

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.  
NMNM30015

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
CARRACAS 18B 39. API Well No.  
30-039-30606-00-S110. Field and Pool or Exploratory Area  
BASIN FRUITLAND COAL11. 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: COAL BED METHANE

2. Name of Operator

SOUTHLAND ROYALTY COMPANY LLC

Contact: CONNIE BLAYLOCK

Email: CBLAYLOCK@MSPARTNERS.COM

3a. Address

400 W 7TH STREET  
FORT WORTH, TX 76102

3b. Phone No. (include area code)

Ph: 817-334-7882

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

Sec 18 T32N R4W SWSW 755FSL 965FWL  
36.981541 N Lat, 107.301265 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Drilling 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.

SRC drilling procedure 8/31/18-10/5/18:

1. MIRU, Pull tubing and rods
2. PU Mill and TIH to verify csg is clean
3. Set RBP at 4400, above original horizontal section
4. Roll hole and pressure test casing
5. Release Pulling Unit
6. MIRU drilling rig
7. RU BOP and test
8. MIRU WL and run GR/CCL
9. Set RBP at 4184 below proposed window area
10. PU whipstock and csg mill assembly and set whipstock above RBP
11. Release whip and mill window f/ 4165-73

NMOCDA

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DISTRICT III

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

Electronic Submission #440746 verified by the BLM Well Information System  
For SOUTHLAND ROYALTY COMPANY LLC, sent to the Farmington  
Committed to AFMSS for processing by JACK SAVAGE on 11/09/2018 (18JWS0171SE)

Name (Printed/Typed) CONNIE BLAYLOCK

Title REGULATORY TECH

Signature (Electronic Submission)

Date 10/22/2018

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**Approved By **ACCEPTED**JACK SAVAGE  
Title PETROLEUM ENGINEER

Date 11/09/2018

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 #440746 that would not fit on the form**

**32. Additional remarks, continued**

12. TOOH for curve BHA and drill sidetrack
13. Drill 6-1/8 from 4173 MD to 7882 MD / 4210 TVD
14. TOOH and run 4-1/2 pre-perforated liner from 4175 MD to 7874 MD (Perfs f/ 4511-7868 MD)
15. RD&R Drilling Rig
16. MIRU Pulling Unit
17. RIH to PBTD w/ open ended tbg cleaning up lateral with air unit
18. RIH and retrieve whipstock and upper RBP at 4184 w/ work string and jars
19. LD work string
20. Run production tbg to EOT at 4160 to produce lateral completion (2 3/8in, 4.7#, J-55)
21. Secure well, rig down and move off location

Attached are the WBD, Directional Survey, Gas Analysis, Daily Reports, and 3160-4.



Southland Royalty Company

## Carracas 18B-3 Rio Arriba County, NM 32N-4W Section 18

TD - 7,590' MD; 4,185' TVD  
ST1: TD - 7,882' MD; 4,210' TVD

12 1/4" hole to 240'  
Csg: 5 jts - 9 5/8" 32.3# H-40 ST&C  
Setting Depth: 229'

Cement  
125 sx Class G (146 ft<sup>3</sup>)  
Circ. 7 bbls cmt to surface

8 3/4" hole to 4,611'  
Csg: 102 jts - 7" 23# J-55 LT&C  
Setting Depth: 4,601'

Cement  
Lead: 635 sx Haliburton Light  
Tail: 150 sx Class G (1422 ft<sup>3</sup>)  
Circ. 75 bbls cmt to surface

6 1/4" hole to 7,590'  
Liner: 68 jts - 4 1/2" 11.6# J-55 LT&C  
Setting Depth: 7,590'  
TOL: 4,556'  
No cement

Upper Lateral:  
6-1/8" Hole to 7,882'  
Liner: 87 Jts 4-1/2" 11.5# N-80  
Setting Depth: 7,874'  
TOL: 4175'  
No Cmt

