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COLEMAN OIL & GAS, INC.

M-2-26N-3W

July 27, 1999

New Mexico Oil Conservation Commission
1000 Rio Brazos
Aztec, NM. 87410

Attn: Mr. Ernie Bush

RECEIVED
AUG 18 1999

OIL CON. DIV.
DIST. 3

Dear Mr. Bush

Enclosed is a copy of the Sundry notice to plug and abandon the Bear Canyon #4 that we sent to the BLM in Albuquerque. The landowner Steve Stevenson would like to convert this well to a fresh water well. The procedure submitted with the Sundry was to plug and abandon to surface. If approval is granted for Steve Stevenson to assume responsibility for the well then the proposal to plug back to the Nacimiento would be used. This procedure would replace the one attached to the sundry.

The Affidavit of Responsibility for Conversion to Water-Well, along with a copy of the one sent to the BLM is submitted for transfer of responsibility to the landowner.

Coleman Oil & Gas would like to make use of a P&A rig that is currently working in this area. We would like to start operations sometime next week.

If you have any questions please give me a call at (505) 327-0356

Sincerely,

Michael T. Hanson

Michael T. Hanson

Well

LT A-1 line

Mike Hanson
Coleman

Bear Canyon #4

327 0356

Water Well
Conversion

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

AFFIDAVIT OF RESPONSIBILITY
CONVERSION TO WATER-WELL

STATE OF New Mexico)
County of San Juan) ss.

Chris Coleman, being first duly sworn according to law, upon his oath deposes and says:

1. That he is Vice President of Coleman Oil and Gas, Inc.
(Title) (Operator)
whose address is PO Drawer 3337, Farmington, NM 87499.
2. That Coleman Oil & Gas is the operator of a well drilled on land be-
(Operator)
longing to Steve Stevenson, whose address is HCR 74 Box 80
(Landowner)
Lindrith, NM 87029, said well being drilled to test for hydrocarbons and/or
carbon dioxide gas and described as the Bear Canyon No, 4, being located 790
feet from the South line and 850 feet from the West line of Section 2,
Township 26N, Range 2W, NMPM, Rio Arriba
County, New Mexico.
3. That said well was drilled to a total depth of 6715 feet, and that cas-
ing has been set and cemented as follows:

4. That operator and landowner have made an agreement whereby operator
(is) (is not) to back fill pits, level location, and clear it of all junk. The agreement
further provides that operator is to plug said well back to a plugged-back total depth of
1300 feet and transfer well to landowner for his use as a water-well. Operator will
leave casing in the well as follows:

See attached diagram and procedure.

5. That when operator has complied with the provisions of Paragraph 4 above
it will so notify the Oil Conservation Commission of the State of New Mexico on Com-
mission Form C-103, together with a signed statement from the landowner that the
provisions of Paragraph 4 above have been complied with to his satisfaction.

Coleman Oil and Gas, Inc.
(Operator)

Subscribed and sworn to before me this 17TH day of August, A. D. 1999.

M. J. D. Lopez
Notary Public in and for the County of SAN JUAN
COMMISSION EXPIRES JANUARY 2, 2000

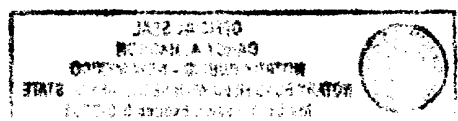
STATE OF New Mexico)
County of Rio Arriba) ss.

Steve Stevenson, being first duly sworn according to law, upon
his oath deposes and says that when the provisions of Paragraphs 4 and 5 above have been
complied with, he will accept the above-described well for his use as a water-well, and
that he will assume all responsibility for the well, the location, and the conversion of the
well to a water-well.

Subscribed and sworn to before me this 16th day of August, A. D. 1999.

Darcy A. Hanson
Notary Public in and for the County of _____





RELEASE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that I Steve Stevenson,
of the County of Rio Arriba in the State of New Mexico,
am the surface owner of the hereinafter described land upon which a well for
oil or gas was drilled, to wit:

Operator Coleman Oil and Gas, Inc.

