

8/26/2020

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.
NMNM080273

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
HANSON FEDERAL 19. API Well No.
30-039-20048-00-S110. Field and Pool or Exploratory Area
LYBROOK GALLUP11. County or Parish, State
RIO ARriba COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

MUSTANG RESOURCES LLC

Contact: DEB LEMON

E-Mail: dlemon@mustangresourcesllc.com

3a. Address

1660 LINCOLN ST. SUITE 1450
DENVER, CO 80264

3b. Phone No. (include area code)

Ph: 720-550-7507 Ext: 105

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 3 T23N R7W NWSW 1650FSL 0700FWL
36.252731 N Lat, 107.568283 W Lon

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 checked="" type="checkbox"/> Other
<i>BP</i>	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Workover Operations
	<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.

7/24/20- Notified BLM and NMOCD moving rig to site and cement job on Monday 27th. With CIBP set at 5333? filled casing with water and Ran CBL from 5333? KB to surface. Submitted a copy via email to BLM & NMOCD. Based on CBL, perforated 3 .38? holes at 640? KB. Established rate into perfs.

7/28/20- Set Cement retainer (CR) at 461? KB, mixed 6.95 bbls Class G cement (15.8 ppg, yield 1.15) and started pumping, cement truck had major issues and quit pumping 1/2 way through job and could not finish, unsting from CR and circulated clean.

7/29/20- Drilled on CR all day, very slow due to no weight.

7/30/20- Picked up 4 collars and finished drilling CR and did not hit any cement to perfs at 640?. Obtained approval from Joe Killins to pump a balanced plug with Type III Cement. Notified BLM and

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

Electronic Submission #524264 verified by the BLM Well Information System
For MUSTANG RESOURCES LLC, sent to the Farmington
Committed to AFMSS for processing by JOE KILLINS on 08/06/2020 (20JK0825SE)

Name (Printed/Typed) DEB LEMON

Title REGULATORY MANAGER

Signature (Electronic Submission)

Date 08/05/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTEDJOE KILLINS
Title ENGINEER

Date 08/06/2020

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 Farmington

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

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Additional data for EC transaction #524264 that would not fit on the form

32. Additional remarks, continued

NMOCD of cement jobs.

7/31/20- Placed balanced plug @668? KB w/12 sxs Type III Cement (14.6 ppg, yield 1.37). TOH tbg & reverse clean @447? KB. Bump psi to 1200# on casing until displaced 1.25 bbls cement, SD for weekend.

8/3/20- Drilled cement, TOC @ 518? KB and drilled to 665?KB. Pressure tested casing, did not test.

8/4/20- Pressure Tested casing again with Wellcheck pump truck and chart recorder. 45 min test, start at 563 psi and finish at 555 psi, last 10 minutes was solid. Pressure test was successful. Sent photo of chart to Brandon Powell. Brandon NMOCD approved test via text messaging. Rig is released.

8/5- Mustang plans to drill out plug and set pump and rods.

Daily workover tickets and chart attached.

Hanson Federal 1

API 30-039-20048

1650' FSL and 700' FWL, Sec 3, T23N, R7W

Elevation 6218' KB

Rio Arriba, NM

DAILY REPORTS:

Day 1 - 7/24/20

Hours	Operation
	Notified Joe Killins BLM & Brandon Powell NMOCD on 7/22/20 both voice message and email that Mustang is moving rig to site on 7/24/20
6:45	I called crew from location Roads are good enough to make location (no big rains as predicted). Crew leaving town
	Called BLM Cement Line 505-564-7750 and left message for cement job scheduled for Monday 27th
10:30	Rig on location, spot rig and equipment, RU Rig - well was on a bit of a vacuum
11:30	ND Wellhead, install 3 1/16" 3M X 7 5/8" companion flange and NU BOP
12:00	TOH 63 stands 2 3/8" tubing
13:00	Circulate hole full for CBL, finish tripping out Tubing. Total 166 ts or 83 stands, finish filling hole with water
13:45	RU Blue Jet wireline, run CBL from 5333' KB (CIBP) to surface
15:00	RD Logging and RU to perforate squeeze holes
15:10	Called Chuck Dobie, discussed results of CBL Log. Changed perms to 640" and will calculate options this weekend
15:40	RI with perforating guns, correlated to collars and shot 3 .38" holes at 640' KB. Well went on a slight vacuum
16:00	out fo hole with perforating guns, RU to pump water in casing to see if we have a rate. 1 Pumped 4 bbls at 1 bbl/min rate at 200 psi
16:30	secure well and shut down for weekend, crew travel