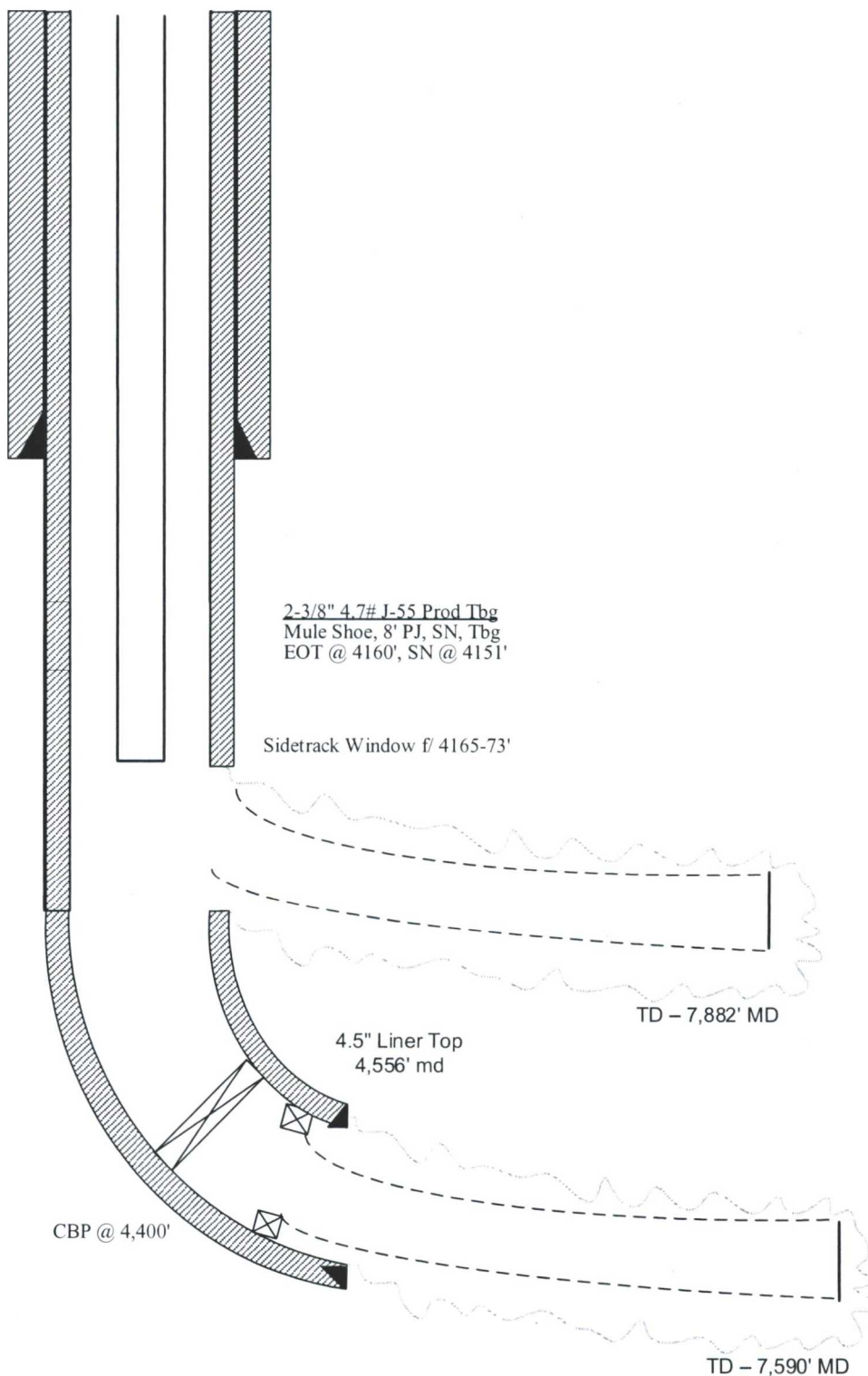
Upper ST Perforations:  
Pre-Perforated Liner  
4511-7868'  
40 Jts perf'd (every other)

Lwr Perforations:  
Pre-Perforated Liner  
4602-7545'  
23,540 holes @ 8 jsp

Prepared by: CArnold  
Date: 10/10/2018

KB = 15 ft  
GL = 7,426 ft  
API# 30-039-30606

Spud Date: 06/21/2009  
First Delivered: 09/10/2009  
First Delivered Sidetrack: 10/08/2018





