

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

5. Lease Designation and Serial No.

SF 081160F

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

WATER SOURCE WELL

2. Name of Operator

NDEL 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)

1980' FSL, 2310' FEL (NW/4 SE/4)

SECTION 21, T18N, R3W

8. Well Name and No.

SAN LUIS FEDERAL WELL #1

9. API Well No.

3004320143

10. Field and Pool, or Exploratory Area

SAN LUIS MEAVERDE

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. 8

DELAY ALL ACTIVITIES INVOLVING
THIS WELL UNTIL THE PRODUCTION
WATER DISPOSAL IS RESOLVED
WITH OGD. PROPOSAL TO OGD
ATTACHED. WILL ADVISE

10/31/07

2007 AUG 30 AM 10:43
RECEIVED
DLM
210 FARMINGTON NM

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

Date

Conditions of approval, if any:

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.

SEP 12 2007

NMOC

*See instruction on Reverse Side

FARMINGTON FIELD OFFICE

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 Fiberglass 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