

District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

WELL API NO. 30-039-22756
5. Indicate Type of Lease STATE ☐ FEE ☐ X
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Simms Federal
8. Well No. 1
9. Pool name or Wildcat Morrison / Entrada

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

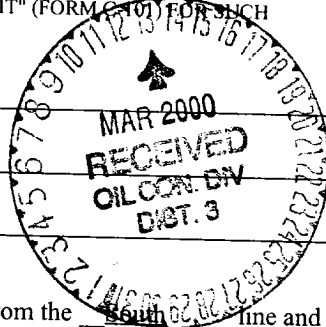
1. Type of Well:
Oil Well ☐ Gas Well ☐ Other X

2. Name of Operator
Mallon Oil Company

3. Address of Operator
P. O. Box 2797 Durango, CO 81302

4. Well Location
Unit Letter J : 1,730 feet from the South line and 1,820 feet from the East line
Section 13 Township 30N Range 04W NMPM Rio Arriba County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
7023' GL



11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPLETION ☐	CASING TEST AND CEMENT JOB ☐	
OTHER: ☐		OTHER: Casing Repair ☐	

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

The Simms Federal No. 1 water disposal well was showing casing annulus pressure which indicated an integrity failure with the equipment or casing string. A workover rig was moved in and the tubing and packer was pulled from the well. A hole was found in the 2-1/16", J-55 tbg just above the packer. The casing string was tested and would not hold pressure. A retrievable bridge plug and packer was used to isolate the casing leak and two leaks were found. The leaks occurred in old squeezed Gallup and Dakota perms and were squeezed again to achieve casing integrity. Please refer to the attached workover summary and wellbore diagrams for details.

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

SIGNATURE John Zellitti TITLE Production Engineer DATE 2/16/00

Type or print name John Zellitti

Telephone No. 970-382-9100

APPROVED BY CHARLES T. PETERSON TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE 3-13-00

Conditions of approval, if any:

Simms Federal #1

NW SE Sec.13, T30N, R4W
1,820' FEL & 1,730' FNL
East Blanco Field, Unit-J
Rio Arriba County, NM

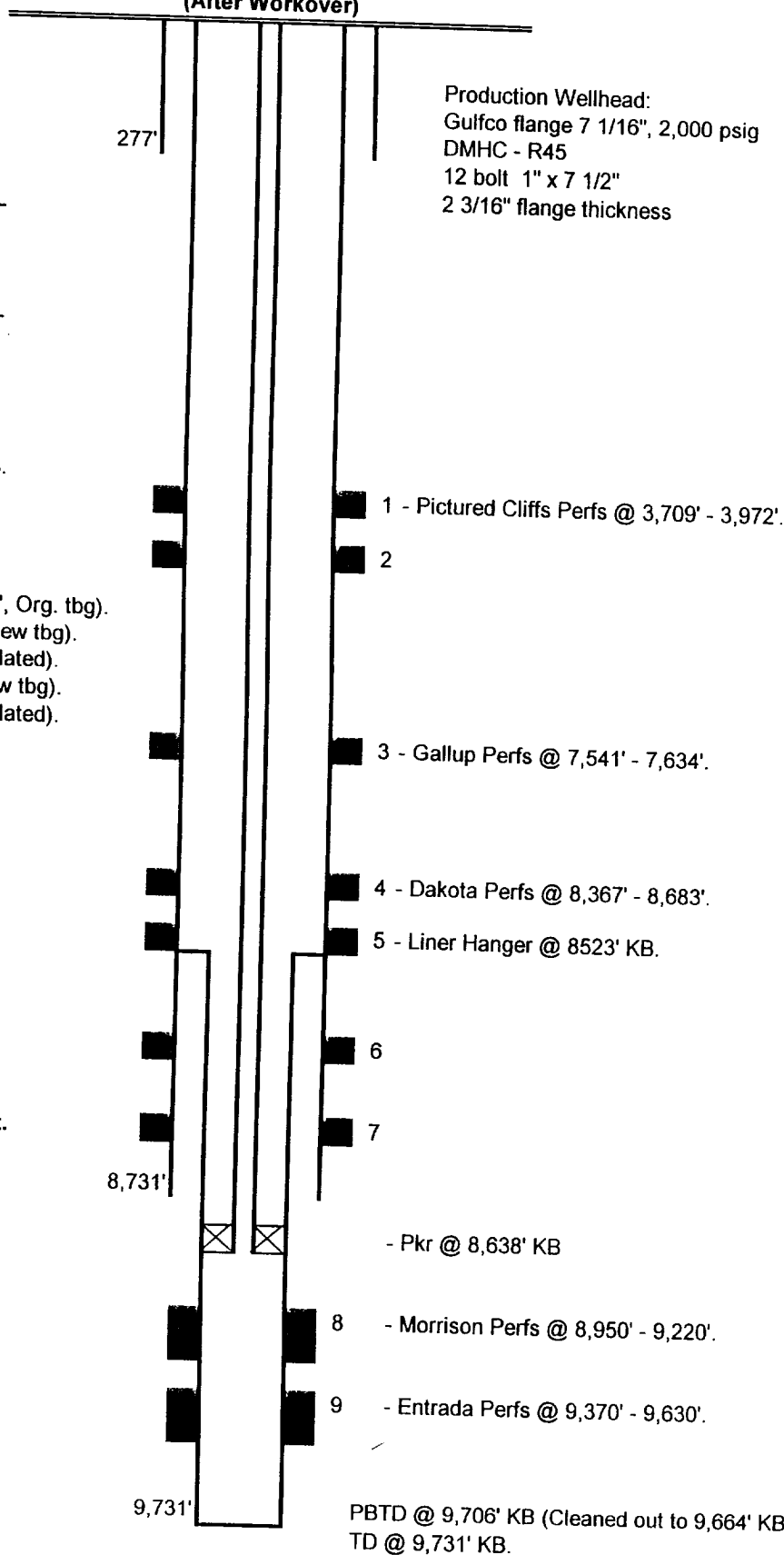
Elev. GL @ 7,023'

