

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 02 2016

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

NM 01385 NMSF 079333

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

E.L. Fundsingland C/O San Juan Energy Resources

3a. Address

PO Box 48 Farmington, NM 87499

3b. Phone No. (include area code)

505-327-7259

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

1630' FSL, 1750' FWL, Sec 24 T25N, R2W

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Sunico Federal #7

9. API Well No.

30-039-82333

10. Field and Pool, or Exploratory Area

Gaviland Pictured Cliffs

11. County or Parish, State

Rio Arriba County, New Mexico

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

TYPE OF SUBMISSION

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

TYPE OF ACTION

- | | | | |
|---|--|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <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 Operation (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 recompleat 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 subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

E.L. Fundsingland proposes to plug and abandon this well per the attached plugging procedure.

A closed system will be used for waste fluid handling.

Please note this well is located on fee surface and an agreement with the land owner is in place. Notify NMOCD 24 hrs prior to beginning operations.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS**SEE ATTACHED FOR CONDITIONS OF APPROVAL**

OIL CONS. DIV DIST. 3

MAY 12 2016

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Dave Simmons

Title Consultant

Signature

Dave Simmons

Date

04/22/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

PE

Date

5/6/16

Office

FFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

NMOCD

7
KC

E.L. Fundingsland

Plug And Abandonment Procedure

Sunico Federal #7

1630' FSL & 1750' FWL, Section 24, T-25-N, R-2-W

Rio Arriba County, NM / API 30-039-82333

1. Hold pre-job safety meeting. Comply with all NMOCD, BLM safety and environmental regulations. Test rig anchors prior to moving in rig if not rigged to base beam.
2. Check casing, tubing, and bradenhead pressures.
3. Remove existing piping on casing valve. RU blow lines from casing valves and begin blowing down casing pressure. Kill well as necessary. Ensure well is dead or on a vacuum.
4. ND wellhead and NU BOP. Function test BOP.
5. LD 1 ½" tubing string and PU 2 3/8" workstring:
6. P/U 4 ½" bit or casing scraper on 2-3/8" workstring and round trip as deep as possible above top perforation at 3429'.
7. P/U 4 ½" CR, TIH and set CR at +/- 3424'. Pressure test tubing to 1000 psi. Sting out of CR. Load hole, and pressure test casing to 800 psi. If casing does not test, then spot or tag subsequent plugs as appropriate. POOH w/ tubing.

8. RU wireline and run CBL with 500 psi on casing from CR at 3424' to surface to identify TOC. Adjust plugs as necessary for new TOC. Email log copy to Troy Salyers (BLM) at tsalyers@blm.gov and Brandon Powell at Brandon.powell@state.nm.us upon completions of logging operations.

9. Rig up to pump cement down tubing. Pump water to establish rate down tubing.

NOTE: All Plugs Include 100% excess outside casing and 50% Excess inside casing

10. Plug 1 (**Pictured Cliffs Perforations and Fruitland Formation Top 3424'-3274', 12 Sacks Class G Cement**)

Mix 12 sx Class G cement and spot a balanced plug inside casing to cover Pictured Cliffs perforations and Fruitland formation top.

11. Plug 2 (**Kirtland and Ojo Alamo Formation Tops 3380'-3090', 115 Sacks Class G Cement**)

RIH and perforate 3 squeeze holes at 3380'. Establish injection rate into squeeze holes. TIH with 4 ½" CR and set at 3330'. Mix 115 sx Class G cement. Squeeze 93 sx outside casing leaving 22 sx inside casing to cover Kirtland and Ojo Alamo formation tops.

12. Plug 3 (**Nacimiento Formation Top 1780'-1630', 51 Sacks Class G Cement**)

RIH and perforate 3 squeeze holes at 1780'. Establish injection rate into squeeze holes. TIH with 4 ½" CR and set at 1730'. Mix 51 sx Class G cement. Squeeze 39 sx outside casing leaving 12 sx inside casing to cover Nacimiento formation top.

13. Plug 4 (**Surface Shoe and Surface 153'-surface, 60 Sacks Class G Cement**)

Perforate 3 squeeze holes at 153'. ROOH and RD wireline. **Observe well for 30 minutes per BLM regulations.** RU pump, close blind rams and establish circulation out bradenhead with water. Circulate BH clean. Mix 60 sx Class G

cement and pump down casing until good cement returns to surface out BH valve. Shut in well and WOC.

