Form 3160-5 Navember 1983) Formerly 9- 331)

UNITED STATES SUBMIT IN TRIPLICATES Other Instructions on reverse side)

Form approved. Budget Bureau No. 1004-0135 Expires August 31, 1985 5. LEASE DESIGNATION AND SERIAL NO. NM-03603-A

1991

AREA MANAGER

FARMINGTON RESOURCE AREA

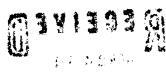
BUREAU OF LAND MANAGEMENT

6. IF INDIAN, ALLOTTEE OR TRIBE NAME RECEIVED SUNDRY NOTICES AND REPORTS ON WELLS (No not use this form for proposals to drill or to deepen or plug back to a different reservoir.

Use "APPLICATION FOR PERMIT..." for such proposals.) BLM 7. UNIT AGREEMENT NAME P11 3: 1 GAS WELL X WELL ... OTHER 8. FARM OR LEASE NAME NAME OF OPERATOR 019 FARM Hammond, R & G DRILLING COMPANY 3. ADDRESS OF OPERATOR C/O Walsh Engr. & Prod. Corp. P. O. Drawer 419 Farmington, New Mexico 87499 40 LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface 10. FIELD AND POOL, OR WILDCAT Blanco PC South 11. SEC., T., B., M., OR BLK. AND Sec. 26-T27N-R8W 1670'FSL, 790'FEL N.M.P.M. 15. ELEVATIONS (Show whether OF, RT, GR. etc.) 12, COUNTY OF PARISH | 13. STATE San Juan 6020'GL, 6031'KB Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data 16. NOTICE OF INTENTION TO: REPAIRING WELL TEST WATER SHUT-OFF PULL OR ALTES CASING WATER SHUT-OFF MULTIPLE COMPLETE PRACTURE TREATMENT ALTERING CASING ABANDON* SHOOTING OR ACIDIZING ABANDONMENT* SHOOT OR ACIDIZE REPAIR WELL CHANGE PLANS NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) (Other) 17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all perilineal defails, and give perfluent dates, including estimated date of starting any proposed work. If well is directionally draide, give subsurface locations and measured and true vertical depths for all markers and zones perfluent to this work.). Attached is diagram of equipment in well. It is proposed to plug and abandon the well in the following manner: 1. Set cement retainer in 5-1/2" casing, 1960' to 1990' and squeeze below retainer with 47 ft (40 sacks) cement. Spot 7ft³ (6 sacks) on top of retainer. Set 150 foot cement plug, 21 ft³ (18 sacks) 1835'-1685'. Top of 2. Fruitland - 1760'. Set 150 foot cement plug, 21 ft (18 sacks) 1535'-1385'. Base Ojo Alamo -1460'. Set 150 foot cement plug, 21 ft (18 sacks) 1255'-1105'. Top of Ojo Alamo - 1180'. Perforate 5-1/2" casing $50'_3$ below base of surface casing - 180' and cement inside casing, 35 ft (30 sacks) and outside casing 57 ft (Cement dry hole marker in top of casing after remove casinghead. FOR: R & G DRILLING COMPANY ORIGINAL SIGNED BY 18. I hereby certify that the fore 4/5/91 DATE EWELL N. WALSH TITLE ior Federal or State office use)

*See instructions on Reverse Side OIL CON. DIV. Title i - Ulli. D. Sel ti**DIST, . 3** aked it warims for any person knowingly and willielly to make to any department or avency of the United brates any taise, fictitious or traudulent statements or representations as to any matter within its jurisdiction.

APR 2 4 1991

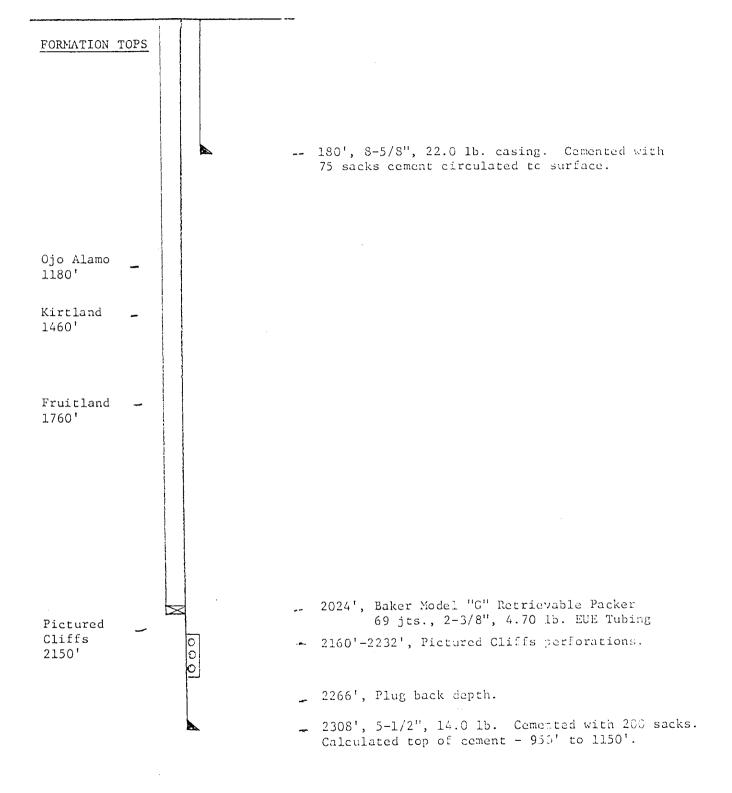


PAIG TARRY NC

*, . . .

R & G DRILLING COMPANY HAMMOND NO. 40 1670'/S, 790'/:, NE/4SE/4, SECTION 26-T27N-R8W

San Juan County, New Mexico Elevation: 6031' G.L. LEASE NO: NM-03603-A



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: 40 Hammond

CONDITIONS OF APPROVAL

- 1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."
- 2. $\frac{M_{c}/k}{k_e \parallel_{\Psi}}$ 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):

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

- 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 perf3-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 scdium 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.

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- 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.