

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOCD  
Artesia

FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

**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.**

5. Lease Serial No. NM-38313  
6. If Indian, Allottee or Tribe Name  
N/A

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other  
2. Name of Operator JALAPENO CORPORATION  
3a. Address PO BOX 1608  
ALBUQUERQUE, NM 87103  
3b. Phone No. (include area code)  
(505) 242-2050  
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SEC 7, T-14S, R-11E UNIT P, 1063' FSL & 823' FEL  
7. If Unit of CA/Agreement, Name and/or No.  
N/A  
8. Well Name and No. YSLETANO CANYON FED #1  
9. API Well No. 30-035-20025  
10. Field and Pool or Exploratory Area  
WILDCAT  
11. Country or Parish, State  
OTERO COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat horizontally, give subsurface locations and 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Attached is the Plug and Abandonment End of Well Report for the Ysletano Canyon Federal #1 provided by Drake Energy Service. The work was completed by Drake Energy Service from August 4, 2017 to August 15, 2017. Work was witnessed by Paul Swartz.

Accepted for record - NMOCD

NM OIL CONSERVATION  
ARTESIA DISTRICT

DEC 26 2017

RECEIVED

ADDITIONAL INFORMATION: The work was completed by Drake Energy Service from August 4, 2017 to August 15, 2017. Work was witnessed by Paul Swartz.

DEC 19 2017

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
JULIE A. PASCAL  
Signature *Julie A. Pascal*  
Title OIL AND GAS OPERATIONS ASSOCIATE  
Date 12/19/2017

**THE SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by  
Title  
Office  
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.

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make 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 page 2)

# **Jalapeno Corporation**

## **Plug And Abandonment End Of Well Report**

### **Ysletano Canyon Federal #1**

1063' FSL & 823' FEL Section 7, T14S, R11E

Otero County, NM / API 30-035-20025

#### **Work Summary:**

- 8/4/17** Made BLM and NMOCD P&A operations notifications at 10:00 AM MST.
- 8/7/17** MOL and R/U P&A rig. Checked well pressures: tubing 0 psi, casing on vacuum and bradenhead 0 psi. N/D wellhead, N/U BOP and function tested. Shut in well for the day.
- 8/8/17** Finished rigging up P&A rig. P/U bit and casing scraper on 2-3/8" workstring and tallied in the hole. Tagged CIBP at 3946', 6' deeper than expected. Shut-in well and shut down for the day.
- 8/9/17** TIH with mill and tagged plug at 3946'. Drilled out plug to bottom at 4417'. BLM representative and DWS supervisor determined bottom at 4417' Circulated wellbore with fresh water and shut-in well for the day. Paul Swartz was BLM representative on location.
- 8/10/17** Rigged up mud hopper and mixed 90 bbl fresh water with 25 sacks of Halliburton salt water gel. Circulated wellbore with 9 ppg salt water gel. TOH and L/D mill. TIH open ended ready to start cementing services 8-11-17. Shut-in well and shut down for the day. Paul Swartz was BLM representative on location.
- 8/11/17** Mixed 12 sx of Halliburton gel for displacement. R/U cementing services and pumped the first plug from 4417' to 3874'(see plug summary). WOC 4 hours. Tagged cement at 3567' which was 300' higher than expected. TOH to P/U bit to determine whether there was a cement bridge at 3567'. Drilled 78' of good cement and circulated hole clean. Shut-in well and shut down for the day. Paul Swartz was BLM representative on location.

- 8/12/17** Mixed 12 sx of Halliburton gel. Drilled 402 ft of cement down to 3837'. Circulated hole clean and shut-in well for the day. Paul Swartz was BLM representative on location
- 8/13/17** Started drilling cement at 3837'. Drilled 35' of cement down to 3872' which was 152' above top perforation at 4024'. TOH and L/D 121 joints of 2-3/8" work string. R/U Blue Jet wireline services. RIH and perforated at 1100' (Wolfcamp formation top). R/D Blue Jet and shut-in well for the day. Paul Swartz was BLM representative on location.
- 8/14/17** TIH with packer below 1100' and set at 1124'. Tested casing to 500 psi in which it successfully held pressure. TOH and set packer at 593'. Pumped 7 bbl fresh water and had circulation outside of casing. Waited on water truck to pump out cellar while pumping cement. Pumped plug #2 to cover the Wolfcamp formation top. WOC 4 hours. TIH and tagged cement at 827' which was approximately 25' short of the necessary tag depth. R/U Blue Jet wireline and perforated at 827' and 60'. R/U cementing services and repumped Wolfcamp plug below packer. Shut-in well for the day and WOC overnight.
- 8/15/17** TIH and tagged cement at 803'. TOH to pump surface plug. R/U cementing services and pumped surface plug from 120' to surface. Observed well per BLM requirements. Cut-off wellhead and topped off well. Installed P&A marker per BLM requirements. Took picture of marker in place and recorded GPS coordinates. R/D P&A rig and MOL.

