

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

5. Lease Serial No.

NM-077281

6. If Indian, Allottee or Tribe Name

7. If Unit or C/A Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

PARAWON OPERATING LLC c/o Mike Pippin LLC (Agent)

3a. Address

Pippin, 3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)

505-327-4573

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

1980' FNL 710' FEL (H) Sec. 10 T30N R16W

RECEIVED

8. Well Name and No.

NE HOGBACK UNIT #27

9. API Well No.

30-045-09736

10. Field and Pool, or Exploratory Area

Horseshoe Gallup

11. County or Parish, State

San Juan County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input checked="" type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

We propose to plug and abandon this well as per the attached procedure.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**



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

Name (Printed/Typed)

Mike Pippin

Title

Petr. Engr. (Agent)

Signature

*Mike Pippin*

Date

May 14, 2006

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by

*[Signature]*

Title

*15*

Date

JUN 02 2006

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

*F-10*

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.

(Instructions on reverse)

**OPERATOR**

*8*

**PARAWON OPERATING LLC  
NE HOGBACK UNIT #27 GALLUP  
H Sec. 10 – T30N – R14W, San Juan County, NM  
1980' FNL & 710' FEL**

**P & A GALLUP WELL**

**Pertinent Data Sheet**

5/14/06

**Field:** Horseshoe Gallup

**Spud Date:** 10/15/58

**Completion Date:** 11/1/58

**Elevation:** 5482' GL

??' KB

**API#:** 30-045-09736

**TD:** 1740'

**PBTD:** 1704'

**Lease:** Fed. NM-077281

**COM#:** 14-08-001-6674

**CASING PROGRAM:**

<b><u>Hole Size</u></b>	<b><u>Csg Size</u></b>	<b><u>Wt. &amp; Grade</u></b>	<b><u>Depth Set</u></b>	<b><u>Cement</u></b>	<b><u>TOC</u></b>
e12-1/4"	8-5/8"	N/A	216'	160 sx	Surface (Calc.75%)
e7-7/8"	4-1/2"	9.5# N/A	1740'	167 sx	897' (Calc.75%)

**Tubing Record:**

2-3/8"	4.7# J-55	1637'
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**Formation Tops:**

Point Lookout	Surface
Mancos	220'
Gallup	1258'
Gallup Pay	1590'

**Logging Record:** E-Log & Sonic Log

**Stimulation:** Perfed Gallup @ 1500'-18', 1590'-1622' . Fraced w/40,000# sand in oil.

**Workover History:** 7/05: (Routine pump change). TOH w/pump, rods, & 2-3/8" tbg. Tbg was dragging. TIH w/3" sand bailer & set down @ 366'. TIH w/2-3/8" tbg & set down @ 366'. TIH w/5/8" rods & set down @ 366'.

5/4/06: TIH w/2-3/8" tbg & set down @ 366'. Circ. w/water to pit. Circ. out formation returns. Hole appears to be caving since set down is higher each time.

**Production History:** 1<sup>st</sup> delivery in 11/58. Gallup cum. = 230,319 BO, 58 MMCF, 262,964 BW.

**PARAWON OPERATING LLC**  
**NE HOGBACK UNIT #27 GALLUP**  
**H Sec. 10 – T30N – R14W, San Juan County, NM**  
**1980' FNL & 710' FEL**

**P & A GALLUP**

**GENERAL**

Notify BLM and NMOCD of the commencement of P & A operations. Comply to all company and regulatory safety and environmental requirements. Set & test rig anchors.

1. Comply to all NMOCD, BLM, and Parawon Operating LLC rules and regulations. MOL & RU, set pump, pit, & equipment.
2. TIH w/1-1/4" EUE tbg w/dog legged tbg sub on bottom.
3. Attempt to get into 4-1/2" csg by washing down 1-1/4" tbg w/ water & turning tbg 20 degrees each set down.
4. If successful in getting into 4-1/2" csg, TIH to bottom perf @ 1622'. If unsuccessful, go to step #6.
5. **Plug #1 (Gallup perfs (1500'-1622') & Gallup top (1258')):** Mix 65 sxs cement and spot a balanced plug inside casing to isolate through 50' above the top of Gallup calc. @ 100% excess. TOH.
6. **Plug #2 (8-5/8" Casing Leak (366'), Surface casing (216'), – Surface):** Set 4-1/2" cement retainer at 300' on 2-3/8" tbg. Attempt to establish circulation through cmt retainer & out bradenhead with water. Mix 134 sxs cement and squeeze 126 sxs outside 4-1/2" casing and leave 8 sxs inside 4-1/2" csg below the retainer.
  - 6A. If cmt has circ. out bradenhead valve, sting out of cmt retainer @ 300' & pump about 23 sx cmt to circ. cmt up inside of 4-1/2" csg to surface. TOH & LD tbg. Shut well in and WOC.
  - 6B. If cmt did not circ. out bradenhead valve, sting out of cmt retainer @ 300' & pump 1 sx cmt to cover top of cmt retainer. TOH.  
**Plug #2A (8-5/8" Surface casing, 216' – Surface):** Perf 3 squeeze holes at 266'. Establish circulation down 4-1/2" csg & out bradenhead with water. Mix approximately 120 sxs cement and pump down the 4-1/2" casing to circulate cement to surface out the bradenhead valve. Shut well in and WOC.
7. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

## BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). **Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work can be submitted with a Sundry Notice.**

1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location.
2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils may be remediated on-site according to these guidelines or disposed of in an approved disposal facility.
3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped to a minimum of 12" before seeding.
4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to detour vehicular travel. Access will be ripped to a minimum of 12" in depth and waterbarred prior to seeding. All erosion problems created by the development must be corrected prior to acceptance of release. Waterbars should be spaced as shown below:

% Slopes	Spacing Interval
Less than 20%	200'
2 to 5%	150'
6 to 9%	100'
10 to 15%	50'
Greater than 15%	30'

All water bars should divert to the downhill side of the road.

5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required).
6. Notify Surfacing Managing Agency seven (7) days prior to seeding so that they may be present for that option.
7. The period of liability under the bond of record will not be terminated until the lease is inspected and the surface rehabilitation approved.

Other SMA's may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us.

On private land, we should be provided with a letter from the fee owner stating that the surface restoration is satisfactory.

**UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
FARMINGTON FIELD OFFICE  
1235 LA PLATA HIGHWAY  
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of

Re: Permanent Abandonment

Intention to Abandon:

Well: 27 Northeast Hogback Unit

**CONDITIONS OF APPROVAL**

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:

You are also required to place cement excesses per 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.

**GENERAL REQUIREMENTS FOR  
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES  
FARMINGTON FIELD OFFICE**

1.0 The approved plugging plans may contain variances from the following minimum general requirements.

- 1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.
- 1.2 Requirements may be added to address specific well conditions.
- 2.0 Materials used must be accurately measured. (densimeter/scales)
- 3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.
  - 3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.
- 4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.
  - 4.1 The cement shall be as specified in the approved plugging plan.
  - 4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
  - 4.3 Surface plugs may be no less than 50' in length.
  - 4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
  - 4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.
- 5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.
  - 5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.

- 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.
- 5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.
- 6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.
- 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
- 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.
- 7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H<sub>2</sub>S.
- 8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), five copies, with the Field Manager, Bureau of Land Management, 1235 La Plata Highway, Suite A, Farmington, NM 87401. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.
- 9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.
- 10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. 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.