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Submit 3 Copies to Appropriate District Office	State of Ne Energy, Minerals and Natu			Form C-103 Revised 1-1-89			
DISTRICT I P.O. Box 1980, Hobbs, NM 88240	OIL CONSERVA P.O. Bo	x 208	8	WELL API NO. 30025-25036			
DISTRICT II P.O. Drawer DD, Artesia, NM 88210							
DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410	6. State Oil & Gas Lease No. Fee						
	CES AND REPORTS ON		18				
(DO NOT USE THIS FORM FOR PRO DIFFERENT RESER (FORM C-	7. Lease Name or Unit Agreement Name Shipp "34"						
1. Type of Well: OL OL WELL WELL							
2. Name of Operator				8. Well No.			
Gainco, Inc.				2			
3. Address of Operator			- 70402	9. Pool name or Wildcat			
P. O. Box 581, Co 4. Well Location	Lovington - Paddock						
4. Well Location Unit Letter <u>M</u> : <u>660</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>West</u> Line							
Section 34	Township 16S	Ran		NMPM Lea County			
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3772							
11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data							
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:							
	PLUG AND ABANDON	X	REMEDIAL WORK				
	CHANGE PLANS		COMMENCE DRILLING OPNS.				
PULL OR ALTER CASING			CASING TEST AND CE				
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.

PROPOSAL TO PLUG AND ABANDON WELL.

PLEASE SEE ATTACHED PROCEDURE.

	Richard W. Jennings	adge and belief. ΠΠΕ Agent	date <u>1/12/93</u> 512 теlephone no. <u>882-9966</u>
(This space for State Use),	RIGINAL SIGNED BY JERRY SEXTON DISTRICT I SUPERVISOR	an	JAN 1 9 1993
APPROVED BY	, IP ANY:	TTLE	DATE

ABANDONMENT PROCEDURE

SHIPP 34 NO. 2 Lovington (Paddock) Lea County, New Mexico

NOTIFICATION:

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- 1. Notify NMOCD at (505)393-6161 prior to commencing plugging operations so that plugging may be witnessed.
- 2. Notify Landowner at least 24 hours prior to commencing plugging operations.
- 3. Notify UTP and NMOCD prior to any deviation from the approved procedures.

PROCEDURE:

- 1. MIRU plugging rig equipped with circulating unit, BOP's and casing handling tools.
- 2. Bleed pressure off well. POH with rods and pump.
- Displace hole with 10 ppg gelled brine (25# gel/bbl of brine). ND tree. NU BOP's.
- 4. POH with tubing. LD BHA.
- 5. TIH with tubing open ended. Wash frac sand down to PBTD at 8,050'.
- 6. Mix and spot 25 sx balanced cement plug at 8,050'. If well will not circulate, prepare to set a CIBP at 6350' and cap with 20' of cement instead of Step 7.
- 7. POH laying down tubing to 6,350'. Mix and spot 25 sx balanced cement plug. PU above plug and reverse tubing clean. WOC 3-4 hours. Tag plug.
- 8. POH with tubing.
- 9. Install lift sub on 4-1/2" casing. Stretch test casing to determine freepoint.
- 10. RU wireline. Freepoint and cut 4-1/2" casing. Anticipated recovery is +/-5,000'. Cut must be made at 4,228' or deeper.
- 11. POH laying down 4-1/2" casing.
- 12. TIH with tubing open ended to 50' below top of 4-1/2'' casing.
- Mix and spot 25 sx balanced cement plug from 50' below cut to 50' above cut. PU tubing. WOC and tag.

Shipp 34 No. 2 P&A Procedure Page - 2 -

- 14. PU tubing to 4,275'. Mix and spot 40 sx balanced cement plug from 4,275' to 4,175'. PU above plug. WOC and tag.
- 15. PU tubing to 2,900'. Mix and spot 35 sx balanced cement plug to cover the base of the salt. POH with tubing.
- 16. RU lift sub on 8-5/8" casing. Stretch test same to freepoint.
- 17. Cut 8-5/8" casing at +/-2,100' (top of the salt).
- 18. POH laying down 8-5/8" casing.
- 19. TIH with tubing open ended to 2,150' (50' below casing cut). Mix and spot 50 sx balanced cement plug from 2,150' to 2,050' (100' plug centered on casing cut and covering top of the salt). PU above plug. WOC and tag.
- 20. PU tubing to 425'. Mix and spot 90 sx balanced cement plug from 425' to 325'. PU above cement and WOC. Tag Plug.
- 21. POH. Mix and spot 10 sx (15') surface plug.
- 22. Cut off surface csg 3' below ground level. Weld steel cap on casing. Install abandoned well marker. RDMO rig. Backfill cellar and any pits. Remove production equipment and return the location to its original contour.

NOTES:

- Acceptable cements are Premium Cement (Class "H") or Common Cement (Class "C") mixed at 1.18 cu.ft./sk.
- Plate on top of casing should have well name and number inscribed. The dry hole marker consists of a 4" x 10' (with at least 4' above ground) pipe or monument cemented in ground. Well name, number and location should be inscribed on marker. Pipe should be filled with cement.

RJP/ejw 05/05/89 a:shp34-2

WELL DATA SHEET

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- C.

WELL NAME:Shipp 34 No. 2DATE: 5/05/89FIELD:Lovington (Paddock)LOCATION:660' FSL & 660' FWL, Section 34, T-16-S, R-37-E
Lea County, New MexicoELEVATION:G.L. at 3773' KB at 3787'COMPLETED:7/10/75TOTAL DEPTH:8,476'PBTD:CIBP at 8,050'

CASING RECORD:

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<u>S1ZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>COUPLING</u>	DEPTH	<u>CEMENT</u>	<u>TOC</u>		
13-3/8" 8-5/8" 4-1/2"	48 28 & 32# 10.5, 11.6	H-40 H-40, J-55 K-55, N-80	ST&C ST&C LT&C, ST&C	375′ 4,228′ 8,476′	350 Sx 550 Sx 550 Sx	Surface (Circ) 2800′ (Est.) 5,700′ (By T.S.)		
TUBING RECORD:								
<u>SIZE</u>	WEIGHT	<u>GRADE</u>	COUPLING	<u>DEPTH</u>	DEPTH Packer			
2-3/8"	4.7#	J-55	EUE, 8R	6,363′		at 6,077' at 6,327'		

STATUS & OBJECTIVE:

This well is currently producing 2 BOPD, 2 MCFPD and 11 BWPD from the Paddock. Abandonment of this uneconomic well is recommended.

HISTORY:

The Shipp 34 No. 2 was drilled and completed in the Drinkard in 1975. The well produced 65 MBO and 103 MMCF prior to recompletion in February 1988. At that time, the well was recompleted in the Paddock at 6,363' - 6,385' and 6,410' - 6,430'.

RJP/ejw a:shp34-2