#### **Plug Summary:**

##### **Plug #1: (Mississippian Perforations and Formation Top 4417'-3872', 54 Sacks Type III Cement)**

Mixed 54 sx Type III cement and spot a balanced plug inside casing to cover Mississippian perforations and formation top. WOC 4 hours and tagged cement at 3567' which was 300' higher than expected. BLM representative Paul Swartz instructed DWS to drill cement to confirm there wasn't a cement bridge. DWS drilled 437' of good cement down to 3872' which was 152' above top perforation at 4024'.

##### **Plug #2: (Wolfcamp Formation Top 1100'-803', 88 Sacks Type III Cement)**

Mix 63 sx Type III cement and squeezed all 63 sx below packer to cover Wolfcamp formation top. WOC 4 hours and tagged cement at 834' which was 25' short of necessary tag depth. Mixed 25 sx Type III cement and squeezed all 25 sx below packer to cover Wolfcamp formation top. WOC 4 hours and tagged cement at 803'.

**Plug #3: (Surface 120'-surface, 29 Sacks Type III Cement)**

Attempted to pressure test the bradenhead annulus to 300 psi; noted the volume to load. BH annulus did not hold pressure. Pumped surface plug from 120' to surface. Circulated cement around Bradenhead and out casing valve. Observed well per BLM requirements. Cut-off wellhead and topped off well. Installed P&A marker per BLM and NMOCD regulations. Took picture of marker in place and recorded GPS coordinates.

UNITED STATES DEPARTMENT OF INTERIOR  
BUREAU OF LAND MANAGEMENT  
INSPECTION RECORD - ABANDONMENT

Case Number: NM38313 State: NM Field Office: Pecos District Field Area: Wildcat Hazard?:  
Well Name and Number: Ysletano Canyon-01  
API Number: 3003520025 Location (Tsp - Rg, Sec#, Legal, Unit): T14S - R11E, Sec 07, 1063FSL & 823FEL Spud Date: 8/4/1987 Status: SI  
Operator/Representative: Cibola Energy Corporation Rig/Contractor/Representative: Drake McCulloch-Farmington, NM Ph 505-327-7301

Underline Well Type: Dry Hole Depleted Producer Service/Water Well  
Other (explain): Well not drilled per original APD, completion not productive, noncompliant since 01/1990 completion.

Inspection Type	Activity Code		Open Date	Closed Date	Office Time	Travel Time	Inspection Time	Trips
PD	PD	Swartz	8/8/2017	8/16/2017	16.0	7.0	60.0	1
	SA	Swartz	8/8/2017	8/16/2017	0.0	0.0	0.2	
	HS	Swartz	8/8/2017	8/16/2017	0.0	0.0	0.2	

**PLUGGING OPERATIONS**

WITNESSED ☒

	YES	NO	N/A
1. Plugs spotted across perforations or perforations isolated as approved if casing set?	<input checked="" type="checkbox"/>		
2. Plugs spotted at casing stubs?	<input checked="" type="checkbox"/>		
3. Open hole plugs spotted as approved?	<input checked="" type="checkbox"/>		
4. Retainers, bridge plugs, or packers set as approved?	<input checked="" type="checkbox"/>		
5. Cement quantities as approved?	<input checked="" type="checkbox"/>		
6. Method of verifying and testing plugs as approved?	<input checked="" type="checkbox"/>		
7. Pipe withdrawal rate satisfactory after spotting plugs?	<input checked="" type="checkbox"/>		
8. All annular spaces isolated to surface?	<input checked="" type="checkbox"/>		
9. Surface cap witnessed? <u>Below Ground</u> Above Ground	<input checked="" type="checkbox"/>		
10. INC issued?			<input checked="" type="checkbox"/>

**Remarks:**

See the attached Wellbore Diagram with Cement and Mechanical Plug Placement Data (w/service company report, if available).