Day 2 - 7/28/20

Hours	Operation
	Did not work yesterday due to heavy rains, still muddy on location today
7:00	Crew travel
8:30	Crew on location. Start rig. Tally 7 stands pipe and CR with setting tool 5' total length, set tool 3.25' and CR 1.75'
9:00	Filled casing with 1.5 bbls, established pump rate at 1.5 bpm @ 1000 psi. Pumped a total of 3.5 bbls during test
	Called Chuck Dobie for instructions. Max pressure 1000 psi, slow rate to 1 bpm or whatever to maintain 1000#.
9:30	TIH 7 Stands and 1 10' pup, set CR at 460.93'. Pressure tested casing with rams closed to 500 psi, held good
9:50	Spot in cement trucks and rig up cement equipment to cement.
10:30	Pumped 2 bbls water @ .5 bpm rate at 820 psi
10:40	Mixed 6.95 bbls 15.8, 1.15 yield cement, started down hole, could not establish an even rate, pump rate would go to zero, very sparatic
12:00	Cement began setting up in tub, was forced to quit pumping cement downhole. Displaced with 2 bbls water
	Think we only pumped 3.5 bbls of cement downhole. When cleaning out tub had many big chuncks of cement
12:10	Cleaning up cement equipment- unsting from CR, reversed circulated hole clean, got approx 1 bbls of cement returned (So just ~2.5 bbls DH)
12:30	Sting back into CR, pumped 1.5 bbls of water at 900 psi at .5 bpm rate. Not sure how much if any cement are in perforations
13:00	Sting out of CR, RD Cement equipment, TOH tubing and setting tool. Rig hands will return setting tool to Weatherford
14:00	Rig Crew and cement equipment left location.

Day 3 - 7/29/20

Hours	Operation
7:00	Crew on location, stat rig and warm up equipment. Hole remained full of water
7:15	Install 3 7/8" tooth bit, bit sub, and TIH 2 3/8" tubing to top of CR
7:30	RU Power Swivel
8:00	Began drilling, weight on bit only 2k with 2 3/8" tubing and 2.5 bpm rate, 105 rpm
9:00	Continue drilling, have made about 1.5" Getting some small pieces in returns
10:00	Continue drilling, have made about 2", very slow drilling, can only get 500# torque. Still getting small pieces
12:00	Continue drilling, have made about 2.5", very slow drilling - some pieces/chunks in returns - start beating on CR periodically
13:00	Continue drilling, have made about 3", very slow drilling - some pieces up to 1/2" in diameter
14:00	Continue drilling, have made about 3 1/4", very slow drilling - some pieces very small metal fines in returns, screen won't catch
14:15	Talked with Chuck, not making hole. Decided to look at bit, it good get a few collars to help drill
14:25	Circulate hole clean, LD Swivel, TOH 2 3/8" tubing and bit, bit looked pretty good, one cone a bit loose, called for collars
15:10	Secure well and SDFN
15:30	Crew travel
	Called to arrange for 4 collars delivered at 7:00 AM tomorrow morning. Picked up new bit and collars tonight

Day 4 - 7/30/20

Hours	Operation
7:00	Rig Crew and 4 3 1/8" collars on site (+/- 620 lbs each). Warm up equipment
7:15	Tally pipe, begin RIH - new 3 7/8" bit, bit sub, 4 collars (123.12'), X-over, 2 3/8" tubing
8:00	RU Power swivel, tighten packing.
8:15	Start drilling, 600 torque, 105 rpm @ 2.5 bpm rate
8:50	CR fell, pushed down to 510', when could not fall any longer
9:00	Laydown 3 extra joints to drill singles with, total of 5 jts laid down + jt on swivel, TIH 2 stands, RU Swivel to drill
9:30	Start drilling at 510' KB. Fell through, CR slips must have hung up on collar. Pushed bottom of CR to 699.17' KB (NEED TO PUSH TO 5133' to drill)
10:00	Circulate hole while waiting on orders.
10:45	TOH tubing, collars and bit. Standing back collars.
11:30	Out of hole, filled casing. Pumped 1.0 bbls to ensure we can get into perms @ .9 bpm rate and built pressure to 1100 psi, bleeding off slowly
12:00	Break for lunch.
12:30	Pressure down to 675 psi in 35 minutes, and was leaking a bit around companion flange, need to stop leak.
	ND BOP and tightened flange to ensure holds tight. NU BOP and pump up to 950 psi, won't take fluid. Crew put up tools and secured well
13:30	crew travel
	Note: I watched pressure for 30 minutes, still slowly dripping between companion flange and BOP, I will get new R-45 ring gasket tonight
	started at 880 psi., 5 min=850, 10 min=820, 15 min=805, 20 min=800, 25 min=790, 30 min=780 psi
	Discussed pressure issue with Chuck and decided to go with a balanced plug, almost impossible to get cement through retainer due to pressures
	Picked up new R-45 Ring Gasket at Big Red Tool

BHA DATA:

OPERATION @ 6 AM:

REMARKS:

NOTE: Notified BLM: Joe Killins and Cement Line. Joe Approved using Type III cement. John with Cement Line called back and wished us luck, will not be on site for job. Called Brandon Powell, left message of squeeze cement job tomorrow.

