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

RECEIVED
2003 JAN 22 PM 1:55
070 FARMINGTON, NM

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.: SF 077754
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.: Kelly Brothers #1

2. Name of Operator: *Laurence C. Kelly c/o Walsh Engineering*

9. API Well No.: 30-045-25160

3a. Address: *7415 E. Main, Farmington, NM, 87402*

3b. Phone No. *(include area code)*: *505-327-4892*

10. Field and Pool, or Exploratory Area: Blanco Pictured Cliffs

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*: *1590' FSL and 1640' FWL, Sec. 8, T30N, R10W*

11. County or Parish, State: San Juan

JAN 2003 RECEIVED OIL CONS. DIV. Dist. 3

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
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operations (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 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 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.)

There is a leak in the 4-1/2" casing in the well and gas flows from the bradenhead valve. Thompson Engineering proposes to repair this leak according to the attached procedure.

ACCEPTED FOR RECORD
JAN 27 2003
FARMINGTON FIELD OFFICE

14. I hereby certify that the foregoing is true and correct

Name *(Printed/Typed)*: Paul C. Thompson, P.E.
Title: President
Signature: Paul C. Thompson
Date: January 15, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by: /s/ Jim Lovato
Title:
Date: JAN 27 2003

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:

Title 18 U.S.C. Section 1001, 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 reverse)

NMOCD

Walsh Engineering and Production

Completion Prognosis for
Thompson Engineering
Kelly Brothers #2

Location: SE/4 Sec 8, T30N R10W
San Juan County, NM

Date: January 15, 2003

Field: Blanco Pictured Cliffs
Surface: Fee
Minerals: Federal SF 077754

Elev: GL 6289'
KB 11'
4-1/2" at 3060' KB
PBTD at 3020' KB
Perfs: 2904' - 2998' KB

Objective: Repair Bradenhead Leak.

Procedure:

1. MOL and RU completion rig. Hold safety meeting. Blow well down. ND wellhead and NU BOP.

2. Pick up extra joints of 2-3/8" tubing and check for fill. Tally out of the hole. Should have 89 jts and a 4' pup joint of 1-1/4", 2.4# 10 rd EUE. Saw tooth collar on the bottom. Pick up 2-3/8" workstring and bail fill if necessary.

3. Pick up 2-3/8" X 4-1/2" RBP on 2-3/8" tubing and set at approximately 2900' KB. Set tension packer at 2850' KB and pressure test the RBP and casing to 1000 psi. Release the packer and spot 5 gal of sand on the RBP.

4. Isolate holes in the 4-1/2" casing. Attempt to establish circulation out the bradenhead valve.

5. Set the packer 100' above the top hole and establish circulation out of the bradenhead. Pump enough cement (Cl"B" with 3% $CaCl_2$) to circulate the bradenhead. Close the bradenhead and displace cement 50' below the packer. Maximum squeeze pressure is 1000 psi. Release the packer and reverse circulate the hole clean. Reset the packer and pressure up on the squeeze. WOC overnight.

6. Release the packer and TOH. Pick up a 3-7/8" blade bit on the 2-3/8" workstring and drill out the cement. Pressure test the casing to 500 psi. Re-squeeze if necessary.

7. Pick up a retrieving head on the 2-3/8" workstring. Circulate sand off of the RBP. Release the RBP and TOH. Lay down the RBP and packer.

8. TIH with the 2-3/8" work string and swab the well back. TOH and lay down the workstring.

9. TIH and land the 1-1/4" tubing as before at 2909'. ND the BOP and NU the wellhead. Rig down and release the rig. Return the well to production.

Paul C. Thompson, P.E.