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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification
Lease NM 81217
CA
Unit
PA

Bureau of Land Management Office Carlsbad Resource Area		Operator Santa Fe Energy Oper. Partners	
Address P.O. Box 1778, Carlsbad, NM 88220		Address 550 W. Texas, Ste. 1330	
Telephone (505) 887-6544		Attention Midland, TX 79701	
Site Name Bandaial Feed	Well or Facility Identification 1	1/4 Sec. NE NW, Sec 5	Township 22 S.
Inspector Jim Amos		Range 24 E	Meridian NMPM

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE.

Date	Time (24-hour clock)	Violation	Gravity of Violation
11/01/94	1100	43 CFR 3162.1(a)	minor
Corrective Action To be Completed by	Date Corrected	Assessment for Noncompliance	Assessment Reference
12/01/94		\$	43 CFR 3163.1 ()

Remarks:

Failure to comply with written order (see attached)
Submit plan as per attached

When violation is corrected, sign this notice and return to above address.

Company Representative Title Consulting Engineer Signature Ronald Knipe Date 11/22/94
Company Comments Santa Energy Operating Partners, L.P., will plug and abandon the lower well bore, log the intermediate casing string for water zones, and convert the well to a water source well on or before February 20, 1994. This work has been coordinated with Joe Laura (BLM) & Ken Fresquey (NM-State Engineer).

WARNING

Incidents of Noncompliance correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By," you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 4015 Wilson Blvd., Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <u>James R. Amos</u>		Date 11/1/94	Time 1100
FOR OFFICE USE ONLY			
Number 50	Date	Assessment	Penalty
Type of Inspection: PH		Termination	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Santa Fe Energy Operating Partners, L.P.

3. Address and Telephone No.

550 W. Texas, Suite 1330, Midland, Texas 79701

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2063' FWL & 1294' FNL, SEC.5, T-22-S, R-24-E

5. Lease Designation and Serial No.

NM 81217

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

BAND AID FEDERAL

9. API Well No.

1

10. Field and Pool, or Exploratory Area

INDIAN BASIN

11. County or Parish, State

EDDY CO., N.M.

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Convert to WSW.
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The subject well was temporarily abandoned in November of 1989, by the previous operator (Steve Sell). Santa Fe Energy Operating Partners, L.P., will utilize the upper well bore for water supply well purposes. Santa Fe will P&A the lower well bore by setting a plug above the existing perforations, pulling 7" production casing, setting a plug in the open hole section and across the 9-5/8" casing shoe. The 9-5/8" casing will be logged and fresh water zones will then be perforated and tested.

The above work is to begin on or before February 20, 1995.

14. I hereby certify that the foregoing is true and correct

Signed

Serry McCallister

Title

Sr. Production Clerk

Date

11/21/94

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

SANTA FE ENERGY RESOURCES, INC.

OBJECTIVE: To cut and pull 7" production casing, plug & abandon the lower wellbore below the 9- $\frac{5}{8}$ " intermediate casing, and test for shallow water zones.

1. If necessary kill well w/9 PPG mud.
2. MIRU PU. ND WH & NU BOP.
3. Release packer and POH w/tbg and submergible pump.
4. RU wireline unit, RIH w/gauge ring and set EZSV retainer @ $\pm 7100'$.
5. RIH w/tbg and sting into retainer.

Band Aid Federal No., 1 - Recompletion
Continued

6. Mix and pump 150 sx Class "C" cement. Sting out of retainer and pump 50' cement plug on top of retainer. POH w/tbg.
7. Run free-point on 7" production casing. Cut 7" casing @ $\pm 7000'$ or at free-point and POH laying down 7" casing. Note depth of 7" casing stub.
8. RIH w/open ended tbg and tag cement plug inside 7" casing. Load hole w/9 PPG mud.
9. PUH to 75' below top of 7" casing stub or pump cement from top of cement plug if 7" casing is cut @ 7000'. Pump 150' Class "C" cement plug to a minimum 75' above 7" casing stub. PUH, WAIT ON CEMENT AND TAG PLUG.
10. PUH and set a minimum 100' cement plug in open hole midway between 9- $\frac{5}{8}$ " casing shoe and 7" casing stub ($\approx 4750'$ - $4850'$ if 7" casing cut @ 7000'). PUH, WAIT ON CEMENT AND TAG PLUG.
11. PUH to 2575' and pump 150' Class "C" cement plug across 9- $\frac{5}{8}$ " casing shoe (2575'-2425'). PUH, WAIT ON CEMENT AND TAG PLUG.
12. Circulate 9- $\frac{5}{8}$ " casing with clean brine water (casing needs to be loaded with brine water for logging purposes) and POH to run logs.
13. RU Schlumberger Logging Services, run Thermal Time Decay (TDT) log from PBTD to base of 13- $\frac{3}{8}$ " surface casing @ 369'. RD logging company & shut down for logging evaluation.
14. RU wireline company and perforate potential fresh water zones per Schlumberger TDT log and Schlumberger - Compensated Neutron/Litho Density log (dtd. 08/13/89).
15. Swab test well to evaluate water zone and pumping equipment design.
16. RU wireline company and perforate potential fresh water zones per Schlumberger Thermal Decay Temperature (TDT) log and Schlumberger - Compensated Neutron/Litho Density log (dtd. 08/13/89).
17. RIH w/rental ESP on 2-7/8" production tubing to below perforations. Utilize generator and pump water to rental tanks. Evaluate well to determine if a sufficient volume of water can be produced to support the needs of SFER drilling department .