Lease Number NM 19560

Lessee Coleman Oil and Gas, Inc.

Well No. 4 (SW $\frac{1}{4}$ SW $\frac{1}{4}$) Sec. 2 Twp. 26N Rge. 2W

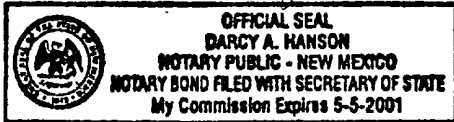
The well is located 790' from the South line and

850 feet from the West line of Sec. 2.

I do hereby notify the Bureau of Land Management of my desire to utilize said
well as a water supply well and I do hereby release and discharge the
operator, lessee, and the Bureau of Land Management from any further work or
responsibility in relation to the plugging of said well.

WITNESS by hand and seal this 16th day of August, 1999.

Darcy A. Hanson



Steve Stevenson
Surface Owner

HCR 74 Box 80 - Lindrith, NM 87029
Address

IN THE PRESENCE OF:

Michael T. Hano

Address PO Drawer 3337, Farmington, NM 87499

Address _____



COLEMAN OIL & GAS, INC.

July 27, 1999

Bureau of Land Management
435 Montano North East
Albuquerque NM 87107

Attn: Brian Davis

Dear Brian:

Enclosed are the Sundry notices to plug and abandon the Bear Canyon #4. The landowner Steve Stevenson would like to convert this well to a water well, however he was not sure if he could get the approval. The procedure submitted was to plug and abandon to surface. Attached to this letter is a proposal to plug back to the Nacimiento. This procedure would replace the one attached to the sundry, provided approval was granted to the landowner for a water well.

If you have any questions please give me a call at (505) 327-0356

Sincerely,

A handwritten signature in cursive script that reads 'Michael T. Hanson'.