Elev. KB @ 7,033' (10' KB) Est.

**Mallon Oil Company
Wellbore Diagram
(After Workover)**

2/15/00

JZ

**Surface Casing**

9 5/8", 32.3#, J-55, ST&C, set @ 277' KB.
Cmt w/ 275 sx / Hole @ 12 1/4".

Production Casing

5 1/2", 15.5#, K-55, LT&C, set @ 8,731' KB.
DV tools @ 4,201' & 6,605' KB.
Cmt w/ 640 sx / Hole @ 7 7/8".

Liner Casing

3 1/2", 9.3#, L-80, IJ Hydrill, set @ 9,731' KB.
Arrow Liner Hanger/Pkr @ 8,523' KB.
Cmt w/ 65 sx 50/50 POZH / Hole @ 4 3/4".

Tubing

2 7/8", 6.5#, L-80, EUE (256 jnts @ 7,821.20', Org. tbg).
2 7/8", 6.5#, L-80, EUE (21 jnts @ 600.83', New tbg).
2 7/8" x 2 1/16" Cross-over @ 0.55' (Nickel Plated).
2 1/16", 3.25#, L-80, IJ (6 jnts @ 199.58', New tbg).
3 1/2" Arrow Set-1 10K Pkr @ 4.96' (Nickel Plated).
2 1/16" Re-entry guide (Plastic coated).
Pkr set @ 8,639' KB.

Squeezed Perforations

Pictured Cliffs: Squeezed w/ 45 sx cmt.

- 1) 3,709' - 3,715'
- 2) 3,722', 3,945', 3,972'

Gallup: Squeezed w/ 75 sx cmt.

- 3) 7,541' - 7,634'

Dakota: Squeezed w/ 155 sx cmt.

- 4) 8,367' - 8,375'
- 5) 8,484' - 8,530'
- 6) 8,633' - 8,636'
- 7) 8,670' - 8,683'

Liner Top/Dakota: Squeezed w/ 50 sx cmt.

- 8) 8,427' - 8,543'

Gallup: Squeezed w/ 25 sx cmt.

- 9) 7,462' - 7,736'

Injection Perforations

Morrison: Perf w/ 2 spf.

- 8) 8,950' - 8,982'
- 9,020' - 9,064'
- 9,098' - 9,220'

Entrada: Perf w/ 2 spf.

- 9) 9,370' - 9,410'
- 9,460' - 9,630'

Simms Federal #1

NW SE Sec.13, T30N, R4W
1,820' FEL & 1,730' FNL
East Blanco Field, Unit-J
Rio Arriba County, NM

Elev. GL @ 7,023'
Elev. KB @ 7,033' (10' KB) Est.