NOTE: P&A of the lower wellbore was coordinated with Joe Laura, Bureau of Land Management per telephone conversation/fax on 11/09/94.

NOTE: Conversion of well to Water Source Well has been coordinated with Ken Fresquey, New Mexico State Engineer - Roswell, New Mexico per telephone conversation on 11/21/94.



**Santa Fe Energy
Resources, Inc.**

**Band Aid Federal
No. 1**

Indian Basin Field

WELL HISTORY

07/29/89 SPUD

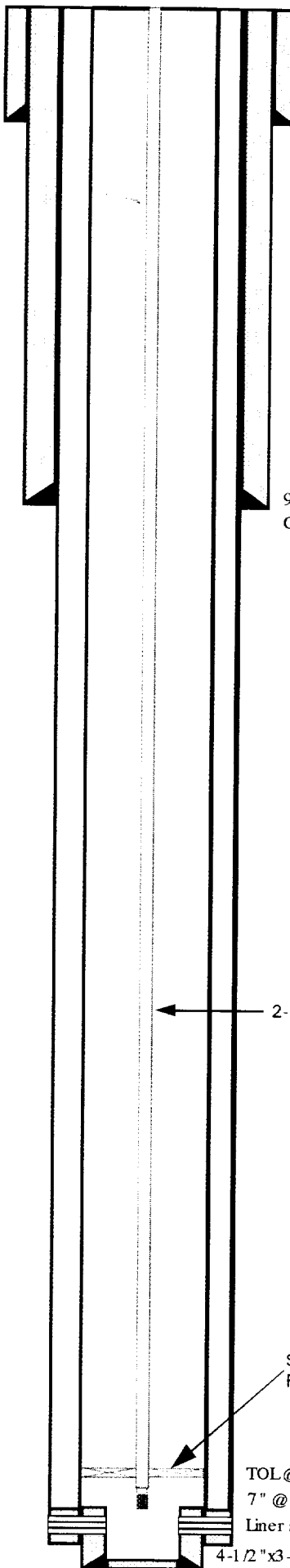
09/89 Perforated 7683'-88' (52 shots).
Acidized 3 times. Swabbing water w/1'
flare. FL @ 6350'.

04/04/90 SFER purchases well (SFER
WL 63.1 908%)

**BEFORE P&A OF
LOWER WELLBORE**

Perfs: 7683'-88'

TD: 7718' PBTD: 7695'



2063' FWL & 1294' FNL, SEC. 5
T-22-S, R-24-E, Eddy Co., NM
KB: 4225' GL: 4210'

13-3/8" @ 369' w/900 sx circulated to surface

9-5/8" @ 2500' w/811 sx, (Pumped 711 sx
Cl. "C" + 100 sx Cl. "C" cap at surface)

2-7/8", 6.5#, J-55 tbg @ 7100'

Submersible pump & Baker Model
R Double Grip Pkr. set in 10/31/89.