Michael T. Hanson

PROCEDURES TO PLUG AND ABANDON

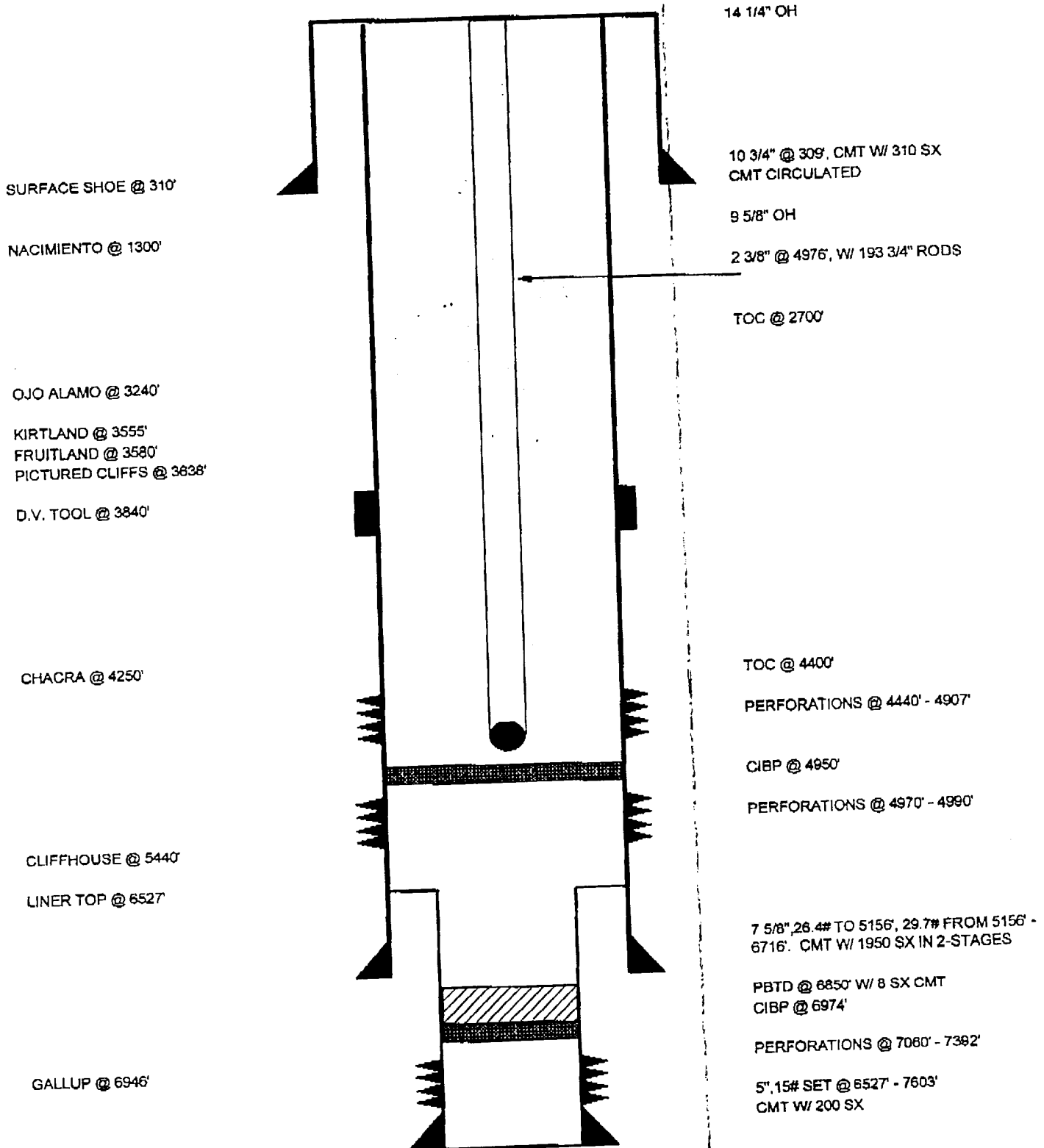
COLEMAN OIL & GAS
BEAR CANYON #4
SEC. 2, T26N, R2W
RIO ARRIBA, NM

NOTE: ALL CEMENT VOLUMES USE 50' EXCESS INSIDE PIPE AND 100% EXCESS OUTSIDE PIPE. THE STABILIZING WELLBORE FLUID WILL BE 8.33 PPG, SUFFICIENT TO STABIOLIZE ALL EXPOSED FORMATION PRESSURE.

1. INSTALL AND TEST RIG ANCHORS. PREPAIR BLOW PIT. COMPLY WITH ALL BLM, COLEMAN OIL, AND KEY ENERGY REGULATIONS. MOL AND RU DAYLIGHT PULLING UNIT. CONDUCT SAFETY MEETING FOR ALL PERSONNEL ON LOCATION. NU RELIEF LINE AND BLEED DOWN WELL. KILL WITH WATER OR HOT OIL AS NECESSARY.
2. POH AND LD 193 3/4" RODS. ND WELLHEAD AND NU BOP. TEST BOP. POH AND STRAP OUT WITH 4976' OF 2 3/8" TUBING (157 JTS). RIH WITH 7 5/8" GAUGE RING TO 4400'. POH.
3. **PLUG #1 (CHACRA/LEWIS; 4150' - 4907')**: PU AND RIH WITH 7 5/8" RETAINER AND SET AT 4390'. CIRCULATE HOLE CLEAN WITH WATER AND PRESSURE TEST CASING TO 500 PSI. ESTABLISH INJECTION RATE INTO PERFORATIONS WITH WATER. MIX 229 SX CL. B CEMENT PLUG, PLACING 173 SX BELOW AND 54 SX ABOVE RETAINER. PUH TO 3890'.
4. **PLUG #2 (D.V. TOOL; 3740' - 3890')**: BALANCE 34 SX CL. B CEMENT PLUG INSIDE CASING. PUH TO 3688'.
5. **PLUG #3 (KIRTLAND, FRUITLAND, P.C.; 3455' - 3688')**: BALANCE 53 SX CL. B CEMENT PLUG INSIDE CASING. PUH TO 3290'.
6. **PLUG 4 (OJO ALAMO; 3140' - 3290')**: BALANCE 34 SX CL. B CEMENT PLUG INSIDE CASING. POH.
7. **PLUG #5 (NACIMIENTO; 1200' - 1350')**: RIH WITH WIRELINE AND PERFORATE SQUEEZE HOLES AT 1350'. PU AND RIH WITH RETAINER AND SET AT 1300'. ESTABLISH INJECTION RATE INTO PERFORATIONS WITH WATER. MIX 82 SX CL. B CEMENT PLUG, PLACING 59 SX BELOW AND 23 SX ABOVE RETAINER. POH.
8. ND BOP AND DIG CELLAR. CUT OFF WELLHEAD BELOW SURFACE CASING FLANGE. RD RIG AND MOL. RESTORE LOCATION PER BLM REGULATIONS
9. TURN OVER WELL TO LAND OWNER FOR USE AS FRESH WATER WELL.

