30, 1982 Page 2

legality of NGPA of 1978 and the protest of the FERC staff members and public utilities is resolved.

The well is in good condition. El Paso Natural Gas Company did move off the pumping unit and the storage tanks prior to selling the well to us. There is a string of new casing in the hole that has been perforated and frac'd and a string of new tubing as well as a new well head. Our field man visits the well periodically for inspection purposes. The well is presently logged off with an oil column in the hole and will not flow gas to surface. The well was first produced in April of 1975 by EPNG and ceased production in March or April of 1976. Accumulative production during that year was 3331 mcf plus 276 BO.

We will plug and abandon the well if Minerals Management Service requires it. However, we do think since it is capable of producing small amounts of oil and gas that it is in our best interest, the Ute Tribal best interest, and the nations best interest that the well be left shut in for future production as soon as all the legal questions are resolved within FERC and the other third party objectors to the gas sales contracts in the San Juan Basin and the NGPA of 1978. Operating rights on this well have been assigned from El Paso Natural Gas Company to our group for this well as well as adjacent acreage.

If you have any questions please feel free to contact me.

Yours very truly,

Elliott A. Riggs

EAR/llr

Enclosures