08/07/2017

MIRUPU & equipment Drake McCulloch 505-327-7301 Farmington, NM. Foreman - Mel Roberts 505-320-1975. SDON

08/08/2017

Bust hard cement out of mixing equipment. Begin to tally pipe while making B&S run. Tag 3540 CIBP w/126jts +15' at 3945. POH w/B&S. Saw wet pipe after 4 stands pulled. Csg leak that caused MIT to fail may be around 120 -150ft. SWI&SDON.

08/09/2017

RU Reverse Unit & Swivel. RIH w/4 3/4" cutright mill on 2 3/8" tbg, tag CIBP & began circ. In less than an hour water came up around wellhead. No appearance of corrosion inhibiting chemical (pkr fluid) in water. Changed circ direction from reverse to conventional to minimize water flow at wellhead. Remove CIBP. Tally a total of 145jts/4521'. Tag w/3jts out at 4418 on fill. began drilling with tubing (no drill collars for weight) on fill, making little progress. Decided to set plug on fill. SWI&SDON.

08/10/2017

Mix 90bbls of fresh water w/25sx bentonite gel (100lb/sx) & circ from 4418, displacing hole w/mud. Mud scale does show fluid wt as 9lb/gal. In still fluid a bentonite sample does not stay mixed but settles, leaving some fluid over 9lb/gal and some at 8.3lb/gal. SWI&SDON.

08/11/2017

MI cmtrs. Mix displacement mud. Mix & pmp 5bblm preflush, 54sx #3 (Farmington cmt) at 14.6#/gal, 1.37cf/sx, 6.64g/sx wtr followed by 13.8 mud Displacement and 1.3 bbl post flush. POH w/20stands laying down 10jts. SDWOC 4hr. RIH to tag at 3562 with 31jts out +5', which should be 3875 or 312' high. Foreman says it could be a bridge. POH & RIH w/blt and no Drill Collars. Drill enough determining it is not a bridge. Plug was 1. not balanced (displacement fluid mixed heavy to csg fluid), 2. over displaced, 3. +7bbls of excess cement used, SWI&SDON.

**Remarks Continued:**

3003520025

08/12/2017

Drill 402' of cement. SWI&amp;SDON.

08/13/2017

Continue to drl plug. Drill hard cmt to 3869 (155ft above the reported Morrow formation top). POH w/tbg. RUWLT RIH & perf at 1100 from ground level. Lost fluid above perfs. SWI&SDON.

08/14/2017

RIH w/pkr to 1124 and test csg below to 500psig, OK. POH to 593', set Pkr on 19 jts. Establish circ thru perfs at 1100 up outside 5 1/2" up to leaks into 5 1/2" x 8 5/8" annulus thru 8 5/8" leaks into dug wellhead cellar. RU vacuum trk on cellar to pick up returns. Mix & sqz ASTM Type III (mixed non neat with extra water and CaCl) cmt into perfs at 1100'. SDWOC 4hrs. Tag TOC at 917 w/Pkr. Perf just above tag at 910' and at 60'. Reset Pkr at 593'. Mix & sqz 25sx into perfs at 910. The 5 1/2" x 8 5/8" annulus cemented. POH w/Pkr. Contractor paranoid about cmtg pkr in csg. SWI&SDON.