BEAR CANYON #4
CURRENT
LEWIS
SEC. 2, T26N, R2W
RIO ARRIBA, NM

DDAYS DATE: 07-14-99



BEAR CANYON #4
PURPOSED
LEWIS
SEC. 2, T26N, R2W
RIO ARRIBA, NM

ODAYS DATE: 07-14-99

KIRTLAND @ 150'

SURFACE SHOE @ 310'

NACIMIENTO @ 1300'

OJO ALAMO @ 3240'

KIRTLAND @ 3555'

FRUITLAND @ 3580'

PICTURED CLIFFS @ 3638"

D.V. TOOL @ 3840'

CHACRA @ 4250'

CLIFFHOUSE @ 5440'

LINER TOP @ 6527'

GALLUP @ 6946"

14 1/4" OH

PLUG #5 (1200' - 1350'), CMT W/ 82 SX
RETAINER @ 1300'
PERFORATE @ 1350'

TOC @ 2700'

PLUG #4 (3140' - 3290'), CMT W/ 34 SX**PLUG #3** (3455' - 3688'), CMT W/ 53 SX**PLUG #2** (3740' - 3890'), CMT W/ 34 SX

PLUG #1 (4150' - 4907'), CMT W/ 229 SX
RETAINER @ 4390

TOC @ 4400'

PERFORATIONS @ 4440' - 4907'

CIBP @ 4950'

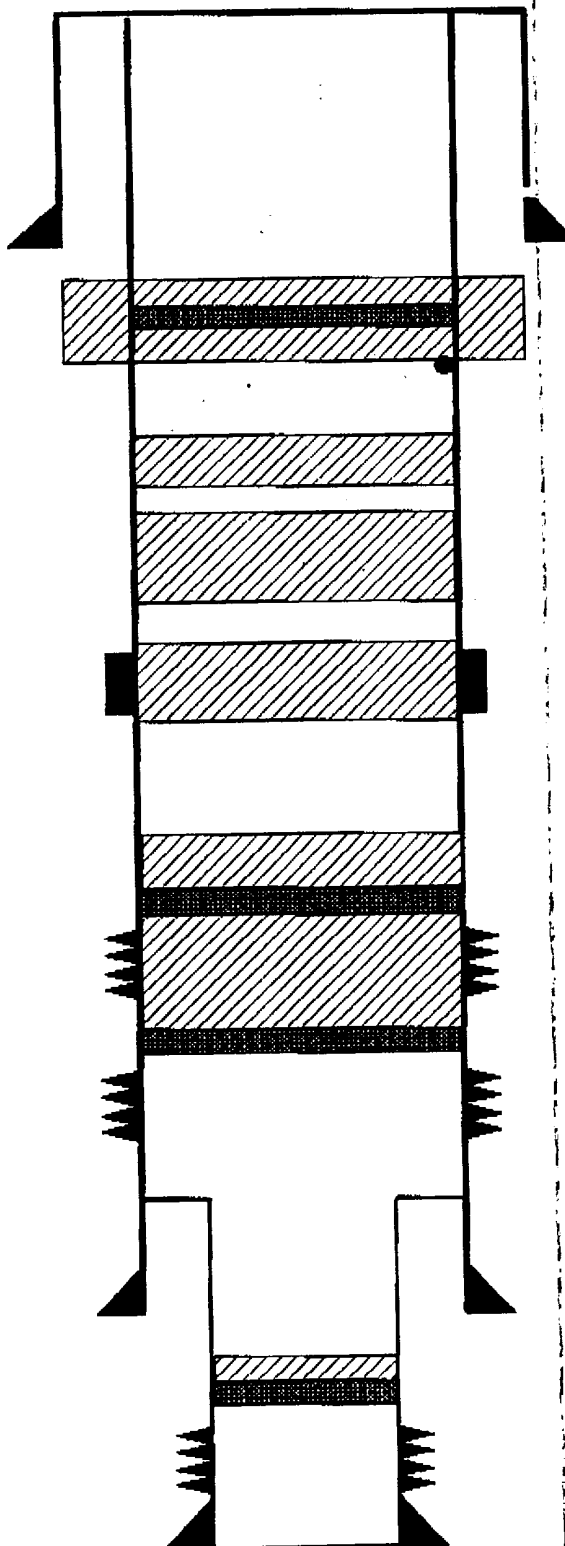
PERFORATIONS @ 4970' - 4990'