## Job Summary for CARRACAS 18 B 3

### Drilling Sidetrack & Workover-08/31/2018

08/31/2018	Move in rig & equipment (for well maintenance, to prepare well for drilling ST). Rig up. Left well to sales. SDFN
09/04/2018	HJSM. Tubing 120 psi, casing 120 psi. Blow down well. N.U. BOP. Pull & tally tubing & BHA. (142 jts 2-3/8" J-55 tubing.) 3 slip stop in jt # 131. Ran tubing & string mill to 4484'. Pull tubing & string mill. Cap string on mill. Ran tubing & string mill. Turn w/ tongs. No drag. Pull Tubing & string mill. No cap string. Ran tubing & RBP. Set RBP @ 4400' KB. Roll hole w/ fresh water. Pressure test plug & casing to 2000#. Held. Pull tubing & setting sleeve laying tubing down on float. Shut blind rams. Secure well. SDFN
09/05/2018	N.D. BOP. Secure well. Tore down. Move out rig & equipment.
09/06/2018	R.U. Blue Jet. Ran GR & CCL. R.D. Blue Jet. Secure well.
09/07/2018	INACTIVE
09/08/2018	INACTIVE
09/09/2018	MI HOUSES F/HB RENTRAL AT CARRACAS FIELD OFFICE & RU. MI PUSHES, COMPANY MAN & CAMMAND CENTER ON LOCATION AND RU.
09/10/2018	MI AZTEC DRILLING #507 & SUPPORT EQUIPMENT. RU T/SIDE TRACK
09/11/2018	COMPLTE NU OF STACK, FLOW LINE, GAS BUSTER. PERFORM BOP TEST, W/BLM WITNESS. PUMU RBP, RIH ON DS.
09/12/2018	COMPLETE TOO H, BO LD RBP SETTING TOOLS. RIG REPAIRS FOR PIPE RAMS & RE-TEST. PUMU WHIP, RIH & SET. MILL WINDOW, TOO H
09/13/2018	PU MU SDI DIRECTIONAL BHA, RIH FILLING DP. DRLG, SLIDE & ROTATE F/4174' T/4857  WOB=6K, STK'S=95 GPM=250, TD RPM=50, DH RPM=130-180, TDT=1100-2500, SPP=800  TOOH FOR MOTOR
09/14/2018	TIH. DRLG F/4857'- T/6276' W/2 CLEAN UP CYCLES BEWTEEN  WOB=7K, STK'S=95 GPM=250, TD RPM=70, DH RPM=130-180, TDT=2200-3500 SPP=850  LOSSES 8-10 BPH
09/15/2018	TRIP FOR HWDP  DRLG F/6276' T/7760' W/8 TO 12 BPH LOSSES  WOB=5K, STK'S=95 GPM=250, TD RPM=0-65, DH RPM=130-180, TDT=2500-4200, SPP=1000
09/16/2018	DRLG F/7760' T/7882'  WOB=5K, STK'S=95 GPM=250, TD RPM=0-65, DH RPM=130-180, TDT=2500-4200, SPP=1000  SHORT TRIP F/7882 /4191. WASH/REAM F/6761' T/6683' CIRCULATE CLEAN. CONT

