

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SF 078360

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Bannon Energy, Inc.		7. UNIT AGREEMENT NAME Federal	
3. ADDRESS OF OPERATOR P.O. Box 2058, Farmington, NM 87499		8. FARM OR LEASE NAME Nancy 14	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface Unit B; 970' FNL and 1850' FEL NMPM		9. WELL NO. 1	
14. PERMIT NO.		10. FIELD AND POOL, OR WILDCAT Lybrook Gallup	
15. ELEVATIONS (Show whether DF, RT, GR, etc.) KB 7086' TD 5700' PBD 5695'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 14 T23N R7W	
		12. COUNTY OR PARISH Rio Arriba	13. STATE NM

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐FRACTURE TREAT ☐SHOOT OR ACIDIZE ☐REPAIR WELL ☐(Other) ☐PILL OR ALTER CASING ☐MULTIPLE COMPLETE ☐ABANDON* ☒CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐FRACTURE TREATMENT ☐SHOOTING OR ACIDIZING ☐(Other) ☐REPAIRING WELL ☐ALTERING CASING ☐ABANDONMENT* ☐

(Note: Report results of multiple completion on Well Completion or Recompletion 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.)*

- Proposed work will begin on or about August 15, 1989.
- Spot 30 sx cement on top of CIBP.
- Perforate 4 1/2" casing 50' below bottom porosity in the Point Lookout at 4550'.
- Place cement in and out of 4 1/2" casing from 4550' to 50' above Cliffhouse at 3500' with 335 sx cement.
- Perforate 4 1/2" casing 50' below porosity in Picture Cliffs formation at 2180'.
- Place cement in and out of 4 1/2" casing from 2180' to 50' above Ojo Alamo at 1400' with 250 sx cement.
- Spot 10 sx across surface casing shoe from 320' to 220'.
- Cut 4 1/2" 9.50# production casing off 4' below the surface, spot surface cement plug, and install P&A marker.

Top of producing formation: Gallup @ 5373'.
 Top of potential oil, gas or water zones: Point Lookout @ 4340'.
 Cliffhouse @ 3555', Picture Cliffs @ 2057', Ojo Alamo @ 1460'.

RECEIVED

AUG 21 1989

SEE ATTACHED FOR
CONDITIONS OF APPROVALOIL CON. DIV.
DISL 3

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

SIGNED

W. J. Holcomb

(This space for Federal or State office use)

TITLE Agent, Bannon Energy, Inc.

DATE 8-1-89

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVED
AS AMENDED

WMOOD

AUG 18 1989

Ken Townsend

FOR AREA MANAGER

*See Instructions on Reverse Side

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.

BUREAU OF LAND MANAGEMENT
1235 La Plata Highway
Farmington, New Mexico 87401
Phone (505) 327-5344

Attachment to Notice of
Intention to Abandon

Re: Permanent Abandonment

Well: 1 Nancy 14

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."

2. Mark Kelly with the Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 327-5344.

3. Blowout prevention equipment is required.

4. The following modifications to your plugging program are to be made (when applicable):

- a) Add a plug from 2512' - 2412' inside outside 4½" casing
- b) Place cement in 4½" - 8⅝" casing annulus from 320-220
50-0

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

GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON RESOURCE AREA

1. Secure prior approval either on a Sundry Notice (Form 3160-5) or verbally from the Fluids Drilling & Production Section at this office before changing the approved plugging program.

2. Plugging equipment used shall have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs. The Operator is responsible for providing all measuring devices needed to assure proper measurement of materials being used.

3. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations. Unattended pits are to be fenced.

4. All cement plugs are to be placed through tubing (or drillpipe) and shall be a minimum of 100 feet in length with 50% excess inside casing or 100% excess when plug is set in open hole or squeezed into perforations. 15.6#/gal slurry weight is to be used when using class B neat cement or when CaCl_2 is used. Use the recommended slurry weight of other type cements when they are used (Class C, Pozzolan etc.).

5. Any cement plugs placed when well is not full of fluid, or when well may be taking fluid, (i.e. across perfs-unless bridge plug or retainer is used, across bad csg., or fresh water formations) will be tagged (touched) after cement has set to verify proper location.

5a. Testing The first plug below the surface plug shall generally be tested by either tagging the plug with the working pipe string, or pressuring to a minimum pump (surface) pressure of 1000 psig, with no more than a 10 percent drop during a 15-minute period (cased hole only). If the integrity of any other plug is questioned, it must be tested in the same manner. Also, any cement plug which is the only isolating medium for a fresh water interval or a zone containing a valuable mineral deposit should be tested by tagging with the drill string.

6. Mud must be placed between plugs. Plugging mud is to be made up with a minimum of 15 lbs/bbl of sodium bentonite, and a nonfermenting polymer. Minimum consistency of plugging mud must be 9 lbs/gal and with a minimum viscosity of 50 sec/qt. Fresh water is to be utilized for mixing mud.

7. Following the placement of a cement plug, the withdrawal rate for at least the length of the cement plug shall not exceed 30 ft/min, in order to minimize the contamination of the plug.

8. Within 30 days after plugging work is completed, file a Sundry Notice (Subsequent Report of Abandonment, Form 3160-5), in quintuplicate with Area Manager, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

9. All permanently abandoned wells are to be marked with a regulation marker (4" pipe extending 4' above the ground line) containing the information as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10. After plugging work is completed the surface is to be rehabilitated in accord with instructions from the Fluids Surface Management Section of the Farmington Resource Area Office.

All above are minimum requirements. The period of liability under the bond of record will not be terminated until the lease is inspected and surface work approved.

Please advise this office when the well location is ready for final inspection.

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.