5. LEASE

UNITED STATES DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR	SF-080566-A			
GEOLOGICAL SURVEY	6. IF INDIAN, ALLOTTEE OR TRIBE NAME			
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 Form 9-331-C for such proposals.)	7. UNIT AGREEMENT NAME			
reservoir. Use Form 9–331–C for such proposals.)	8. FARM OR LEASE NAME			
1. oil gas to other	Stevie Joe 9. WELL NO.			
2. NAME OF OPERATOR	2			
Minel, Inc.	10. FIELD OR WILDCAT NAME			
3. ADDRESS OF OPERATOR	Tapacito Pictured Cliffs			
309 Washington, S.E., Albuquerque, NM 87108 4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA			
below.) AT SURFACE: 1790' FNL 1850' FWL	F-8-T25N-R3W 12. COUNTY OR PARISH 13. STATE			
AT TOP PROD. INTERVAL:	Rio Arriba New Mexico			
AT TOTAL DEPTH:	14. API NO.			
16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE,				
REPORT, OR OTHER DATA	15. ELEVATIONS (SHOW DF, KDB, AND WD)			
FRACTURE TREAT	(NOTE: Report results of multiple completion or zone change on Form 9–330.)			
ABANDON* (other) Run Tubing X 17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state including estimated date of starting any proposed work. If well is dimeasured and true vertical depths for all markers and zones pertinen	rectionally drilled, give subsurface locations and t to this work.)*			
ABANDON* (other) Run Tubing 17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state including estimated date of starting any proposed work. If well is di measured and true vertical depths for all markers and zones pertinen 2/7/85: Ran 114 joints, 3707', of 1-1/4" 2.33	rectionally drilled, give subsurface locations and t to this work.)*			
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*See Instructions on Reverse Side

ACCEPTED FOR RECORD

DEC 15 1988

FARMINGTON RESOURCE AREA

Form 3160-6 (November 1983) (Former 19-371)	UNITED ST DEPARTMENT OF T BUREAU OF LAND N	HE INTERIO		Pudge Expir 5. LEASE D	approved. et Bureau No. 1004-0135 es August 31, 1985 esignation and serial no.	
SUND Do not use this fo	ORY NOTICES AND orm for proposals to drill or to use "APPLICATION FOR PERM	REPORTS Of deepen or plug bac	N.WELLS Description of the control o	6. IF INDIA	0566 A N, ALLOTTEE OR TRIBE NAME	
OIL GAS X OTHER SS JUL 17 AM IC: 58			7. UNIT AGE	7. UNIT AGREEMENT NAME		
2. NAME OF OPERATOR		215 (5) 3.11		8. FARM OR	LEASE NAME	
Minel, Inc. FARMINGTON RESOURCE AREA			Stevi	Stevie Joe Federa l		
3. ADDRESS OF OPERATOR	27	: Facilities	· · · · · · · · · · · · · · · · · · ·	9. WELL NO		
	n SE., Albuquerque,				2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface			j.	10. FIELD AND POOL, OR WILDCAT Tapacito Pictured Cliffs		
₩790' FNL and 1850' FWL			11. SEC., T., SURVI Sec 8	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 8, T25N, R3W		
14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.)			NMPM 12. COUNTY	OR PARISH 13. STATE		
	6165' GR					
16.	Check Appropriate Box		tura of Notice Paned		iba NM	
No	TICE OF INTENTION TO:	io indicate 14d				
	THE OF INTENTION TO.		SCB	SEQUENT REPORT (
TEST WATER SHCT-OFF	PULL OR ALTER CAS	·—	WATER SHUT-OFF		EPAIRING WELL	
FRACTURE TREAT	MULTIPLE COMPLET	TE	FRACTUBE TREATMENT	<u></u>	LTEBING CASING	
SHOOT OR ACIDIZE	ABANDON*	<u>X</u>	SHOOTING OR ACIDIZING		BANDONMENT*	
REPAIR WELL (Other)	CHANGE PLANS		(Other)	mits of multiple of	ompletion on Well	
	OMPLETED OPERATIONS (Clearly swell is directionally drilled give	1 1	Completion or Reco	ompletion Report :	ind Log form \	
(Theoret	•	om of 8-5/8' 11 dry hole yan	'is 26 sks) marker. SEE ATTACHED CONDITIONS OF A		CENED L2 4 1989 CONL DIV	
(This space for Federal APPROVED BY CONDITIONS OF APPL	or State office use)	TITLE Agen		DATE DATE	_7-12-89	
	*Se	e Instructions of	_	National Control of the Control of t		

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

Attachment to Notice of

Re: Permanent Abandonment

Intention to Abandon

Well: 2 Stevre Jue Fid.

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):

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. Unactended 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 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.