or representations as to any matter within its jurisdiction

FORM APPROVED Form 3!50-5 UNITED STATES Budget Bureau No. 1004-0135 (June 1990) DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 **BUREAU OF LAND MANAGEMENT** 5. Lease Designation and Serial No. 048576-NM 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 Oil Well Gas Other 8. Well Name and No. Foothills NO.3 TEXAKOMA Oil and GAS Corporation 30-045-25545 10. Field and Pool, or Exploratory Area ONE Lincoln Centre, 5400 LBJ FRWY, Ste 500, Dallas, Texas 75240

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Picture Cliffs-Fulcher Kutz LOTB, Sec. 19, TBON, RIZW 1000' FML and 1560' FEL SAN Juan County, New Mexi-CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION Change of Plans New Construction Plugging Back Non-Routine Fracturing Water Shut-Off Final Abandonment CON DIV Conversion to Injection Dispose Water 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.)\* Propose to plug and Abandon Well by filling 2 78, 6,5 ppf, casing with 61 sxs of conent from PBTD (2,029') to surface, coment- Neat w/470 get. Perforations @ 1678'-1684' (6'). Bottom of Surface casing @ 110'(7", 23 ppt), Surface casing is cemented to surface. Cut 7" and 278" @ Surfue, weld on cap. Install Dry Hole Marker, Restore location of Necessary. (with proper weel identification) Topof Fruitland Formation - 1589' Top of Picture Clicks - 1942' SEE ATTACHED FOR ELEVATION-58451 GR pertify that the foregoing is true and correct Walter J. Toups Jr. Date MARCH 28, 1996 TILL Drilling MANAGER APR 02 1996 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

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## GENERAL REQUIREMENTS FOR PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES FARMINGTON DISTRICT OFFICE

- 1.0 The approved plugging plans may contain variances from the following minimum general requirements.
- 1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Farmington District, Branch of Drilling & Production.
- 1.2 Requirements may be added to address specific well conditions.
- 2.0 Materials used must be accurately measured.
- 3.0 A proper tank or pit will be used to contain all fluids from the well during plugging operations. Unattended pits are to be fenced.
- 4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.
- 4.1 The cement shall be as specified in the approved plugging plan.
- 4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing (or annular voids between casings) plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
- 4.3 Surface plugs may be no less than 50' in length.
- All cement plugs placed to fill annular voids between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess (calculated using the bit size) or 100' of annular capacity determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
- All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.
- 5.0 All cement plugs spotted across (or above) any exposed zone(s), when; the welllbore is not full of fluid or the fluid level will not remain static, (and in the case of lost circulation, or partial returns, during cement placement) shall be tested by: 1) tagging with the work string, or: 2) (for cased holes only) pressuring to a minimum surface pressure of 500 PSI (with no more than a 10% drop during a 15-minute period).
- 5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan (without regard to any excess).
- 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer.

- 5.3 Any cement plug which is the only isolating medium for a fresh water interval or a zone containing a prospectively valuable deposit of minerals shall be tested by tagging.
- **6.0** All wells are to be controlled by means of a wellbore fluid that is to be of a weight and consistency necessary to stabilize the wellbore. Wellbore fluid shall be left in place as filler between all plugs.
- 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
- 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.
- 7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with exposed zones; (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain  $H_2S$ .
- 8.0 Within 30 days after plugging work is completed, file a Sundry Notice (Subsequent Report of Abandonment, Form 3160-5) five copies, with District Manager, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. The report should show 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.
- 9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.
- 10.0 After plugging work is completed the surface is to be rehabilitated in accord with instructions from the Environmental Protection Staff of the Farmington District Office.
- All of the above are minimum requirements.

Please advise this office when the well location is ready for final inspection. The period of liability under the bond of record will not be terminated until the lease is inspected and surface work approved.

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.