Mallon Oil Company
Wellbore Diagram
(Prior To Workover)

11/9/99
JZ

Surface Casing

9 5/8", 32.3#, J-55, ST&C, set @ 277' KB.
Cmt w/ 275 sx / Hole @ 12 1/4".

Production Casing

5 1/2", 15.5#, K-55, LT&C, set @ 8,731' KB.
DV tools @ 4,201' & 6,605' KB.
Cmt w/ 640 sx / Hole @ 7 7/8".

Liner Casing

3 1/2", 9.3#, L-80, IJ Hydrill, set @ 9,731' KB.
Arrow Liner Hanger/Pkr @ 8,523' KB.
Cmt w/ 65 sx 50/50 POZH / Hole @ 4 3/4".

Tubing

2 7/8", 6.5#, L-80, EUE (276 jnts @ 8,427')
2 7/8" x 2 1/16" Cross-over
2 1/16", 3.25#, J-55, IJ (6 jnts @ 203')
Arrow on/off tool w/ 1.25" F- Profile SS Nipple
3 1/2" Arrow Set-1 10K Pkr (Nickel Plated Mandrel)
2 1/16", 3.25#, J-55, IJ (1 jnt @ 33.5')
Pkr set @ 8,646' KB.
EOT @ 8,680' KB.

Squeezed Perforations

Pictured Cliffs: Squeezed w/ 45 sx cmt.

- 1) 3,709' - 3,715'
- 2) 3,722', 3,945', 3,972'

Gallup: Squeezed w/ 75 sx cmt.

- 3) 7,541' - 7,634'

Dakota: Squeezed w/ 155 sx cmt.

- 4) 8,367' - 8,375'
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Injection Perforations

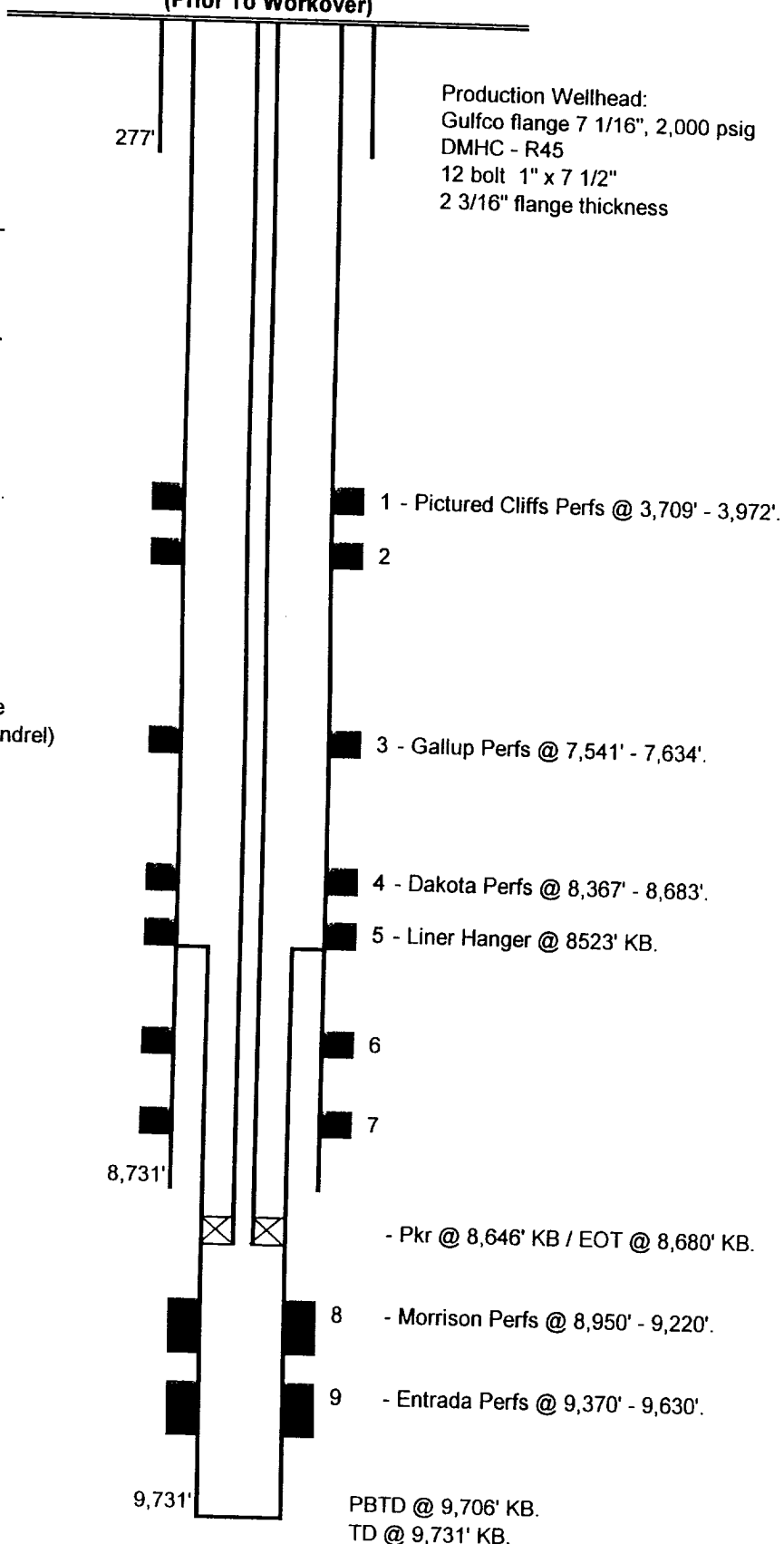
Morrison: Perf w/ 2 spf.

