



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Caller Service 4104
Farmington, New Mexico 87499

IN REPLY REFER TO:
NM-04075 (GC)
3162.3-1.0 (016)

AUG 18 1986

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AUG 20 1986

DRILLING DEPARTMENT

ARCO Oil and Gas Company
Attn: Mr. Mike Smith
P.O. Box 1610
Midland, TX 79702

Gentlemen:

Reference is made to your well No. 23-1 ARCO Hill, located 1810' FNL and 345' FWL sec. 23, T. 25 N., R. 3 W., Rio Arriba County, New Mexico. A meeting was held with Mike Smith of your office on August 4, 1986, regarding the setting and cementing of the 5 1/2" production casing. The evidence provided by Mr. Smith was a temperature survey which indicated a top of cement at approximately 3640', and a written statement with engineering data by Mr. Clay Terry of the Western Company which supported the indicated top of cement.

The Ojo Alamo Formation present from 3570'-3412', however, was still not covered by cement but essentially isolated from the hydrocarbon bearing zones below. Mr. Smith felt that any remedial repair requiring perforating and squeezing would damage casing integrity and thus possibly lead to early abandonment.

Based on the information provided the following conditions were developed:

1. Monitor 8 5/8" x 5 1/2" casing annulus for pressure variations and supply this office with semiannual bradenhead tests.
2. Upon abandonment of the well, place a cement plug both inside and outside the 5 1/2" casing string from 3620'-3362'.

Should you have any questions regarding the above, contact Jim Lovato at (505) 325-4572.

Sincerely,

Ron Fellows
Area Manager

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MAY 06 1987

OIL CON. DIV.
DIST. 3