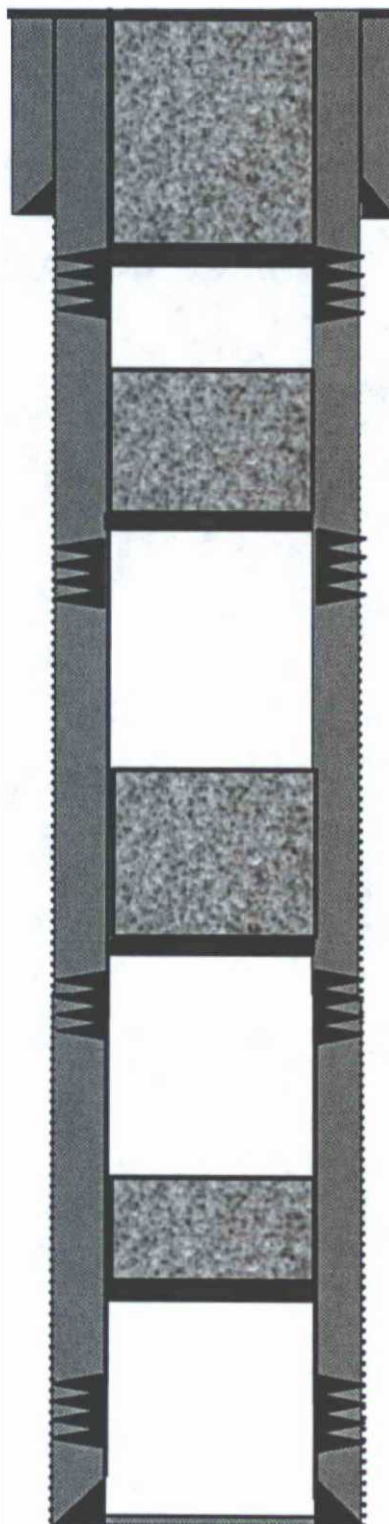
14. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and restore location per BLM stipulations.

Sunico Federal #7

Gaviland Pictured Cliffs

1630' FSL and 1750' FWL, Section 24, T25N, R-2-W

Rio Arriba County, New Mexico / API 30-039-82333



Plug #4 - Set cement from 153 ft to surface with 60 sks of cement. Circulate to surface. (60 sks of Class G Neat)

Plug #3 - Set cement from 1780 ft to 1680 ft 39 sks of cement to sqz through perfs and 12 sks of cement inside casing. (51 sks of Class G Neat)

Plug #2 - Set cement from 3380 ft to 3140 ft with 93 sks of cement to sqz through perfs and 22 sks of cement inside casing. (115 sks of Class G Neat)

Plug #1 - CIBP set at 3424 feet. Set cement from 3424 ft to 3324 ft with 100 feet of cement + 50 feet excess on top. (12 sks of Class G Neat)

San Juan Energy Resources, Inc.

P. O. Box 48
Farmington, NM 87499
Phone (505) 320-9545

February 25, 2016

Mr. Larry Hatley
P.O. Box 2624
Farmington, NM 87499

Dear Mr. Hatley

E. L. Fundingsland is applying to the Bureau of Land Management for permission to permanently plug and abandoning the Sunico-Federal 7 gas well, API #30-039-82333. The well is located 1630' FSL AND 1705' FWL, SEC 24 T25N, R2W on property you own near Lindrith, NM.

The proposed well site vegetation reclamation plan is as follows

- Plugging operations will comply with the NMOCD and BLM plugging requirements
- All surface equipment will be and trash removed from the location
- Rig anchors found on location, if any will be removed
- Disturbance will be limited to the well site and access road
- The P&A marker will be permanent and comply with all NMOCD regulations
- All underground production piping on the well site will be removed or abandoned in place
- The underground drip tank will be removed.
- The meter run will be removed by the pipeline company
- Rip, disc and reseed will be the remediation method for access road and location
- Natural drainage patterns will be established when possible and practical
- The location will be re-seeded.
- During the plugging operations an earthen pits will not be required.
- You will be informed after the earthwork and seeding is completed and ready for your inspection.

Please indicate your approval and understanding by signing below and returning one copy of this letter to me at P.O. Box 48, Farmington, NM 87499. This letter will be submitted to the Bureau of Land Management.

If you have any question regarding this matter, please call me at 505-320-9545. I may also be reached via email: dsimmons6789@yahoo.com.

Sincerely,



Dave Simmons
Agent

Signed:


Mr. Larry Hatley

Dated:

03-22-16

cc: Mr. Larry Fundingsland
P. O. Box 1157
Littleton, CO 80160-1157

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Sunico Federal #7

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.

Operator will run CBL from CR to surface to identify TOC. Submit the electronic copy of the log for verification to the following addresses: jwsavage@blm.gov Brandon.Powell@state.nm.us

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.