	SHORT TRIP. CIRC 3 SWEEPS AT 7882' - TOO H FOR LINER
09/17/2018	RIH 4.5" 11.6# N-80 BTC LINER AS FOLLOWS: BULL NOSE SHOE, LTC X BTC XO, 78 JTS 40 OF 78 PERFORATED W/.75" HOLES AT 4 SPF ON 90 DEG PHASING W/BLANK JT BETWEEN ALL PERF JT EXCEPT LAST 2 F/4501' T/4598', THEN 7 EA FULL JTS & 2 EA PJ'S FOLLOWED BY 78 JTS DP & 57 JTS HWDP. LANDED AT 7874.19' (11'KB).  INSTALL HANGER W/BPV, ND BOP, NU WH. CLEANING PITS, RD, PREP T/MOVE IN AM.
09/21/2018	Move in rig & equipment. Rig up. Well dead. N.U.BOP. Tally & ran 2 3/8" L-80 tubing & muleshoe. Tag 6794.75' KB. Stand back 45 stands. Secure well. SDFWE
09/22/2018	NO ACTIVITY
09/23/2018	NO ACTIVITY
09/24/2018	HJSM. Tubing 0 psi, Casing 5 psi. Ran 1 stand . EOT 4183' KB. R.U. swab. Tag fluid 2900' from surface. Made 20 runs, recover 83 bbls, casing 160 psi. Made 17 more runs (total 37) @ 4 pm well kicked off w/ 405 psi on casing. Shut in @ 5 pm. Recover total 155 bbls. Casing @ 320 psi. Secure well. SDFN
09/25/2018	HJSM. Tubing 520 psi, casing 530 psi. Open tubing to flow back tank. Well flow 1.5 hrs. Recover 17 bbls. Fluid clean. Casing 315 psi. Pump 5 bbls down tubing. Ran 10 stands to 4839'. R.U. swab. Casing 350 psi. Fluid level 3100' from surface. Made 1 run. Well kicked off. Flow 1 hr. Recover 15 bbls. Casing 335 psi. Pump 5 bbls down tubing. Ran 5 stands to 5165'. Casing 360. Made run to 4400' didn't flow, second & third runs tag higher couldn't get down. Cut cup in half. Made 3 runs. Well kicked off. Flow 20 min. Died, casing 340 psi. Bringing up heavy black fluid w/ coal fines. Heavy coal fines. Made 1 run w/ half cup. Went down to 4400'. Made run w/ full cup. Well kicked off. Casing 400 psi. Bringing up coal fines & small chunks of coal. At 5 pm, kill well w/ 5 bbls, Pull & stand back 15 stands. EOT 4180'. Shut in. Recover total 61 bbls, casing 260 psi. Secure well. SDFN
09/26/2018	HJSM. Tubing 500 psi, Casing 510 psi. Kill tubing w/ 5 bbls. Ran 17 stands to 5295'. Well unload on its own. Shut in, wait on Ideal Completion Services. Ideal arrived. Check tubing @ 10:30. Tubing dead. Casing 550 psi. Pull 2 swabs. Well kicked off. Shut in. Ideal rigged up & took over well @ 2 pm. Tubing flowing w/ 40 psi. Casing 360 psi. Well flow 1 hr. Gas rate 200. Recover 12 bbls, casing 230 psi, tubing slightly blowing. Start swabbing. Well wouldn't flow longer than 15 mins when we would kick off. Fluid heavy w/ coal fines & coal. Had rough time getting swab to fall. Casing pressure stayed between 195 & 230 psi while swabbing. Made total 9 runs. (2 from 4400', 1 from 4500', 6 above 4000') Last 7 runs had to work down due to heavy coal fines. Recover total 30 bbls. Pump 5 bbls down tubing. Pull 17 stands. Shut in. Casing 250 psi. Secure well. SDFN
09/27/2018	HJSM. Tubing 490 psi, casing 500 psi. Ran tubing & tag @ 5550 80'. Pull up to 5484'. R.U. swab. Made 3 runs. Well unloaded @ 0900. Casing 535 pai. Flow 10 min, plugged valves w/ coal. Well flowing @ 0930. Turn to separator @ 0938. Tubing 50 psi, casing 490 psi, gas 241 through 2". Well bringing up heavy coal fines & coal. @ 1011, turn to 1" choke. Slugging heavy coal fines, casing 320 psi, tubing 90 psi. @ 1054 tubing 30 psi, casing 210 psi gas 114. Pump 2 bbls down tubing. Try to run 1 stand. Tag 5540'. 10' higher than this morning. Lay down tag jt. EOT 5516.60'. Had to pour new rope socket due to sandline birdcaging. @ 1246 made swab run. Well flowing casing 260 psi, tubing 45 psi. Well flowing bringing up coal. @ 1500 gas 31, tubing 20 psi, casing 185 psi. Made swab run. Fluid level 4150' from surface (little fluid) Blowing mist & coal. @1530 blowing mist, bringing up coal. Casing 160 psi, tubing 20 psi. @ 1600, blowing dry gas, bringing up coal, tubing 20 psi, casing 150 psi, gas 70. @ 1625 made swab run. Couldn't go any deeper than 3950'. Pull little fluid. casing 180 psi. Recover total 21 bbls water. R.D. swab. Tag @ 5555.80' Pull 21 stands out of side track. Secure well. SDFN
09/28/2018	HJSM. Tubing 100 psi, casing 520 psi. Open tubing, blew down quick. R.U. swab. Ran to