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Entrada: Perf w/ 2 spf.

- 9) 9,370' - 9,410'
- 9,460' - 9,630'

Production Wellhead:
Gulfco flange 7 1/16", 2,000 psig
DMHC - R45
12 bolt 1" x 7 1/2"
2 3/16" flange thickness



→ Workover to repair csg integrity.

Summary of csg tests

- ① Liner Test 8,543' - 8,646' No leak
- ② Liner Hanger / Lower Dakota Perfs 8421 - 8543 Leak (420 psig / 20 min)
- ③ Upper Dakota Perfs & Csg interval 7736 - 8427 No Leak
- ④ Gallup Perfs 7462 - 7736 Leak (40 psig / 20 min)
- ⑤ Pictured Cliffs & Csg to Surface Surface - 7462' No Leak

Remedial Work Performed

- ① Squeeze cmt Liner Top / Dakota Perfs.
50 sxs / 14 BBIs cmt slurry (50/50 Poz)
Squeeze to 1750 psig.
- ② Squeeze cmt Gallup Perfs.
25 sx / 5 BBIs cmt slurry (Micro matrix)
Squeeze to 1000 psig.
- ③ Drill out cmt & clean out well to 9664'.
- ④ TIH w/ BHA as follows:

256 jnts, 2 7/8", 6.5#, L-80, EUE Hbg (Original string)	7821.20'
21 jnts, 2 7/8", 6.5#, L-80, EUE Hbg (New Hbg)	600.83'
2 1/16" x 2 7/8" X-over (Nickel Plated)	.55'
6 jnts, 2 1/16", 3.25#, L-80, IS Hbg (New Hbg)	199.58'
3 1/2" Arrow Set-1 10K packer (Nickel Plated)	4.96'
2 1/16" Re-entry Guide (Plastic coated)	-
KB	8628.77'
Btm of PKR Landed @	10.00'
	8638.77'

- ⑤ Pump 140 BBIs 2% KCl wtr w/ 110 gals Baker PKR Fluid.
Preform csg integrity Test.

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6170 FAX: (505) 334-6170
[http://emnrnd.state.nm.us/ocd/District IIU3/district.htm](http://emnrnd.state.nm.us/ocd/District%20IIU3/district.htm)

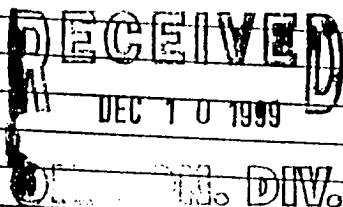
MECHANICAL INTEGRITY TEST REPORT
(TA or UIC)

Date of Test 12/10/99 Operator Mallon Oil Co. API # 30-039-22756
Property Name Simms Fed Well # 1 Location: Unit J Sec 13 Twn 30 Rge 4
Land Type: State Well Type: Water Injection
Federal Salt Water Disposal X
Private Gas Injection
Indian Producing Oil/Gas
Pressure observation

Temporarily Abandoned Well (Y/N): N TA Expires:
Casing Pres. Tbg. SI Pres. Max. Inj. Pres.
Bradenhead Pres. 8 Tbg. Inj. Pres.
Tubing Pres. 8
Int. Casing Pres.

