

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

FEB 27 2014

5. Lease Serial No.
NMNM-077281

6. If Indian, Allottee or Tribe Name

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 TRIPPLICATE – Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator
Chuza Oil Company

3a. Address
1000 Cordova Place #376, Santa Fe, NM 87505

3b. Phone No. (include area code)
505-690-7803

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter H, 2270' FNL, 330' FEL
Sec. 10, T30N, R16W, NMMP

7. If Unit of CA/Agreement, Name and/or No.
NMNM-78403A **RCVD MAR 20 '14**

8. Well Name and No.
Northeast Hogback Unit #74 **HONS. DIV.**

9. API Well No.
30-045-34755 **DIST. 3**

10. Field and Pool or Exploratory Area
32870 Horsehoe Gallup

11. County or Parish, State
San Juan County, New Mexico

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 <i>BP</i>	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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>amended</i>				<input type="checkbox"/> initial drilling report

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 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 recompletion 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.)

Aztec Rig #711 spudded the well on 11/29/13. Drilled 12-1/4" vertical hole down to 211' MD/TVD. 9-5/8" surface casing, J-55, 40.0 ppp, BTC connection was run to 211' MD/TVD. The Surface casing was cemented with 130 sx, 15.80 ppg density, 1.17 yield cement with full returns during cementing and cement was brought to surface. A 9-5/8" SOW x 11' Well Head was installed and successfully tested to 1500 psi with nitrogen by Four Corners Testing. 11" 3000 psi BOPs were installed and successfully tested & charted to 250psi low/3000psi high by Four Corners Testing. The 9-5/8" casing was also successfully tested to 1500 psi for 30 minutes and charted. The 8-3/4" pilot hole was drilled to 1,770' MD/TVD on 12/04/13. POOH then ran, oriented and cemented a Weatherford whipstock in place on 12/05/13. On 12/06/13, kicked off whipstock at 863' and drilled 8-3/4" curve to 1500' TVD. Drilled lateral and reached TD (5,000' MD / 1,500' TVD) on 12/12/13. Ran 5-1/2" production casing, 17.0 ppp, N-80, Wedge 521 connection from surface to TD on 12/14/13. Cemented to surface with 1220 sx (293 bbl), 13.5 ppg, 1.35 yield. On 12/16/13, 5-1/2" casing slips were set and engaged with 100k casing wt. An 11" x 5-1/2" tubing head with dry hole cap was installed and sucessfully tested to 3000 psi by Cameron Surface Systems services and the rig was released following the location cleanup.

ACCEPTED FOR RECORD



CONFIDENTIAL

MAR 18 2014

FARMINGTON FIELD OFFICE
BY: *William Tambekas*

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

Patrick Padilla

Title President, Chuza Oil Company

Signature

Date 2-27-14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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 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)

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