	2480'. Tubing plugged. Try to work through. Couldn't. Equalize tubing & casing. Blow down tubing. Didn't loosen plug. Slowly blow down casing to separator while flaring gas. Pull tubing to plug 1350' above seating nipple. (Fluid was 1062' above plug 2412' above seating nipple. Try to swab. Couldn't get swab to fall due to heavy fluid. Had to pull wet) Flush bottom 20 stands w/ 5 bbls. Ran tubing to top perf 4511'. Made swab run. Plugged hose & line w/ coal. Clean out. Made three runs, fluid level 3700' – 3800'. Well kicked off @ 1430. Run through separator & flare gas. Tubing 20 psi, casing 230 psi rate 127. @ 1630, Tubing 26, casing 140, rate 78, recover total 41 bbls. Pump 5 bbls. Pull 5 stands. Secure well. SDFWE.
09/29/2018	NO ACTIVITY
09/30/2018	NO ACTIVITY
10/01/2018	HJSM. Tubing 750 psi, casing 750 psi. Ran 6 stands. Tag @ 4571'. R.U. Airpackage. Start cleaning out w/ air. Returns, heavy coal fines & coal chunks. Clean out to 5712' KB. Dry up well. Shut down air. Pull & lay down 47 jts. Pull above sidetrack. Recover 21 bbls water. Put 10" coal & coal fines in flowback tank. Casing average pressure 95-110 psi. Secure well. SDFN
10/02/2018	HJSM. Tubing 0 (string float installed), casing 470 psi. Ran tubing. Tag @ 7874' PBTB. R.U. airpackage. Blow around until clean. Bringing up coal fines & coal. Dry up well. Pull 115 jts (57.5 stands). Shut in casing. @ 1230 flare gas, tubing 55, casing 150, rate 28. Bringing up coal fines. Let well flow for remainder of day. Tubing average 18 psi, Casing 150 psi, rate average 107. Well bringing up coal fines. Shut in. Secure well. SDFN
10/03/2018	HJSM. Tubing 550 psi, casing 550 psi. Kill tubing. Slowly blow down casing. (flare gas) Start in w/ tubing. Well unloaded @ 6780'. Kill well. Ran rest of tubing. Tag PBTB. Start out w/ tubing. 10 jts out, tubing unloaded. Kill well. Lay down total 127 jts. 128 jts in well. EOT 4180'. N.U. tubing to flow through separator. Tubing bringing up lite coal fines. Flaring gas. Recover 7 bbls. Tubing pressure 45-55 through 1" choke, 62 through ½ ' choke, 83 through ¼ choke. Casing 150-160. Rate from 104 to 74 at end of day. Secure well. SDFN
10/04/2018	HJSM. Tubing 575 psi, casing 575 psi. Kill tubing. Flare casing. Pull tubing. Ran Whipstock Hook, crossover sub, hydraulic jars, crossover & tubing. Tag, latch & pull tubing, crossover, hydraulic jars, crossover, whipstock hook & whipstock. Ran overshot, basket grapple & tubing. Latch RBP. Pull tubing, basket grapple, overshot & RBP, laying down tubing on float. Tally & ran ms/ 8' perf sub, seating nipple & 127 jts 2-3/8" J-55 tubing. (27 jts yellow band, 100 jts new). Land. EOT 4160.12' KB, S.N. 4151.02' KB. Secure well. SDFN
10/05/2018	HJSM. Tubing 590 psi, casing 590 psi. Kill tubing W/ 8 bbls. N.D.BOP. N.U. wellhead. Shut in & secure well. Tore down. Moved out rig & equipment.