08/15/2017

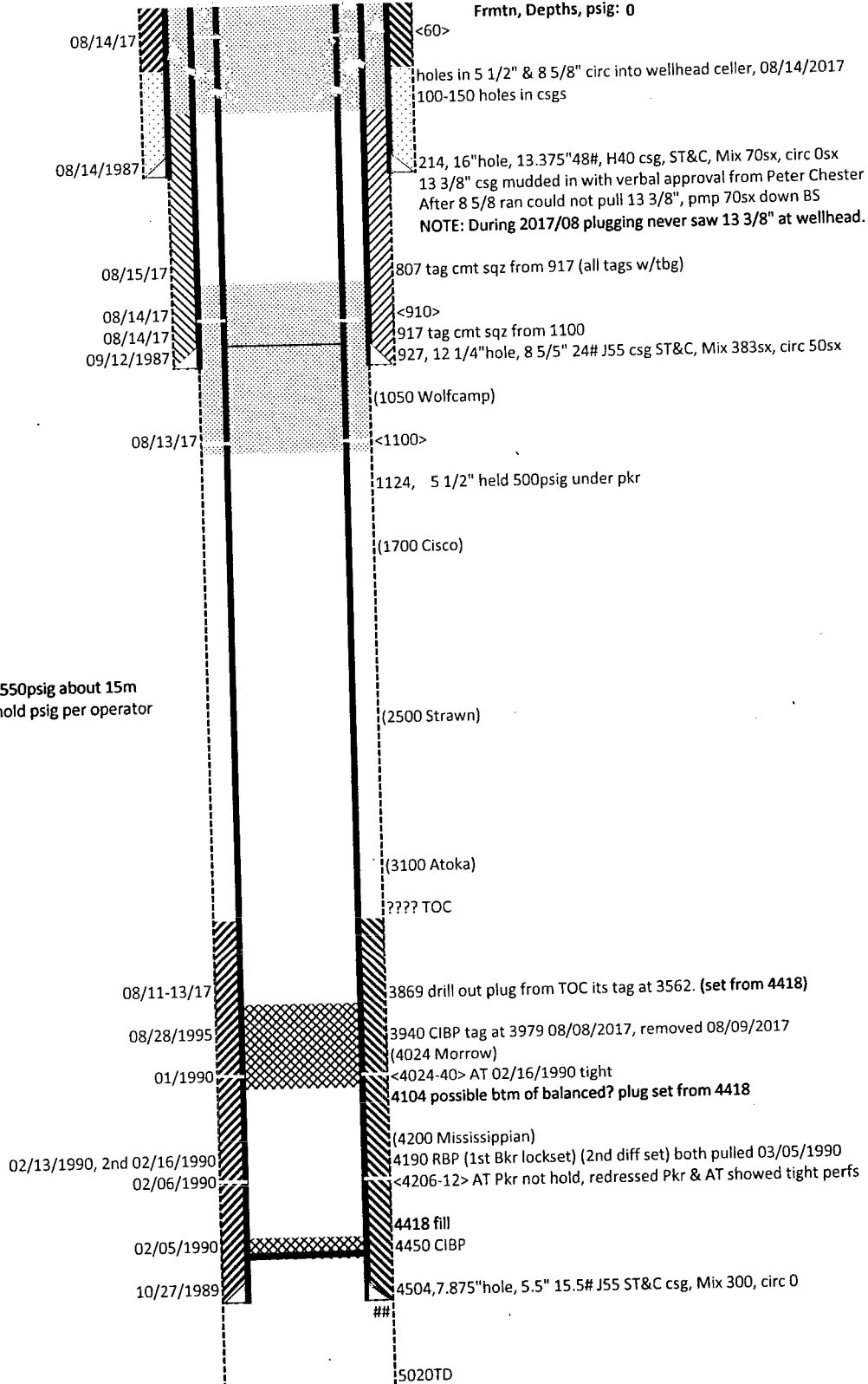
RIH w/26jts to tag at 807. POH laying down 22jts. RU vacuum trk on cellar to pick up returns. Set surface plug thru 4jts w/27sx (7bbl cmt) hopefully into 5 1/2" x 8 5/8" x 13 3/8" annuluses', plugger demonstrated no varification. Cut off wellhead, top out cmt, RD Equip, & vacate location.

Operator: Cibola Energy Corporation  
 Surface Lease: NM38313 BHL: NM38313  
 Case No: NM38313 Lease Agreement  
 Subsurface Concerns for Casing Designs:

Well Status: Abd  
 Spud date: 8/4/1987  
 Plug'd Date: 1/0/1900  
 Reentry Date:

Well: Ysletano Canyon-01  
 API: 3003520025  
 @ Srfce: T14S - R11E, Sec 07, 1063FSL & 823FEL  
 @ M TD: T14S - R11E, Sec 07, 1063FSL & 823FEL  
 Estate: 0.00  
 CWDW, R of W:  
 OCD Admn Order, date: 0  
 Frmt, Depths, psig: 0

KB: 5612  
 GL: 5612  
 Corr: 0



03/11/2002 BLM witnessed MIT held 550psig about 15m  
 12/07/2016 Attempted MIT failed to hold psig per operator

Diagram last updated: 08/16/2017