Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

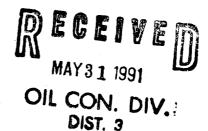
FORM APPROVED
Budget Bureau No. 1004-013
Pxpires: March 31 1993

5. Lease Designation and Serial No.

SF/078056 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name 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 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well Central Bisti Unit X Oil Well Gas Well 8. Well Name and No. Other 2. Name of Operator Central Bisti Unit #1 Giant Exploration & Production Company 9. API Well No. 3. Address and Telephone No. 30-045-05597 PO Box 2810, Farmington, N.M. 87499 (505) 326-3325 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Bisti Lower Gallup 11. County or Parish, State 660' FSL, 660' FWL, Sec. 31, T26N, R12W, NMPM San Juan, New Mexico 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent XX Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Dispose Water (Note: Report results of multiple completion on Well

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.)*

Please see Attachment "A".



SEE ATTACHED FOR CONDITIONS OF APPROVAL

Completion or Recompletion Report and Log form.)

Parc MAY 3 1991
Date 123 1991

Giant Exploration & Production Company Central Bisti Unit #1 Attachment "A"

Giant Exploration & Production Co. plans to plug and abandon the above location as follows:

- 1. Move on location. Circulate wellbore through 2-3/8" tubing string.
- 2. Set cement retainer at 4800' and pump 75 sacks (88.5 cuft) Class "B" cement into Lower Gallup perforations from 4836'- 4960'. A 35 sack (41.3 cuft) cement plug will then be spotted above the retainer inside the 5-1/2", 14#, casing interval 4579'- 4800'.
- 3. Perforate 2 squeeze holes at 2565'.
- 4. Spot 30 sacks (35.4 cuft) cement plug to cover the top of the Mesa Verde formation from 2565' to 2465'. Pressure displace 15 sacks into the perforations at 2565'.
- 5. Perforate 2 squeeze holes at 1572'.
- 6. Spot 30 sacks (35.4 cuft) cement plug to cover the top of the Chacra formation from 1572' to 1472'. Pressure displace 15 sacks into the perforations at 1572'.
- 7. Perforate 2 squeeze holes at 1255'.
- 8. Spot 30 sacks (35.4 cuft) cement plug to cover the top of the Pictured Cliffs formation from 1155' to 1255'. Pressure displace 15 sacks into the perforations at 1255'.
- 9 Perforate 2 squeeze holes at 945'.
- 10. Spot 30 sacks (35.4 cuft) cement plug to cover the top of the Fruitland Coal formation from 945' to 845'. Pressure displace 15 sacks into the perforations at 945'.
- 11. Perforate 4 squeeze holes at 615' to allow coverage of the Ojo Alamo formation from 615' to surface. Circulate 250 sacks (295 cuft) of cement from 615' to surface leaving both the inside and outside of the casing full of cement.
- 12. Cut off the wellhead and install the dry hole marker.

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA 1235 LA PLATA HIGHWAY FARMINGTON, NEW MEXICO 87401

Attachment to Notice of

Re: Permanent Abandonment

Intention to Abandon

Well: | Control Bist

CONDITIONS OF APPROVAL

- 1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."
- 2. Mu, k Kelly with the Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 326-6201.
- 3. Blowout prevention equipment is required.
- 4. The following modifications to your plugging program are to be made (when applicable):

a) Bridly Gallup plug up to 4526

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

GENERAL REQUIREMENTS FOR PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES FARMINGTON RESOURCE AREA

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- 1. Secure prior approval either on a Sundry Notice (Form 3160-5) or verbally from the Fluids Drilling & Production Section at this office before changing the approved plugging program.
- 2. Plugging equipment used shall have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs. The Operator is responsible for providing all measuring devices needed to assure proper measurement of materials being used.
- 3. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations. Unattended pits are to be fenced.
- 4. All cement plugs are to be placed through tubing (or drillpipe) and shall be a minimum of 100 feet in length with 50% excess inside casing or 100% excess when plug is set in open hole or squeezed into perforations. 15.6#/gal slurry weight is to be used when using class B neat cement or when CaCl₂ is used. Use the recommended slurry weight of other type cements when they are used (Class C, Pozzolan etc.).
- 5. Any cement plugs placed when well is not full of fluid, or when well may be taking fluid, (i.e. across perfs-unless bridge plug or retainer is used, across bad csg., or fresh water formations) will be tagged (touched) after cement has set to verify proper location.
 - 5a. Testing The first plug below the surface plug shall generally be tested by either tagging the plug with the working pipe string, or pressuring to a minimum pump (surface) pressure of 1000 psig, with no more than a 10 percent drop during a 15-minute period (cased hole only). If the integrity of any other plug is questioned, it must be tested in the same manner. Also, any cement plug which is the only isolating medium for a fresh water interval or a zone containing a valuable mineral deposit should be tested by tagging with the drill string.
- 6. Mud must be placed between plugs. Plugging mud is to be made up with a minimum of 15 lbs/bbl of sodium bentonite, and a nonfermenting polymer.

 Minimum consistency of plugging mud must be 9 lbs/gal and with a minimum viscosity of 50 sec/qt. Fresh water is to be utilized for mixing mud.
- 7. Following the placement of a cement plug, the withdrawl rate for at least the length of the cement plug shall not exceed 30 ft/min, in order to minimize the contamination of the plug.

- 8. Within 30 days after plugging work is completed, file a Sundry Notice (Subsequent Report of Abandonment, Form 3160-5), in quintuplicate with Area Manager, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.
- 9. All permanently abandoned wells are to be marked with a regulation marker (4" pipe extending 4' above the ground line) containing the information as specified in 43 CFR 3162.6(d). Unless otherwise approved.
- 10. After plugging work is completed the surface is to be rehabilitated in accord with instructions from the Fluids Surface Management Section of the Farmington Resource Area Office.

All above are minimum requirements. The period of liability under the bond of record will not be terminated until the lease is inspected and surface work approved.

Please advise this office when the well location is ready for final inspection.

Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order 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.