TOL @ 7154' tally (7139' log)
7" @ 7689' w/250 sx, TOC @ 7390' by CBL
Liner set @ 7714' tally (7701' log)

4-1/2"x3-1/2" liner @ 7154'-7714' w/50 sx, TOC unknown



**Santa Fe Energy
Resources, Inc.**

**Band Aid Federal
No. 1
Recompletion to WSW**

Indian Basin Field

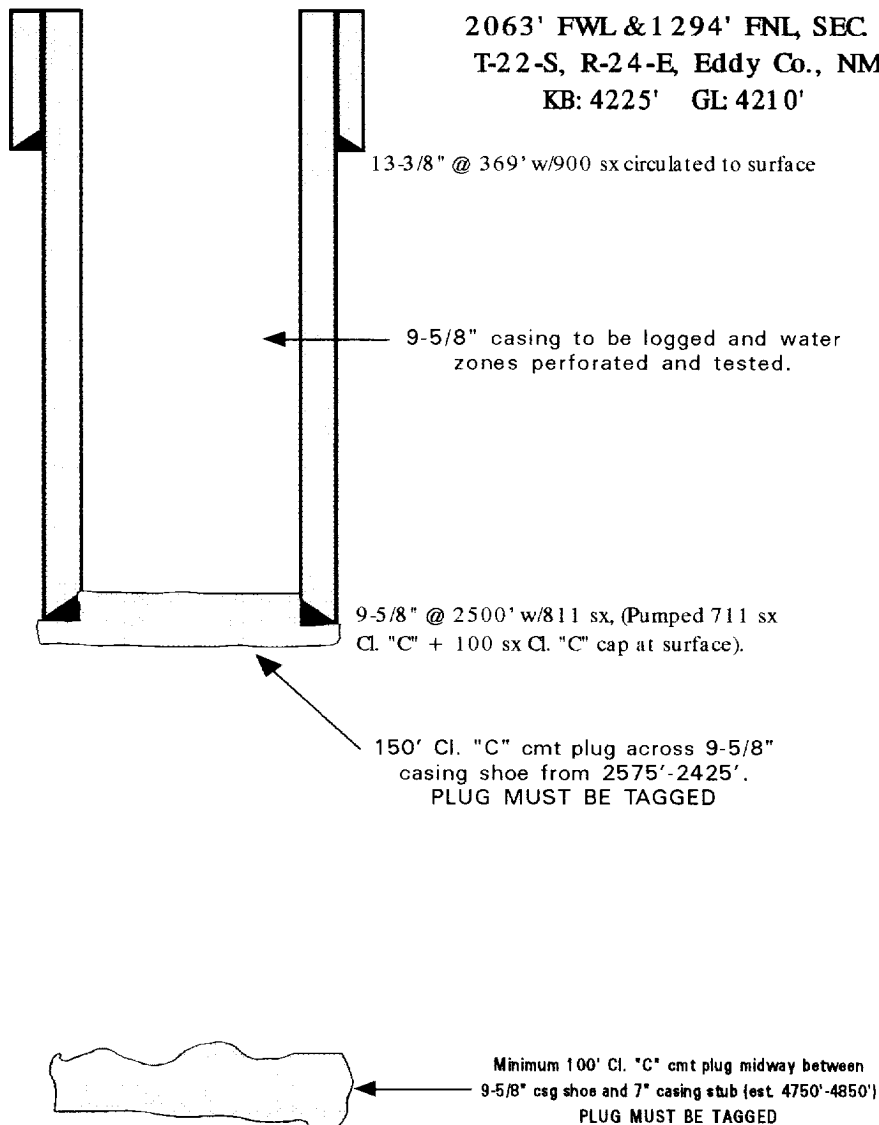
WELL HISTORY

07/29/89 SPUD

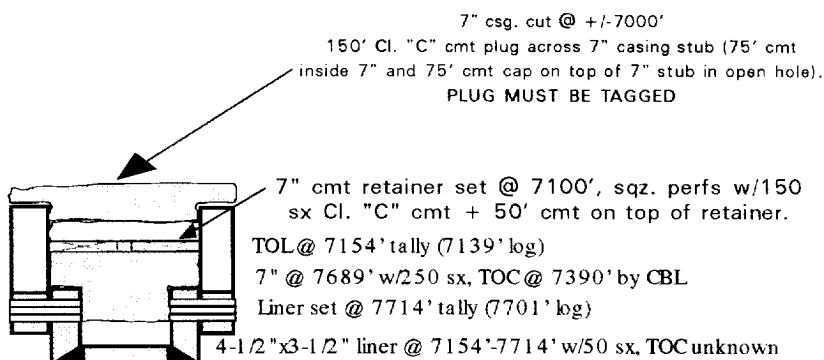
09/89 Perforated 7683'-88'(52 shots).
Acidized 3 times. Swabbing water w/1'
flare. FL @ 6350'.

04/04/90 SFER purchases well (SFER
WL 63.1908%)

2063' FWL & 1294' FNL, SEC 5
T-22-S, R-24-E, Eddy Co., NM
KB: 4225' GL: 4210'



← Casing & open hole
loaded with 9#/gal mud



Perfs: 7683'-88'

TD: 7718' PBTD: 7695'