

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

2007 AUG 30 AM 10

RECEIVED
BLM

210 FARMINGTON NM

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

NOEL REYNOLDS D/B/A TORREON OIL COMPANY

3. Address and Telephone No.

1316 JUNIPER LANE, FORT WORTH, TX 76126

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

1862' FSL, 2171' FEL (NW/4 SE/4
SECTION 21, T18N, R3W)

5. Lease Designation and Serial No.

SF 081160F

6. Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

SAN LUIS FEDERAL #12

9. API Well No.

3004305066

10. Field and Pool, or Exploratory Area

SAN LUIS MESA VERDE

11. County or Parish, State

SANDOVAL, 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 _____
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

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.)*

RCVD SEP 14 '07

OIL CONS. DIV.

DIST. 3

DELAY ALL ACTIVITIES INVOLVING THIS WELL

UNTIL THE PRODUCTION WATER DISPOSAL IS

RESOLVED WITH NM-OCD. PROPOSAL TO OCD

ATTACHED. WILL ADVISE. Well tested or plugged by 10/31/07

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

Signed

Title

AGENT

Date

8-27-07

(This space for Federal or State office use)

Approved by

Title

Conditions of approval, if any:

Date

ACCEPTED FOR RECORD

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

NMOCD

FARMINGTON FIELD OFFICE

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special in-

structions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

SPECIFIC INSTRUCTIONS

Item 4—If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 13—Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive

zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et. seq., 351 et. seq., 25 U.S.C. et. seq.; 43 CFR 3160.

PRINCIPAL PURPOSE — The information is to be used to evaluate, when appropriate, approve applications, and report completion of secondary well operations, on a Federal or Indian lease.

ROUTINE USES:

- (1) Evaluate the equipment and procedures used during the proposed or completed subsequent well operations.
- (2) Request and grant approval to perform those actions covered by 43 CFR 3162.3-2(2).
- (3) Analyze future applications to drill or modify operations in light of data obtained and methods used.
- (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION — Filing of this notice and report and disclosure of the information is mandatory once an oil or gas well is drilled.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et. seq.) requires us to inform you that:

This information is being collected in order to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

This information will be used to report subsequent operations once work is completed and when requested, to obtain approval for subsequent operations not previously authorized.

Response to this request is mandatory for the specific types of activities specified in 43 CFR Part 3160.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0135), Washington, D.C. 20503.

TORREON OIL COMPANY

**1316 Juniper Lane,
Fort Worth, TX 76126
817-249-2675
Fax 817-249-2628**

June 29, 2007

Charlie T. Perrin
Oil Conservation Division
Aztec District Office
1000 Rio Brazos Road,
Aztec, NM 87410

Re: San Luis Federal #11 and San Luis Federal #15 Testing and our letter of 6/14/2007.

Dear Mr. Perrin:

We received from Envirotech Inc., your form C-144 pertaining to the four pits tested under the supervision of your field engineer 5/24/07.

This letter is attached to each of the four Form C-114 reports received and becomes a part of the document as item (3) under **"If this is a pit closure:"**.

We agree to work towards replacing the pits identified, with metal or Fiberglas tanks, while working with the Navajo Nation to change the rule that requires fresh water to be wasted instead of used for local livestock. We further agree that this will begin happening on or before December 31, 2008, and be complete by December 31, 2009, if the rule cannot be adapted.

It is our intention to continue to use the open pits for production water in the same manner that we have in the past, while protecting the environment. The ability to produce Wells No. 1, 15, 11, and 3 is the only thing that will permit the performance needed to eventually close the pits and permit using other approved options.

The young man that we mentioned in our earlier letter is not willing to attempt to proceed with a change of owner (operator) due to the uncertainty of dealing with the water by pressure maintenance, waterflood injection or

transporting the water to a disposal site. What is written in this letter has not been discussed with him and, will not, until we have a response from you. We currently have other interested parties but it is too early to know when we will get a response. Our goal is to get out of the operating business without delay.

None of this will work unless we are able to continue under the present Operator designation. Making a change of designated operator without making a change in ownership is not possible at this time, or in the near future. We would like to, but cannot change the facts.

Sincerely,

A handwritten signature in black ink, appearing to be 'Wm. R. Reed', written in a cursive style.

Wm. R. Reed

WRR/s