Fr m 3160-5 (November 1983) (Formerly 9-331)	UNITED STATES PARTMENT OF THE INTI	-	Expires August 31, 1985 5. LEASE DESIGNATION AND SERIAL NO SF Federal #080565
	NOTICES AND REPORT for proposals to drill or to deepen or pirapplication for PERMIT—" for su		F IF INDIAN, ALLOTTEE OR TRIBE NAME
OIL GAB XX	OTBER		7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR Graham Royalty, Ltd.			8. FARN OR LEASE NAME Florance
1675 Larimer, Suite 400, Denver, Colorado 80202			9. WELL BO.
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 805 ' FNL, 798 ' FWL			Tapacito Pictured Cliffs 11. SEC., T., R., M., OB BLE. AND BURNEY OR ASSA Sec. 5, T25N, R3W
14. PERMIT NO.	16. ELEVATIONS (Show whether	er DF, RT, GR. etc.)	12. COUNTY OF PARISH 18. STATE Rio Arriba NM
16. C	heck Appropriate Box To Indicat	e Nature of Notice, Report, or C	Other Data
			DENT REPORT OF:
TEST WATER SHUT-OFF FRACTURE TREAT RHOOT OR ACIDIZE REPAIR WELL (Other)	PULL OR ALTER CASING MULTIPLE COMPLETE ABANDON® CHANGE PLANS	Completion or Recompl	altering well ALTERING CASING ABANDONMENT* of multiple completion on Well letion Report and Log form.)
proposed work. If well nent to this work.) *	is directionally drilled, give subsurface	locations and measured and true vertical	including estimated date of starting any al depths for all markers and sones perti-
2. RIH with 4-1/3. Sting out of 4. Spot a 100 sx 5. TOOH with tub	unit. TOOH laying down 2"retainer. Set retaine retaine retaine retaine retaine retaine grows for some some some some some some some some	r at ± 3890 ' and squeeze on top of retainer. al from 3600' to 3700' i	25 sxs into formation. nside 4-1/2" casing.
at +3400' and 3300'.3250	squeeze with 25 sxs. R	elease packer and spot a	1 100' plug from 3400' to
circulate cem	. Attempt to establish ent. If unsuccessful, pg from 133' to 233' and	ump required cement volu	
8. JUN 22. AM 10: 59 REMEMBERS AND 15: 59 REMEMBERS	3 c 200 a na	, <u>-</u>	OIL CON. DIV.

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*See Instructions on Reverse Side

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: 5 Flurance

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): See Sundry Motroe

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 CaCl₂ 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 withdrawl rate for at least the length of the cement plug shall not exceed $30 \, \text{ft/min}$, 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.