Pressured annulus up to 440 psi. for 30 mins. Test passed failed

REMARKS: Packer set at 8638.77

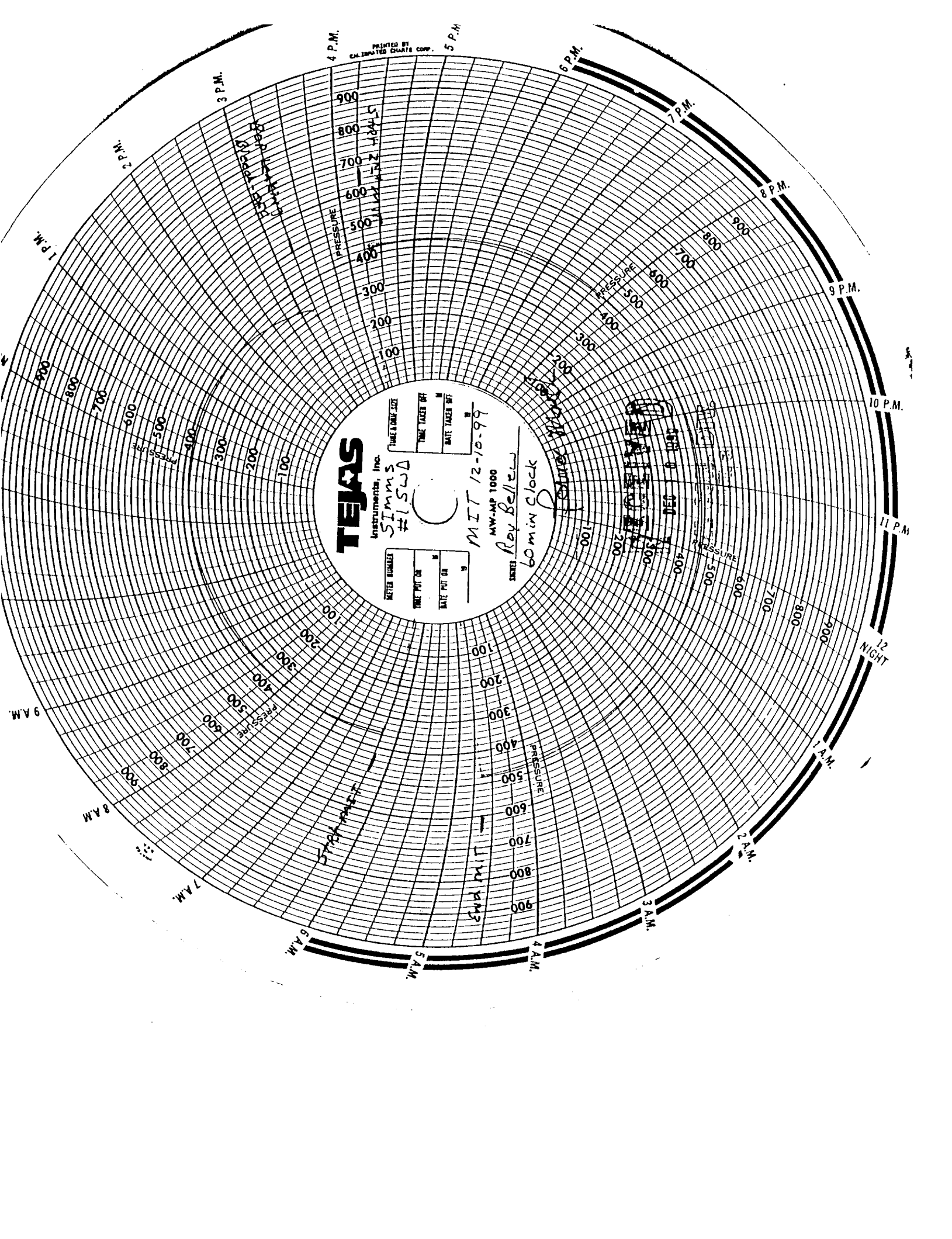


by Roy Bell 12-10-99
(Operator Representative)

Witness Bruce Math
(NMOCD)

(Position)

REVISED 11-17-98



STET

Instruments, Inc.

Simms

#157

TIME TAKER OFF

DATE TAKER OFF

TIME TAKER ON

DATE TAKER ON

METER NUMBER

TIME PUT ON

DATE PUT ON

MIT 12-10-99

MW-MP 1000

Ray Bell

60 min clock

1000 PSI

1000 PSI

1000 PSI

1000 PSI

1000 PSI

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