Submit 3 Copies To Appropriate District Office
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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

WELL API NO. 30-039-22756

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: Simms Federal

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

2. Name of Operator: Mallon Oil Company

8. Well No. 1

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

9. Pool name or Wildcat: Morrison / Entrada

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

APR 2001
RECEIVED
OIL CON. DIV.
DIST. 3

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.

Mallon Oil Company is proposing to workover this well to repair a slight casing leak and to install a lined tubing string. The last MIT preformed in August 2000 passed with 9.5% pressure loss, indicating a slight casing leak. Mallon Oil Company is proposing to pull the existing injection tubing and packer, isolate the potential leak or leaks using a retrievable bridge plug and packer, and then cement squeeze accordingly to repair the leak and return casing integrity. If wellbore conditions dictate, Mallon Oil Company will run a tie-back 3-1/2" casing line from the existing liner top at 8523' to a point above the problem area and cement the liner in place. Please refer to the attached proposed procedure and diagrams.

Mallon Oil Company would like to begin this work June 1, 2001.

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

SIGNATURE [signature] TITLE District Manager DATE 03/20/01

Type or print name Robert Blaylock Telephone No. 970-382-9100

(This space for State use)

APPPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

CONFIDENTIAL

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

Mallon Oil Company
Well Workover Procedure

3/15/01
JZ

Project: Install fiberglass lined tubing as per the New Mexico OCD. Pressure test casing for leaks and cement squeeze according. If well conditions dictate, install a 3 1/2" tie-back liner up over the problem interval and cement in place.
Last MIT 8/24/00 (P @ 369 psig, lost 34 psig in 30 minutes, 9.48% loss).

Workover Procedure

Prepare For Shut Down.

1) Shut down hydrogen sulfide gas injection (Go to flare at amine plant). Flush the injection system with a minimum of 2,500 bbls produced water without hydrogen sulfide gas.

2) Pull down all SWD water storage tanks, including gunbarrel, as far as possible prior to the shut down.

3) Pull down all individual well water storage tanks as far as possible prior to the shut down.

4) Line out ten 500 barrel frac tanks for additional storage & have on stand-by.

5) MIRU 500 bbl frac tank on the Simms well, manifold to rig pump, & fill w/ 450 bbls filtered 2 % KCl wtr.

6) MIRU workover rig the night before the shut down for an early start.

7) Notify all Venders involved & double check equipment & supplies required. Line out all safety equipment necessary to perform job.

8) Line out slips & elevators for the 3 1/2" IJ Hydrill liner casing & 2 1/16" IJ Premium thread tbg.

9) Line out tbg work strings: 1,800' of 2 1/16", 3.25#, N-80, IJ 10R tbg.
8,800' of 2 7/8", 6.5#, N-80, EUE, 8R tbg.

10) We have approximately 10 to 12 days water staorgae capacity to complete this job.

11) Make up torque is very important in running the Duoline tubing strings. Assure that rig tongs are in good working order with fuctional torque gauges.

Workover procedure

1) MIRU workover rig & equipment the night before the shut down of the water injection well, dig swab pit & fence.
Note: Warning - 98% hydrogen sulfide gas injection.

2) Hold safety meeting for H2S hazard, load tbg w/ 50 bbls 2% KCl wtr, pressure test the csg annulus to 500 psig, & shut-in 30 minutes, record SI pressure every 5 minutes.

3) ND wellhead, NU BOP, release 3 1/2" pkr @ 8,638' KB, TOOH & lay down 2 7/8" tbg, TOOH w/ 2 1/16" tbg, & pkr.

4) PU & TIH w/ 4 3/4" bit & 5 1/2" csg scraper on 2 7/8", 6.5#, N-80 tbg work string to the liner top @ 8,523' KB, TOOH w/ tbg & bit, & scraper.

5) PU & TIH w/ 2 3/4" bit & 3 1/2" csg scraper, 1,200' of 2 1/16", 3.25#, L-80 tbg, & cross over on 2 7/8, 6.5#, N-80 tbg work string to PBTD (Well cleaned out to 9,664' KB on last workover), TOOH w/ tbg, bit, & scraper.

6) PU & TIH w/ 3 1/2" RBP & 3 1/2" pkr, approximately 13 jnts 2 1/16" tbg (Minimum 400'), & cross over on 2 7/8" tbg workstring.

7) Set 3 1/2" RBP @ 8,900' KB, set pkr just above & pressure test RBP to 1,000 psig, release pkr, pull up hole & set pkr @ 8,638' KB, pressure test 3 1/2" liner to 500 psig, release pkr, pull up hole & set pkr @ 8,543' KB, pressure test 3 1/2" liner to 500 psig, TIH & spot 2 sx sand on top of RBP @ 8,900' KB, TOOH w/ tbg & pkr.
Note: 8,900' proposed setting depth depends upon New Mexico OCD decision to allow us to leave our packer at 8,638'. Setting depth of RBP could change to 8,638' depending upon OCD decision.

8) TIH w/ 5 1/2" pkr on 2 7/8" tbg, set pkr @ 8,427' KB, pressure test liner top & lower Dakota perfs down tbg to 500 psig, shut-in for 30 minutes, & record pressure every 5 minutes.
Note: Disconnect rig pump lines from tbg valve during test to assure no surface tbg leaks. If no test, set pkr as close to liner top as possible & pressure test liner top dn tbg.

9) Release pkr & TOOH w/ tbg & pkr.

