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|--|--|--|---|--|----------|
| Form 3160-5 | | | | FORM APPROVED | |
| (June 1990) | • | | · | Budget Bureau No. 1004-0135 | |
| , | | | | Expires: March 31, 1993 | |
| · | UNITED STA | TES | en 1. | 5. Lease Designation and Serial No. | |
| DE | PARTMENT OF TH | IE INTERIOR | RECEIVED | 14-20-603-2022 - | |
| BUI | REAU OF LAND M | ANAGEMENT | BLM | 6. If Indian, Allottee or Tribe Name | |
| SUNDRY | NOTICES AND RE | PORTS ON WE | | Navajo | |
| Do not use this form for | proposals to drill or to de | epen or reentry to a d | fferent reservoir 2: 24 | 7. If Unit or CA. Agreement Designation | |
| Use "API | PLICATION FOR PERMI | T" for such proposa | ifelent legerabild 5: 54 | | |
| S | SUBMIT IN TRIPLICATE | | Comma: BILL | Horseshoe Gallup Unit | |
| 1. Type of Well | | |) THUMING INDUSTRIAL | 8. Well Name and No. | |
| Oil Well | Gas Well | X Other WI | | HGU #79 | |
| 2. Name of Operator | | \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\ | FEB 2000 | 9. API Well No. | |
| Central Resources, Inc. | | <u>lin</u> | 200A = | 30-045-10703 | |
| 3. Address and Telephone No. | | [~ | Og 10 - 41g/s = | 10. Field and Pool, or Exploratory Area | |
| P.O. Box 1247, Bloomfi | ield, New Mexico 874 | 113 (505) 632 - 347 | 6 8 | Horseshoe Gallup Unit | |
| 4. Location of Well (Footage, Sec., | , T., R., M., or Survey Des | scription) 🧽 | - W. C. | 11. County or Parish, State | |
| 330' FSL, 1900' FEL, Se | ec. 14, T31N, R17W | _ % | | San Juan County, NM | |
| 12. CHECK APPROPRIATE B | BOX(s) TO INDICATE N | ATURE OF NOTIC | E, REPORT, OR OTHER | DATA | |
| TYPE OF SUBMISSION | | | TYPE OF ACTION | | |
| | | X Abandonment | | Change of Plans | |
| X Notice of Intent | } [| Recompletion | | New Construction | |
| _ | | Plugging Back | | Non-Routine Fracturing | |
| Subsequent Report | [| Casing Repair | | Water Shut-Off | |
| | Ī | Altering Casing | ; | Conversion to Injection | |
| Final Abandonment Notic | ice | Other | 7 | Dispose Water | |
| | | | | | |
| | | | • | ote: Report results of multiple completion on Well | |
| | | | Co | mpletion or Recompletion Report and Log form.) | |
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API WELL # Well Name Well # Operator Name Type Stat County UL Sec Twp N/S Rng W/E Feet NS Ft EW Order_No 30-045-10703 HORSESHOE GALLUP UNIT 079 PLAYA MINERALS & ENERGY INC I A San Juan O 14 31 N 17 W 330 S 1900 E R-2210

api_number status csg_1 csg_1q csg_1d csg_2 csg_2q csg_2d csg_3 csg_3q csg_3d liner_size liner_quan tubing t_set_dept csg_perf 30-045-10703 WI 8 5/8 77 50 4 1/2 1677 110 1584-1604

Procedure

MIRU, NUBOPE,

POOH Lay Down Rods & Tubing if present,

RIH with Gauge ring,

Pick up work string, Run Scrapper if required,

RIH Set CIBP 1534, cap with 322 'cement.

Test casing.

POOH lay down tubing.

RU wire line RIH, perforate @ 204 '+ - 50' under surface casing shoe or Mesa Verde base whichever is lower..

Establish Circulation; circulate cement to surface inside and outside casing

Cut off well head and install P&A marker

Cut off anchors 2' below ground

Clean and level location

CENTRAL RESOURCES, INC.