Day 5 - 7/31/20

Hours	Operation
7:00	Crew on site, well still had 400 psi on it this morning. Blew down to pit. Changing R-45 Ring Gasket and tighten a few bull plugs to stop leaks
	Made a full round tightening the casing threads on WH.
7:30	Tally Pipe, TIH with 2 3/8" tubing to 668.62' KB. Has 8' stickup included
8:00	Cement crews rigging up on location
8:15	Begin cement with 12 sxs Type III cement. 1.37 yield, 14.6 ppg. Pumped 2.85 bbls cement at 90 psi and 2 bpm rate.
	displaced tubing with 1.8 bbls, unhook cement equipment, and begin wash up
8:35	TOH 3 stands and one single to 447'. Hook up and reverse hole clean, no cement
8:50	TOH remaining tubing, close blinds, and use Cement truck to put pressure on plug. Max pressure 1200#. Pumped 3/4 bbls
9:00	started 30 minute pressure at 1200#, 15 min=1060 psi, 30 min=1008 psi. Still have a very small leak in line by casing valve
9:30	bumped pressure to 1200#, Pressure dropped to 1067 in 30 min. Took 1/4 bbl to pressure up
10:00	bumped pressure to 1200#, Pressure dropped to in 30 min
10:30	bumped pressure to 1195#, Pressure dropped to 1095 in 30 min
11:00	pressure at 1095, bumped pressure to 1195 psi, have displaced a total of 1.25 bbls, Shut casing valve and released cement crew
	Estimated top of Cement will be 580'
11:30	Monitor pressure on casing at SI: 30 min =1160, 1 hour= 1125, 1.5 hours= 1100, 2 hours (1:00 PM)= 1080, Rig Crew left site at 12:00 noon
	This is 4.5 hours since cemented, should be setting up and hold pressure over weekend Will check pressures Monday morning

Day 6 – 8/3/20

Hours	Operation
7:00	Casing had 0 psi, but was completely full of water. Warm up equipment
7:30	Tag cement at 518', began drilling down to 541.51'
8:20	Make connetion at 541.51', continue drilling hard cement to 573.30'. +/- 105 RPM @ 2.5 bpm rate
9:15	Make connetion at 573.30', continue drilling hard cement to 605.09
10:15	Make Connection at 605.09, continue drilling hard cement to 636.87
11:20	Make connection a 636.87, continue drilling hard cement to 668.45'
11:45	Drilled out of cement @ 665', made another connection and ran into 700' to make sure we have all cement drilled up. Circulate hole clean
12:05	RU to test casing during lunch break. Tested up to 505 psi
12:35	Took lunch during psi test. Pressure dropped to 480 psi. 5% drop in 30 minutes. Should pass pressure test
	Called Brandodn Powell, NMOCD and left message that we plan to test casing on well this afternoon. Called for pressure truck w/chart
12:35	Bleed off pressure, LD Swivel and prepare to TOH with tubing and collars Called water trucks to haul off rig pit water to disposal
13:15	Laying down collars on trailer, slow going
13:45	TIH with 2 3/8 tubing as follows: Pinned Notched Collar, 1 jt tubing, 1.78" SN, 165 jts tubing landed (Total 166 jts)
15:00	Close Rams, hooked WellCheck pump truck with chart recorder, pressured up to 575 psi and ran test 30 min, psi at 545 psi
	dropped 30 psi during test. Passed casing pressure test (NOTE BELOW NMOCD RESPONSE)
15:50	Landed tubing @ 5298.73' KB, ND BOP and NU WH. Secure well
16:30	Begin RD Rig
17:30	Completed RD, crew left location, mostly ready to load equipment and move in the morning
BHA DATA:	TIH with 2 3/8 tubing as follows: Pinned Notched Collar, 1 jt tubing, 1.78" SN, 165 jts tubing landed (Total 166 jts) @5298.73'KB
OPERATION @ 6 AM:	
	REMARKS:
Had collars and handling tools returned tonight. Also the WH companion flange was sent back with pressure truck. NOTE: Brandon Powell, NMOCD called after looking at the chart, he informs us we need to retest the casing. The last 5 -10 minutes of the test needs to be flat lined on chart with no drop. Otherwise indicates a continuing drop in pressure and casing integrity issue. Chuck and I discuss and will complete another pressure test tomorrow if I can get trucks scheduled.	

Day 7 - 8/4/20

Hours	Operation
7:00	Load all equipment and move rig
8:00	Started casing pressure test on casing - had to repair a few leaks on surface valves and fittings
9:40	Completed Casing pressure test. Start pressure at 563 bled down to 555 psi, 8 psi drop but last 10 minutes was flat lined (PASS TEST)
	Sent a photo of chart to Brandon Powell, NMOCD via text message and he responded as approved. Disconnect all fittings and cleaned up
10:00	Leave location
	Casing Test was successful and approved by Brandon Powell NMOCD.
	SQUEEZE JOB FINAL REPORT

Approved Chart – 8/4/20

Mustang Resources LLC
SEC 3 - 23N - 7W
150108080273