7 5/8", 26.4# TO 5156', 29.7# FROM 5156' -
 6716'. CMT W/ 1950 SX IN 2-STAGES

PBTD @ 6850' W/ 8 SX CMT
CIBP @ 6974'

PERFORATIONS @ 7060' - 7392'

5", 15# SET @ 6527' - 7603'
 CMT W/ 200 SX



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or reenter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.	NM19560
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA/Agreement, Name and/or No.	
8. Well Name and No.	BEAR CANYON #4
9. API Well No.	30-039-24207
10. Field and Pool, or Exploratory Area	BLANCO MESAVERDE
11. County or Parish, State	RIO ARRIBA, NM

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1.	<input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other
2. Name of Operator	COLEMAN OIL & GAS, INC.
3a. Address	DRAWER 3337 FARMINGTON NM 87499
3b. Phone No. (include area code)	(505)-327-7160
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)	790' FSL & 850' FWL, SEC 2, T26N, R2W

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input checked="" type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required sub-reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a well, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, are completed, and the operator has determined that the site is ready for final inspection.)

PLUG AND ABANDON THE BEAR CANYON #4 AS PER ATTACHED PRO-
FORMATION TOPS AND CASING SHOES AS FOLLOWS.

SURFACE CASING	310 FT.
NACIMIENTO	1300 FT.
OJO ALAMO	3240 FT.
FRUITLAND	3580 FT.
PICTURED CLIFFS	3638 FT.
CHACRA	4250 FT.
CLIFFHOUSE	5450 FT.
CAST IRON BRIDGE PLUG SET @	4950 FT.
CAST IRON BRIDGE PLUG SET @	6974 FT. 8 SACKS OF CEMENT ON TOP.

*Replaced
w/ BLM
Approval Stamp*

14. I hereby certify that the foregoing is true and correct	Title
Name (Printed/Typed)	ENGINEER
Signature	Date
<i>Michael T. Hanson</i>	July 27, 1999

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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.

LEASE NAME: BEAR CANYON #4
LOCATION: SW/SW SEC 2 T26N R2W
RIO ARRIBA, N.M.

DATE: July 27, 1999

FIELD: BEAR CANYON
SURFACE: 790' FSL AND 850' FWL
LEASE DESIGNATION: NM19560

ELEV: GL 7245
KB 7258

PROCEDURE TO PLUG AND ABANDON THE BEAR CANYON #4

NOTE: ALL CEMENT VOLUMES USE 50 FEET EXCESS INSIDE PIPE AND 100 % EXCESS OUTSIDE PIPE. THE STABILIZING WELLBORE FLUID WILL BE 8.33 PPG.

