submitted in lieu of Form 3160-5

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Sundry Notices and Reports on Wells

1. **Type of Well**
   GAS

5. **Lease Number**
   SF-080781
6. **If Indian, All. or Tribe Name**

7. **Unit Agreement Name**

2. **Name of Operator**
   Southland Royalty

8. **Well Name & Number**
   Cain #8
9. **API Well No.**

3. **Address & Phone No. of Operator**
   PO Box 4289, Farmington, NM 87499 (505) 326-9700

4. **Location of Well, Footage, Sec., T, R, M**
   1650'FNL, 1190'FEL Sec.15, T-28-N, R-10-W, NMPM

10. **Field and Pool**
    Aztec PC/Basin FTC
11. **County and State**
    San Juan Co, NM

12. **CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA**

Type of Submission	Type of Action	
_x_ Notice of Intent	___ Abandonment	___ Change of Plans
	___ Recompletion	___ New Construction
___ Subsequent Report	___ Plugging Back	___ Non-Routine Fracturing
	___ Casing Repair	___ Water Shut off
___ Final Abandonment	___ Altering Casing	___ Conversion to Injection
	_x_ Other -	

13. **Describe Proposed or Completed Operations**

It is intended to complete the Fruitland Coal formation in the existing Pictured Cliffs wellbore and produce the two formations via downhole commingling, according to the attached procedure and wellbore diagrams. An application for approval of this commingling is being submitted to the New Mexico Oil Conservation Division.

RECEIVED
BLM
92 AUG -7 PM 2:06
070 FARMINGTON, N.M.

RECEIVED
AUG 17 1992
OIL CON. DIV.
DIST. 3

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

Signed _____ (KAS) Title Regulatory Affairs Date 8/4/92

(This space for Federal or State Office use)
APPROVED BY _____ Title _____ Date ~~AUG 1 1992~~

APPROVED
AUG 11 1992
AREA MANAGER

CONDITION OF APPROVAL, if any:

NMOCD

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised 1-1-89

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070 FARMINGTON, N.M.

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
Southland Royalty Company	Cain	8

Unit Letter	Section	Township	Range	County
H	15	28 North	10 West NMPM	San Juan

Actual Footage Location of Well:
1650 feet from the North line and 1190 feet from the East line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
5833'	Pic.Cliffs/Fruitland Coal	Aztec/Basin	160/320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

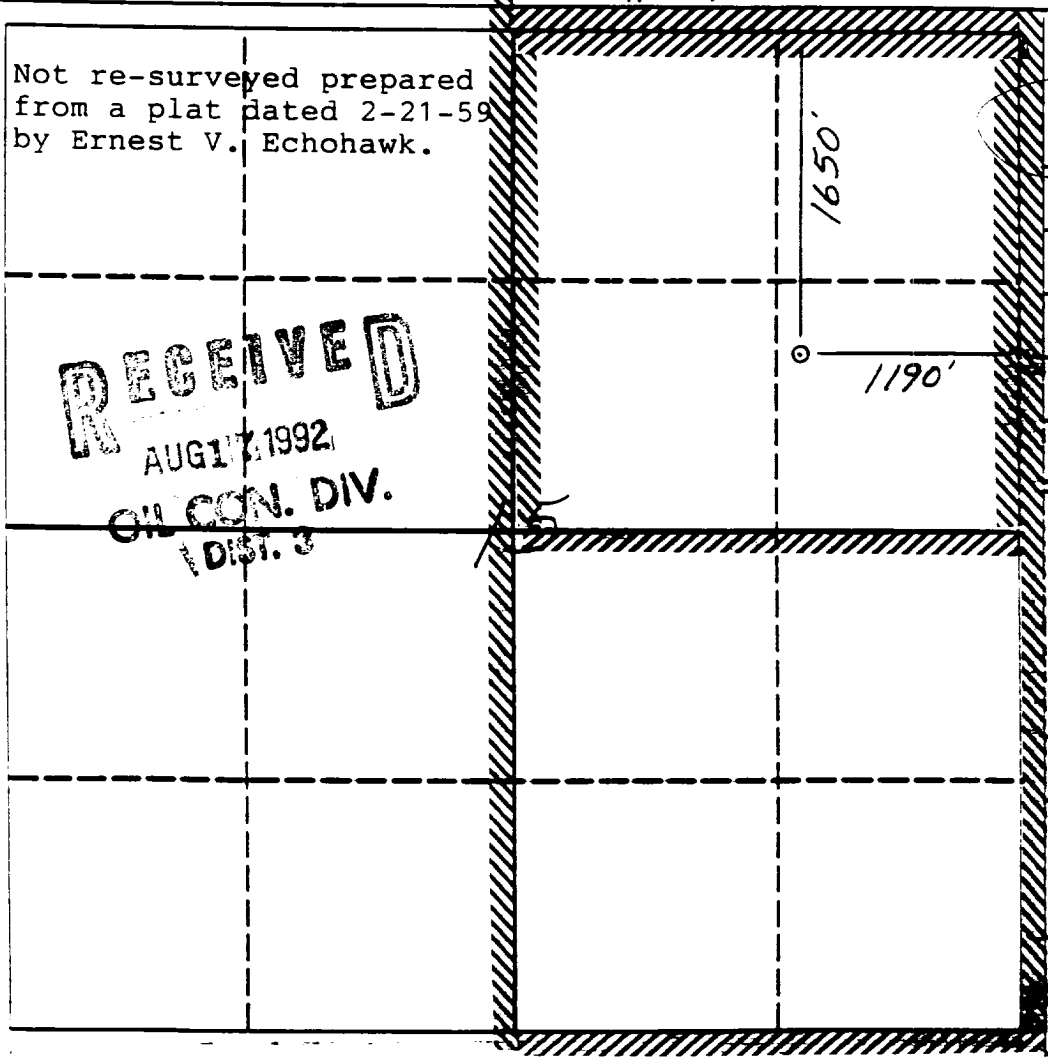
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary. _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Peggy Bradfield
Printed Name
Regulatory Affairs
Position
Southland Royalty
Company
8-4-92
Date