HORSESHOE GALLUP #79



Elevation: 5948' GL, 5957' KB

204

127

77

10.96(1.18)

120

14.046 (1.18)

16+ 15+ 16 = 47 sxs

Casing: 8 5/8" 24# J-55 set @ 77' w/50 sacks

plug 204 - Surface

Location: 330' FSL & 1900' FEL

Sec. 14 T31N-R17W San Juan County, NM

Field: Horseshoe Galtup

Zone: Gallup

Perfs: 1584' - 1604' (2 SPF)

Spud Date: 12/16/62

Completion Date: 3/24/63

Completed As Injector

Hup 1262

plux 1534-1212

(322 +50) / 10.96 (1.18)= 296xc

Returner @ 1534 Squeeze W/ 125xs

Packer: Type Unknown, set @ 1560' KB (6/2/93)

Perfs: 1584' - 1604', 2 SPF

PBTD: 1630'

Casing: 4 1/2" 9.5# J-55 set @ 1677' w/110 sacks

TD: 1697'

Tom-DeLong 6-3-99

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 conform 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 Interva |
|------------------|------------------|
| Less than 2% | 200' |
| 2 to 5% | 150' |
| 6 to 9 % | 100' |
| 10 to 15% | 50' |
| Greater than 15% | 30 ¹¹ |

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

- 5. All disturbed areas will be seeded between July 1 and September 15 with the prescribed certified seed mix (reseeding may be required).
- 6. Notify Surfacing Managing Agency seven (7) days prior to seeding so 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 DISTRICT OFFICE 1235 LA PLATA HIGHWAY FARMINGTON, NEW MEXICO 87401

Attachment to notice of Intention to Abandon:

Re: Permanent Abandonment Well: 79 Horseshoe Gallup 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. Mike Flanikan with the 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:
- a) Bring the top of the Gallup plug to 1212'.
- b) Set surface plug from 204' to surface inside and outside the 4 1/2" casing to cover the Point Lookout.

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

GENERAL REQUIREMENTS FOR PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES FARMINGTON DISTRICT 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 Farmington District office, Branch of Drilling & Production.
- 1.2 Requirements may be added to address specific well conditions.
- 2.0 Materials used must be accurately measured.

- 3.0 A tank or approved pit must be used for containment of any fluids from the wellbore during plugging operations and all unattended 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 constituent(s) of concern.
- 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: (1) tagging with the work string, or: (2) for cased holes only; pressuring to a minimum surface pressure of 500 PSI, with no more than a 10% drop during a 15-minute period.
- 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.

BLM FLUID MINERALS Geologic Report

| Date | Completed: | 6/18/99 | |
|------|------------|---------|--|
| | | | |

| Well No. | Horseshoe | Gallup Unit # 79 | Location | 330' | FSL | & | 1900' | FEL |
|----------------|-------------|------------------|--------------|-----------|------|----------|------------|------|
| Lease No. | 14 - 20 - 6 | 503 - 2022 | Sec. 14 | | T31N | | | R17W |
| Operator | Central Re | esources, Inc. | County | San Juan | | State | New Mexico | |
| Total Depth | 1697' | PBTD 1630' | Formation | Gallup (h | iw) | <u> </u> | | |
| Elevation (GL) | 5948' | | Elevation (I | (B) 5958' | | | | |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks |
|---------------------|----------|-------------|---------|------------|--|
| San Jose Fm | | | | | |
| Nacimiento Fm | | | | | |
| Ojo Alamo Ss | | | | | |
| Kirtland Shale | | | | | |
| Fruitland Fm | | | | | |
| Pictured Cliffs Ss | | | | | |
| Lewis Shale | | | | | |
| Chacra | | | | | |
| Cliff House Ss | | | | | |
| Menefee Fm | | | | | |
| Point Lookout Ss | | 154 | Surface | | Surface/Potential fresh or useable water sands |
| Mancos Shale | 154 | | | 1262 | |
| Gallup | | | 1262 | PBTD | Oil & Gas/Water |
| Dakota Ss | | | | | |
| Morrison | | | | | |

Remarks:

P & A - No log above 400'. Used HGU #75 well to estimate Mancos fm. top.

Reference Well:

Same

- BLM geologist's pick for the top of the Gallup fm. reflects the top of the transitional Tocito interval in this well. This top varies from operator's pick in this well.
- It is recommended that the Gallup top in this report be adequately covered with cmt.
- In addition, it is recommended that the surface plug be extended downward to cover the top of the Mancos fm. This will isolate and protect potential fresh or useable water sands in the Point Lookout fm.

NOTE: This well falls within the Uranium screening area. Called D. Sitzler (Solid Minerals - Rio Puerco FO) 6/17/99. No conflicts exist and no additional stipulations are required for this well.

ENTERED AFMSS

JUN 18 1999

| BY CEH | |
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| Prepared by: | Chip Harraden | OEH |
|--------------|---------------|-----|
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