OCD - Artesia

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
NM092190

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Dero A Fed Com #1

2. Name of Operator
Saga Petroleum LLC

9. API Well No.
30-015-20304

3a. Address
415 W. Wall, Suite 1900, Midland, TX 79701

3b. Phone No. *(include area code)*
(432)684-4293

RECEIVED
APR 0 6 2004
OCD-ARTESIA

10. Field and Pool, or Exploratory Area
Winchester Morrow

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
660' FSL & 660' FEL
Sec 35 (P) T19S, R28E

11. County or Parish, State
Eddy
NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/ Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☒ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Recomplete to Bone Springs
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Attempted to TA - MIT failed - csg problem - see complete chronological report on back of this form.
Intend to pull csg & replace prior to attempting recompletion to Bone Springs by perforating 6920'-6940' & 5920' 5930'.
AFE to be prepared and circulate to other WI owners for approval.

Respectfully request 60-day extension to March 3, 2004

* By ending date, either recomplete the well or submit plugging procedure.

APPROVED ~~FOR ___ MONTH PERIOD~~
ENDING 4/30/04

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Bonnie Husband

Title
Production Analyst

Signature
Bonnie Husband

Date
12/18/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
/s/ Joe G. Lara

Title
Petroleum Eng.

Date
4/1/04

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office
CFO

Accepted for record - NMOCD

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.

(Instructions on reverse)

12-9-2003 Project: Fish CCL log tool & set CIBP - NDWH, NU BOP & truck in 2-3/8" N-80 tbg. PU 3-1/8" OS w/1.78" grapple & PU 66 jts of 2-3/8" tbg off rack.

12-10 Continue to PU tbg & GIH w/3-7/8" OS & 3-1/8" bumper sub & 2-3/8" to top of fish @ 6096' (192 jts) attempt to catch rope socket-failed. Pushing CIBP & CCL tool dwn hole to 10,178'. Stack out tbg wt plug 10,000' on fish. Pulled up, saw some drag 2,000# over. POOH w/tbg & bumper sub & OS. Did not catch fish. RIH w/bit & csg scraper to 9950', POOH w/30 jts, LD on rack. Note: left 4-1/2" CIBP & setting tool & CCL tool w/rope socket @ 10,178

12-11 Continue to POOH w/tbg LD on rack & LD csg scraper & bit. RU WL trk. RIH w/gauge ring & junk basket to 10,080' - POOH - RIH w/4-1/2" CIBP & set @ 10,060'. Test csg to 600 psi-failed pumping into @ 3/4 BPM @ 600 psi. SD pump, lost 75# in 3-mins. PU & RIH w/bailer & dump 1 sk cmt 20' on CIBP. Prep to retest csg, BLM to witness

12-12-03 Retest csg to 500 psi – failed 120 psi leak off in 10-mins. Pumping in @ 1 BPM @ 500 psi. Pump 10 BW, call for pkr. Ck'd Intermediate csg valve, had 330#, open up & flw'd estimated 5 BO 43° in 1-hr SI. Ck surface valve, had 0#, PU 4-1/2" Elder CST compression pkr & SN to 5081' (160 jts). Set pkr. Test CIBP, 2 BPM @ 400 psi pumping in. Tied on BS & test annulus to 500# - failed w/200# leak off. Pull 2 jts –leaving 158 jts in hole. Test failed-same leak off. Pull 30 jts to 3495'. Test failed – same leak off. Pull 30 jts to 3177' (100 jts). Test good 800# for 10-mins. RIH w/10 jts to 3495'-test good 800# 5-mins. RIH w/10 jts to 3812' (120 jts in). Test good 800#. RIH w/4 jts to 3939' – good 880#. RIH w/4 jts to 4065' (128 jts in). Test failed. Pull 1 jt to 4034' (127 jts in) test good. **Have good csg from 4034' to surface.** RIH to 5716' (180 jts in) & test CIBP-test failed, pumping in @ 2 BPM @ 200 psi – coming out annulus. SDFN

12-13-03 RIH w/20 jts to 6350' (200 jts in) Test CIBP & csg below pkr-test good to 700 psi. Pull up to 6033' (190 jts) test good to 700 psi. Pull 4 jts up to 5906' (186 jts) test good to 700 psi. Pull up 4 jts to 5579' (182 jts) test failed. RBIH w/1 jt to 5811' & again @ 5843' & again @ 5875'. All test failed. RIH w/1 jt (186 jts in) to 5906' & test to 1000 psi for 15-mins. **Bad csg from 4034' to 5906' or 1872'.** Release pkr & POOH w/186 jts & pkr. Note Intermediate csg press 230

12-16 RU Computalog, run temperature survey & GR/CCL log from 8000'-4000'. 1st temperature survey run w/intermediate valve closed, then open & flw'd for 1-hr & 2nd temperature survey run while flw'g. Rec 78 bbls in 2-hr time frame. Well dead-stopped flw'g. PU multi-sensor/multi-caliper arm (csg inspection tool) & log from 7000' to 3000'. RD Computalog WL & SDFN

12-17-03 Evaluating logs

12-18-03 Intermediate csg press 0. ND BOP & 4-1/2" WH spool - PU csg spear w/4' grapple & pull up on csg to 150K. Worked attempting to get csg slips to come up-failed. Used primer cord to free slips. Pulled up csg to 118K. RU Computalog & RIH w/free-point-tool & found csg 100% free @ 2854', 4489', 5802', 6061', 7000' and 60% free @ 7195', 42% @ 7500', 50-60% @ 7723', 30-40% @ 7916'. RD Computalog & NU 4-1/2" csg-spool & NU BOP.