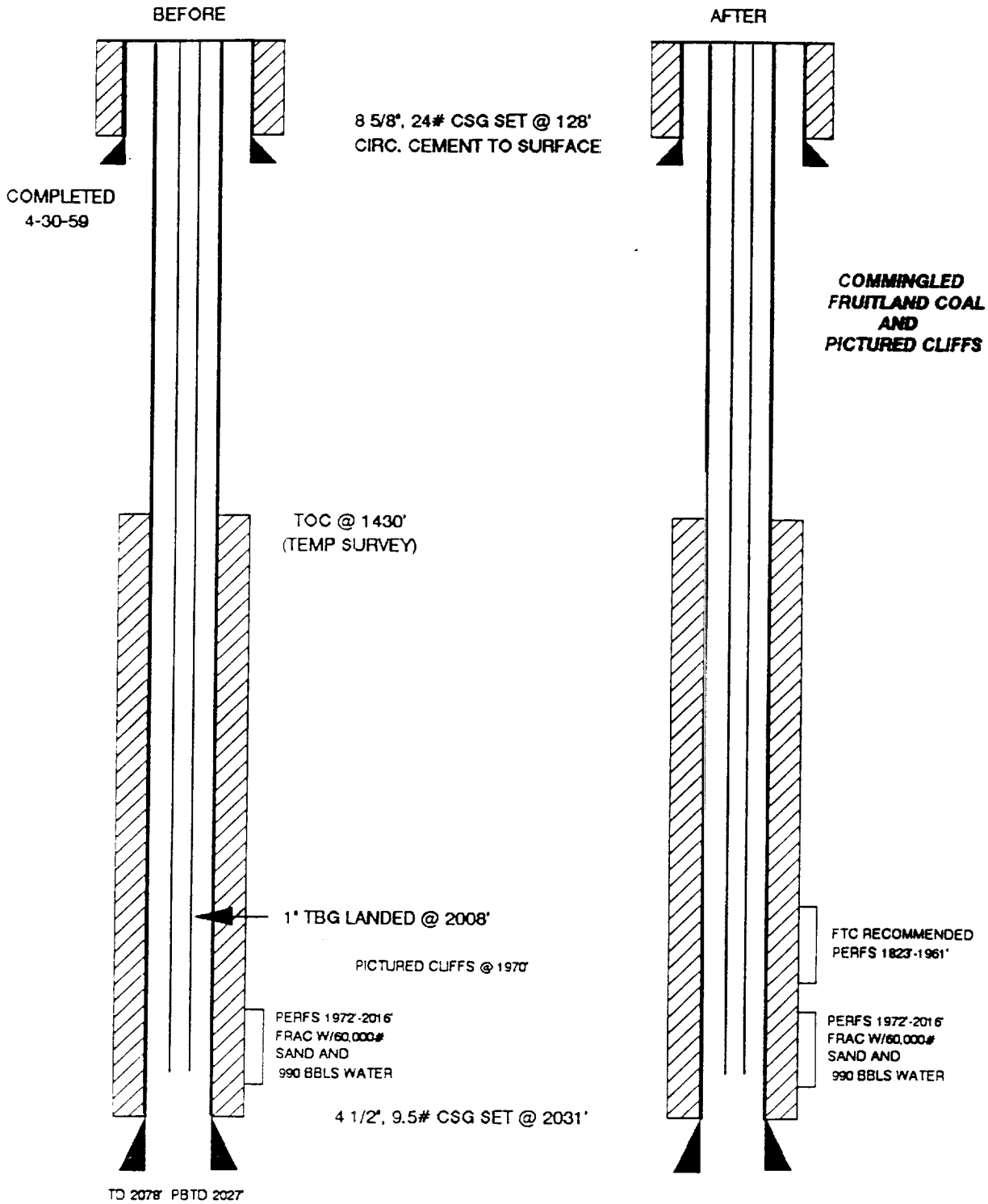
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my knowledge and belief.

