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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:

SF-081098
3162.3-2(07100)

Letter was written
3/14/00 and hand
carried to Burlington.

cm

Burlington Resources Oil and Gas Company
Attn.: Peggy Cole
P.O. Box 4289
Farmington, New Mexico 87499



Dear Mrs. Cole:

Reference is made to the following well on Federal oil and gas lease SF-081098:

**No. 1B Riddle, located 1790' FSL and 1830' FWL , Section 4, T.30N., R.9W.,
San Juan County, New Mexico**

This well was approved for drilling on January 11, 2000, as a Mesaverde/Dakota dual to a total depth of 7600'. On February 11, 2000, this office received your notice of intent to alter the approved casing and cementing program for the referenced well. On March 2, 2000, we received your Sundry Notice which describes, in detail, the drilling, casing and cementing operations conducted on the referenced well. This well was drilled to a total depth of 5638', where a 4 1/2" production liner was set and cemented at a depth of 5537' through the Mesaverde formations.

This office has no record of prior approval, written or verbal, being given to alter the approved casing and cement programs for the subject well. As such, you are in violation of 43 CFR 3162.3-2 Subsequent Well Operations, which requires prior approval before altering an approved plan. This is considered a minor violation however, this will serve as notice that if violations of this sort occur in the future, you will be subject to an assessment. Enclosed you will find the after the fact, processed Sundry Notices.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the assessment described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions regarding the above, please contact Jim Lovato @ (505) 599-6367.

Sincerely,

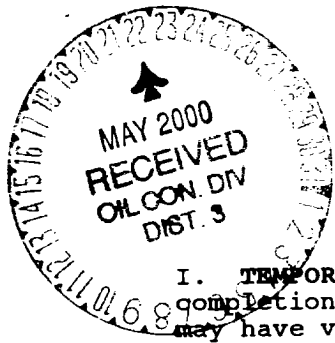
Charlie Beecham
Acting Team Leader, Petroleum Management Team

Enclosures (Sundry Notices)

bcc:
Well File

DOMR

07100:JLovato:3/14/00:Riddle.violation



**General Requirements for Non-Producing Wells
On Federal Oil and Gas Leases**

I. TEMPORARY ABANDONMENT: A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4(c), no well may be temporarily abandoned for more than 30 days without the prior approval of the Authorized Officer. When justified by the operator, the Authorized Officer may authorize additional delays, no one of which may exceed an additional 12 months.

A. Any temporary abandonment request must be submitted on a Sundry Notice (Form 3160-5) and include the following:

1. Justification why the well should be temporarily abandoned rather than permanently plugged and abandoned.
2. Description of the temporary abandonment procedure.
3. A complete wellbore diagram shown as temporarily abandoned.
4. The anticipated date the operations will occur. Mike Flaniken, Supervisory, Oil and Gas Inspector, **MUST BE NOTIFIED A MINIMUM OF 48 HOURS PRIOR TO COMMENCING ANY ABANDONMENT SO THAT THE OPERATIONS MAY BE WITNESSED. (505/599-8907)**

B. The following terms and conditions will apply to all wells approved for temporary abandonment:

1. The temporary abandonment method must provide for the installation of an isolation device (such as a retainer or bridge plug) within 50' to 100' of the top perforation or a cement plug that extends at least 50 feet above each set of open perforations. Unless prior approval is granted by the Authorized Officer, the well bore must be filled with conditioned, non-corrosive fluid and shut-in at the surface. If a cement plug is used, the top of the cement must be verified by tagging. If the wellbore had more than one producing horizon, the lower set(s) of perforations or open hole must meet the requirements for permanent plug to abandonment, unless justification is provided by the operator not to do so.

2. A test demonstrating casing mechanical integrity is required. An approved method is a pressure test of the casing and uppermost plug. The pressure test conducted shall be a minimum of 500 psi surface pressure with less than 10 percent pressure drop within thirty (30) minutes. In no event shall the pressure test required exceed seventy (70) percent of the internal yield of the casing. In the case of a plug or casing failure, the operator shall either correct the problem or plan to plug and abandon the well. Alternative methods demonstrating casing mechanical integrity may be approved by the Authorized Officer on a case-by-case basis.

3. A bradenhead test will be conducted. If the test indicates a problem exists, a remedial plan and a time frame for remediation will be submitted within ninety (90) days from the date of the test.

C. A subsequent report Sundry Notice (Form 3160-5) is required to be submitted within thirty (30) days upon the completion of the work.

D. Approval will be granted for one (1) year and renewed annually, upon receipt of a proper request. All temporarily abandoned wells are required to demonstrate casing mechanical integrity every five (5) years, unless the Authorized Officer determines, on a case-by-case basis, more frequent testing is required.

II. SHUT-IN WELL: A shut-in well is defined as a completion that is physically and mechanically capable of production in paying quantities or capable of service use. No well may be shut-in for more than one (1) year without prior approval from the Authorized Officer. Any well with a known or suspected casing leak is to be repaired immediately.

A. Any request for continued shut-in status must be submitted on a Sundry Notice (Form 3160-5) and include the following:

1. Justification why the well should be shut-in rather than activated as a producer or a service well.
2. The anticipated date(s) that casing mechanical integrity and/or production testing will occur. Mike Flaniken, Supervisory, Oil and Gas Inspector, **MUST BE NOTIFIED A MINIMUM OF 48 HOURS PRIOR TO COMMENCING ANY TESTING SO THAT THE TEST(S) MAY BE WITNESSED.** (505/599-8907)

B. The following terms and conditions will apply to all wells approved for continued shut-in:

1. Approved shut-in wells are to demonstrate casing mechanical integrity initially and thereafter every five (5) years. An approved method is to pressure test. The test pressure shall be a minimum of 500 psi surface pressure with less than 10 percent pressure drop within 30 minutes. In no event shall the pressure test required exceed seventy (70) percent of the internal yield of the casing. If the casing fails, it is required that the casing be repaired or the well plugged and abandoned. Alternative methods demonstrating casing mechanical integrity may be approved by the Authorized Officer on a case-by-case basis.

2. Approval for shut-in is also contingent upon conducting a production verification test. A production test will be conducted for a period of 24 hours. Depending on the circumstances, the Authorized Officer may require a longer test period, or may approve a shorter test period, to demonstrate the well's ability to produce in paying quantities. Supporting documents will be submitted with the request. Recent production history demonstrating production capabilities may be accepted in lieu of conducting the test.

3. A bradenhead test will be conducted and if the test indicates a problem exists, a remedial plan and a time frame for remediation will be submitted within ninety (90) days of the test.

4. Close all valves on the wellhead. All disconnected lines shall have bull plugs installed.

5. For oil wells with pump jacks, the operator will be allowed to leave the pump and rods in the hole and close all valves at the surface. The operator must request approval to remove the pumping unit before it is removed.

C. A subsequent report Sundry Notice (Form 3160-5) is required to be submitted within thirty (30) days upon the completion of the work.

D. Shut-In approval will be granted for a one (1) year period. A period of up to five (5) years may be granted by the Authorized Officer, with justification.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance 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.