State of New Mexico Submit 3 Carrier Form C-163 Energy, Minerals and Natural Resources Department to Appropriate District Office Revised 1-1-89 OIL CONSERVATION DIVISION DISTRICT WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 Santa Fe, New Mexico 87504-2088 DISTRICTI P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease STATE FEE L DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: GAS WELL WELL K Horseshoe Gallup Unit OTHER 2. Name of Operator & Well No. ARCO Oil & Gas Company, Division of Atlantic Richfield Co. 3. Address of Operator 9. Pool name or Wildcat 1816 E. Mojave, Farmington, New Mexico 87401 Horseshoe Gallup 4. Well Location 660 Feet From The __ 1980 North Feet From The 2 30N 16 W Section Township County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK **ALTERING CASING TEMPORARILY ABANDON CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND ABANDONIMEN **PULL OR ALTER CASING** CASING TEST AND CEMENT JOB OTHER: OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. ARCO Oil and Gas Company respectfully requests approval for extension of long term shut in status on this well. Over the past two years, ARCO has reactivated several previously uneconomic long term shut in wells and found commercial production. In addition, an ongoing CO2 feasibility study is underway which may yield significant additional oil recovery. Implementation of a CO2 flood would require the workover of existing wells, and the drilling of new wells. For these reasons, ARCO proposes that this well be maintained in the long term shut in status so that the wellhore will be available, should future production tests indicate commercial production or should it be needed as part of a future CO2 flood. This plan eliminates the economic waste of potentially usable wellhores and promotes conservation.

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CONDITIONS OF APPROVAL, IF ANY