



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:

NMSF-081160F et al. (WC)
3162.3-4 (21110)

November 6, 2007

Mr. Wm. R Reed
Noel Reynolds DBA Torreon Oil Co.
1316 Juniper Lane
Fort Worth, TX 76126

RCVD NOV 7 '07
OIL CONS. DIV.
DIST. 3

Dear Mr. Reed:

Reference is made to the following wells located in sec. 21, T. 18 N., R. 3 W., Sandoval County, New Mexico:

- 1) No. 3 San Luis Federal, 2164' FSL & 1600' FEL, lease NMSF-081160F. 30-043-20376
- 2) No. 11 San Luis Federal, 1670' FSL & 2294' FEL, lease NMSF-081160F. 30-043-05062
- 3) No. 12 San Luis Federal, 1862' FSL & 2171' FEL, lease NMSF-081160F. 30-043-05066
- 4) No. 19 San Luis Federal, 1910' FSL & 2420' FEL, lease NMSF-081160F. 30-043-20925
- 5) No. 1 San Luis Federal WW, 1980' FSL & 2310' FEL, lease NMSF-081160F. 30-043-20143
- 6) No. 1 San Luis Federal, 1650' FSL & 1980' FWL, lease NMSF-081161A. 30-043-20378
- 7) No. 15 San Luis Federal, 1520' FSL & 2340' FWL, lease NMSF-081161A. 30-043-05061

Also referenced are your Sundry Notices dated August 20 and 27, 2007, which required additional time to repair and return the wells to production, test, plug, etc. You were granted until October 31, 2007 to complete the repairs and either return the wells to an active status or plug and abandon well No. 12 by that date. Therefore you are required to complete the following:

- a) Return wells No. 1, 3, 11 and 15 to production by April 1, 2008.
- b) Plug well No. 12 as approved by November 30, 2007.
- c) Submit procedures to plug wells No. 19 and 1 WW by November 30, 2007.
- d) Submit to our Santa Fe office lessee and bond changes from Noel Reynolds to reflect new ownership since Noel Reynolds is deceased by November 30, 2007.

Failure to comply within the time above may result in an assessment in accordance with 43 CFR 3163.1.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders 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 (NM-93000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such requests 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 please contact Stephen Mason with this office at (505) 599-6364.

Sincerely,

Original Signed: Stephen Mason

Stephen Mason
Petroleum Engineer, Petroleum Management Team

cc:
Deputy State Director, Fluids Team (92100)
NMOCD

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

RECEIVED

NOV 02 2007

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

WATER SOURCE WELL

2. Name of Operator

NOEL REYNOLDS d/b/a TORREON OIL COMPANY

Bureau of Land Management
Clovis Field Office

3. Address and Telephone No.

1316 JUNIPER LANE, FORT WORTH, TX 76126

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

SECTION 21, T10N, R3W

5. Lease Designation and Serial No.

SF 081160F

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

SAN LUIS FEDERAL WU#1

9. API Well No.

3004320143

10. Field and Pool, or Exploratory Area

SAN LUIS MESA VERDE

11. County or Parish, State

SANDOVAL, NM

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

☐ 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.)*

ACTIVITIES CONTINUE TO BE SUSPENDED
TO RESOLVE WATER DISPOSAL ISSUES WITH
NM-OLD. LEASE ON SITE ACTIVITIES
MINIMIZED DURING WINTER. WILL CONTINUE
TO KEEP YOU ADVISED OF ANY PROGRESS.

File plans to B-4

RCVD NOV 7 '07

OIL CONS. DIV.

DIST. 3

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

Signed

Title

Date

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

ACCEPTED FOR RECORD

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.

*See instruction on Reverse Side

CLOVIS FIELD OFFICE

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special in-

structions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

SPECIFIC INSTRUCTIONS

Item 4—If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 13—Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive

zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et. seq., 351 et. seq., 25 U.S.C. et. seq.; 43 CFR 3160.

PRINCIPAL PURPOSE — The information is to be used to evaluate, when appropriate, approve applications, and report completion of secondary well operations, on a Federal or Indian lease.

ROUTINE USES:

- (1) Evaluate the equipment and procedures used during the proposed or completed subsequent well operations.
- (2) Request and grant approval to perform those actions covered by 43 CFR 3162.3-2(2).
- (3) Analyze future applications to drill or modify operations in light of data obtained and methods used.
- (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION — Filing of this notice and report and disclosure of the information is mandatory once an oil or gas well is drilled.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et. seq.) requires us to inform you that:

This information is being collected in order to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

This information will be used to report subsequent operations once work is completed and when requested, to obtain approval for subsequent operations not previously authorized.

Response to this request is mandatory for the specific types of activities specified in 43 CFR Part 3160.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0135), Washington, D.C. 20503.