8-4-92
Date Surveyed
Neal C. Edwards
Signature & Seal of Professional Surveyor
NEW MEXICO
6857
REGISTERED LAND SURVEYOR
Certificate No.
6857

CAIN #8

AZTEC PICTURED CLIFFS
UNIT H SECTION 15, T28N-R10W



FTC CAPITAL WORKOVER
CAIN #8
Section 15H, T28 R10W
San Juan County, New Mexico

1. Install 2x400 bbl frac tanks and fill with filtered (25 micron) water. Add KCL substitute(NETRA-CLA-CW), supplied by Weskem-Hall (2% KCL equivalent) the day before moving the rig on location. Add 5#'s of biocide to each tank before filling.

2. MIRU. Comply with all BLM, NMOCD, and MOI rules and regulations. Blow down well and kill with water if needed. ND WH and NU BOP assembly.

3. TOOH w/1" tbg and laydown. TIH with 4-1/2" 9.5# casing scraper and 2-3/8" tbg. Make scraper run to 2040'. TOOH.

4. RU wireline and set 4-1/2" drillable bridgeplug (POT) @ 1966'. Install treesaver and pressure test casing to 3500 psi. RD treesaver. If casing does not hold pressure, contact production engineering and a repair procedure will be provided.

5. Perforate the following coal intervals with 3-1/8" HSC and 16 gram charges (0.45" Dp) @ 4 SPF and 90 degree phasing.

   1946'-61' (15') Total 15 feet; 60 holes

6. TIH with SAP tool and 2-3/8" tubing. Breakdown perforations in one foot intervals with 7-1/2% HCl (add 0.2% quaternary amine type clay stabilizer, inhibitor, and a sequestering agent to the acid). Use 1 bbl/perforated foot at 2 bpm. Record each BD pressure, injection pressure, injection rate, and ISIP. Unload hole with air, TOOH.

   RU Halliburton such that they are ready to stimulate first stage at daylight. Purpose is to stimulate both stages the same day.

7. Install treesaver. RU stimulation company for first stage. Hold safety meeting. Pressure test surface lines to 4500 psi; maximum allowable pressure is 3500 psi. Stimulate during daylight w/nitrogen foam. See attached stimulation procedure.

8. RD treesaver. RU wireline and set drillable bridgeplug @ 1920'. RU treesaver. Pressure test to 3500 psi.

9. Perforate the following coal intervals with 3-3/8" HSC and 16 gram charges (0.45" Dp) @ 4 SPF and 90 degree phasing.

   1823-35' (12')
   1877-84' (7')
   1896-98' (2')

   Total 21 feet; 84 holes

10. TIH with SAP tool and 2-3/8" tubing. Breakdown perforations in one foot intervals with 7-1/2% HCl (add 0.2% quaternary amine type clay stabilizer, inhibitor, and a sequestering agent to the acid). Use 1 bbl/perforated foot at 2 bpm. Record each BD pressure, injection pressure, injection rate, and ISIP. Unload hole with air, TOOH.

11. Install treesaver. RU stimulation company for second stage. Hold safety meeting. Pressure test surface lines to 4500 psi; maximum allowable pressure is 3500 psi. Stimulate during daylight w/nitrogen foam. See attached stimulation procedure. RD treesaver.

12. Flow well to pit on 1/8" choke. Increase choke size as needed but do not exceed 20 BPH or 2.5 MMCF/D estimated returns at any time. TIH w/ bit and 2-3/8" tubing. Clean out to top of drillable bridgeplug at 1920'. Obtain gauge then tag fill. When sand returns stop and fluid production is minimal; drill bridgeplug.

13. Clean out to second drillable bridgeplug. Obtain gauge then tag fill. When sand returns stop, obtain final gauge from Fruitland Coal. Drill bridgeplug at 1966'. Obtain gauge from now commingled FTC and PC. TOOH

14. TIH w/ 2-3/8" production string and SN one joint off bottom. CO to 2027'. When fluid production becomes negligible, land tubing at 2006' and obtain a final gauge from the combined Fruitland Coal and Pictured Cliffs.

15. ND BOP, NU WH. Release rig.

J. A. Howieson

Service Company:
Stimulation - Halliburton (325-3575)
Wireline - Basin Perforating Logging (327-5244)
KCL Substitute - Weskem-Hall (325-3535)