1. TEST RIG ANCHORS. REPAIR BLOW PIT. MIRU HOLD SAFETY MEETING. NIPPLE UP RELIEF LINE AND BLEED WELL DOWN. KILL WITH WATER IF NECESSARY.
2. POOH AND LAY DOWN SUCKER RODS AND HAUL TO FARMINGTON COG YARD. NIPPLE DOWN WELLHEAD. NIPPLE UP AND FUNCTION TEST BOP. POOH AND STRAP TUBING. RIH WITH 7 5/8" GAUGE RING TO 4400 FT. KB. POOH WITH SAME.
3. PLUG #1 (CHACRA/LEWIS: 4150-4907): RIH WITH 7 5/8" RETAINER AND SET @ 4290 FT. KB. CIRCULATE HOLE CLEAN WITH WATER. PRESSURE TEST CASING TO 500 PSIG. STING INTO RETAINER AND ESTABLISH INJECTION RATE INTO PERFORATIONS. MIX 229 SACKS CALSS B CEMENT PLUG, PLACING 175 SACKS BELOW AND 54 SACKS ABOVE RETAINER. POOH TO 3890 FT. KB..
4. PLUG #2 (DV TOOL; 3740-3890): BALANCE 34 SACKS CLASS B CEMENT PLUG INSIDE CASING. POOH TO 3688 FT. KB..
5. PLUG #3 (KIRTLAND, FRUITLAND, PC.; 3455-3688): BALANCE 53 SACK CLASS B CEMENT PLUG INSIDE CASING. POOH TO 3290 FT. KB..
6. PLUG #4 (OJO ALAMO; 3140-3290): BALANCE 34 SACKS CLASS B CEMENT PLUG INSIDE CASING. POOH TO 1350 FT. KB..
7. PLUG #5 (NACIMIENTO; 1200-1350): BALANCE 34 SACKS CLASS B CEMENT PLUG INSIDE CASING. POOH.
8. RIH WITH WIRELINE AND PERFORATE AT 360 FT. KB. ESTABLISH RATE THROUGH SQUEEZE HOLES UP SURFACE PIPE. MIX AND PUMP 117 SACKS CLASS B CEMENT, DISPLACE TO 250 FT, KB.. SHUT IN 7 5/8" CASING. CLEAN CEMENT OUT OF BRAIDEN HEAD VALVES. LET CEMENT SET UP.
9. NIPPLE DOWN BOP AND CUT OFF WELL HEAD. SET 10 SACK SURFACE PLUG INSIDE 7 5/8" CASING. RIG DOWN MOVE OFF.
10. INSTALL DRY HOLE MARKER. RECLAIM LOCATION.

PREPARED BY: MICHAEL T. HANSON

**THOMPSON ENGINEERING AND PRODUCTION CORP
BEAR CANYON #4**

WELLHEAD 11" 3M X 7.065" X 3M TUBING HEAD W/ 6.827" BORE

SURFACE CASING
10 3/4" CSG. @ 308.91 FT. KB
CEMENTED WITH 310 SXS

INTERMEDIATE CASING
7 5/8" K-55 26.40 0-5156 FT. KB.
7 5/8" N-80 29.70 5156-6716 FT. KB.
1ST STG. CMT. W/ 825 SXS 50/50 POZ
& TAIL W/ 100 SXS G
2ND STG. CMT. W/ 925 SXS 50/50 POZ
& TAIL W/100 SXS G

TUBING STRING
154 JOINTS 2 3/8" TOTAL 4874.77FT.
2 3/8" SN @ 4850 FT. KB.
2 3/8" BTM TBG @ 4877 FT KB.
2 3/8" SN 1.78 I.D.

193- 3/4" SUCKER RODS
2" X 1 1/4" X16' RHAC

**LINDSEY 5" X 7.625" MODEL E
LINER HANGER**
5", 15#, K-55 LINER TOP @ 6527 FT. KB.
5", 15#, K-55, LANDED @ 7603 FT KB.
CEMENTED WITH 200 SXS 50-50 POZ

8 sacks cement on top of CIBP
CIBP @ 6974 FT. KB.

FLOAT @ 7434 FT. KB.

T.D. @ 7603 FT. KB.

2ND STAGE CEMENT TOP @ 2700 FT. KB.
STAGE COLLAR @ 3840
1ST STAGE CEMENT TOP @ 4400 FT. KB.

UPPER LEWIS
PERFORATIONS @
4440-4907

LOWER LEWIS
PERFORATIONS @
4970-4990

GALLUP A B & C INTERVAL
PERFORATIONS @

7060-7170
7246-7392