10) TIH w/ 5 1/2" RBP & 5 1/2" pkr, set RBP @ 8,427' KB, test RBP, pull up hole, & set pkr @ 7,736' KB, pressure test upper Dakota perfs down tbg to 500 psig as per standard procedure.

11) Release pkr & RBP, pull up hole, set RBP @ 7,736' KB, test RBP, & set pkr @ 7,462' KB, pressure test Gallup perfs down tbg to 500 psig as per std procedure.

12) Release pkr & RBP, pull up hole, set RBP @ 7,462' KB, test RBP, release pkr, & pressure test the Pictured Cliffs perfs & csg to surface down csg to 500 psig as per std procedure.
Note: If no test, isolate PC perfs & test dn tbg w/ RBP set @ 4,000' KB, & pkr set @ 3,650' KB.

13) Release pkr & RBP, TOOH w/ tbg, pkr & RBP.
Note: A decision will be made as to any remedial cementing required prior to TOOH w/ RBP & pkr. Engineering to supply remedial cementing procedure.
Note: If well dictates we will run a tie-back liner above the problem area & circ. cement behind pipe. Step-14 assumes tie-back liner to extend above the Gallup perforation interval. Actual setting depth of liner hanger will be specified by Engineering after pressure test data is reviewed.

14) PU & TIH w/ Weatherford SLP liner hanger assembly as follows:
- 3 1/2" Float Collar w/ Landing Shoe.
- 3 1/2", 9.3#, L-80, IJ Hydrill csg liner (Approximately 1,275').
- 5 1/2" x 3 1/2" Weatherford SLP Liner Hanger.
- Liner hanger running tool.
- 2 7/8", 6.5#, L-80, EUE tbg work string.
- Liner Hanger Set @ 7,250' KB.

Note: Install 3 1/2" combination wiper plug in liner setting tool prior to running. Install cementing manifold & 2 7/8" wiper plug in cmt head.

15) Land liner, cement, set liner hanger assembly, & reverse out cmt according to Weatherford's recommended procedure. Land liner hanger at 7,250' KB.

16) TOOH w/ tbg & setting tool.

17) Pressure test csg to 500 psig according to standard procedure.

18) PU & TIH w/ 4 3/4" bit & 5 1/2" csg scraper on 2 7/8", 6.5#, N-80 tbg work string & clean up the liner top.

19) PU & TIH w/ 2 3/4" bit , 1,400' of 2 1/16", 3.25#, L-80 tbg, & cross over on 2 7/8", 6.5#, N-80 work string & drill out the float collar at 8,523' KB, TOOH w/ tbg & bit.

20) PU & TIH w/ 2 3/4" bit & 3 1/2" csg scraper, 1,400' of 2 1/16", 3.25#, L-80 tbg, & cross over on 2 7/8, 6.5#, N-80 tbg work string to 8,550' KB, TOOH w/ tbg, scraper, & bit.

21) PU & TIH w/ 3 1/2" RBP ret. head, approximately 1,700' of 2 1/16" tbg work string, & cross over on 2 7/8" tbg workstring, circ. sand off of RBP set @ 8,900' KB, ret. RBP, & TOOH w/ tbg & RBP.

22) TIH w/ injection BHA as follows:
- 2 1/16" IJ 10R Re-entry Guide (Nickel plated).
- 3 1/2" x 2 1/16" IJ 10R Arrow Set-1 10K pkr (Nickel plated).
- 2 1/16" IJ 10R Seating Nipple w/ 1.375" ID (Nickel plated).
- 2 1/16" Premium Thread x 2 1/16" IJ 10R Cross-over (Nickel plated).
- 2 1/16", 3.25#, L-80, Premium Thread Duoline Tbg (Approximately 53 jnts @ 1,700').
- 2 7/8" EUE 8R x 2 1/16" Premium Thread Cross-over (Nickel Plated).
- 2 7/8", 6.5#, L-80, EUE Duoline tbg (Approximately 225 jnts @ 7,200').
- 2 7/8", 6.5#, L-80, EUE Duoline tbg pups as required to land pkr.

Land pkr @ 8,900' KB.

Note: 2 1/16" tbg to be premium thread connection.
Duoline Technical hand to be on location to run the Duoline tbg.
Confirm that the Duoline tbg connection crush rings are on location.
Packer setting depth will depend on OCD approval to leave pkr @ 8,638' KB.

23) Mix 110 gals corrosion inhibitor in 150 bbls 2% KCl wtr, pump the corrosion inhibitor down the csg annulus, set the packer @ 8,900' KB according to Weatherford's & Duoline's recommended procedure.

24) ND BOP, NU wellhead.

25) Notify the New Mexico OCD & perform a pressure integrity test according to their specific instructions.

26) RDMO workover rig & return the well to injection.

Note: Always keep kill string in well for any shut-ins.
Filter all completion & kill fluids to 5 micron.
Record all wellhead pressures daily.
Record accurate swab data w/ initial fluid levels daily.
Record all depths corrected back to ORKB (Original rotary kelly bushing).
Think Safe - Be Safe!

Simms Federal #1

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

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

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 Sealbore Pkr (3.0" ID) @ 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-enrty 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 (8,427' - 8,543) squeezed w/ 50 sx 50/50 POZ cmt, Dec 99.
Gallup perfs (7,462' - 7,736') squeezed w/ 25 sx Micro Matrix cmt, Dec 99.

Injection Perforations

Morrison: Perf w/ 2 spf.
8) 8,950' - 8,982'
9,020' - 9,064'
9,098' - 9,220'

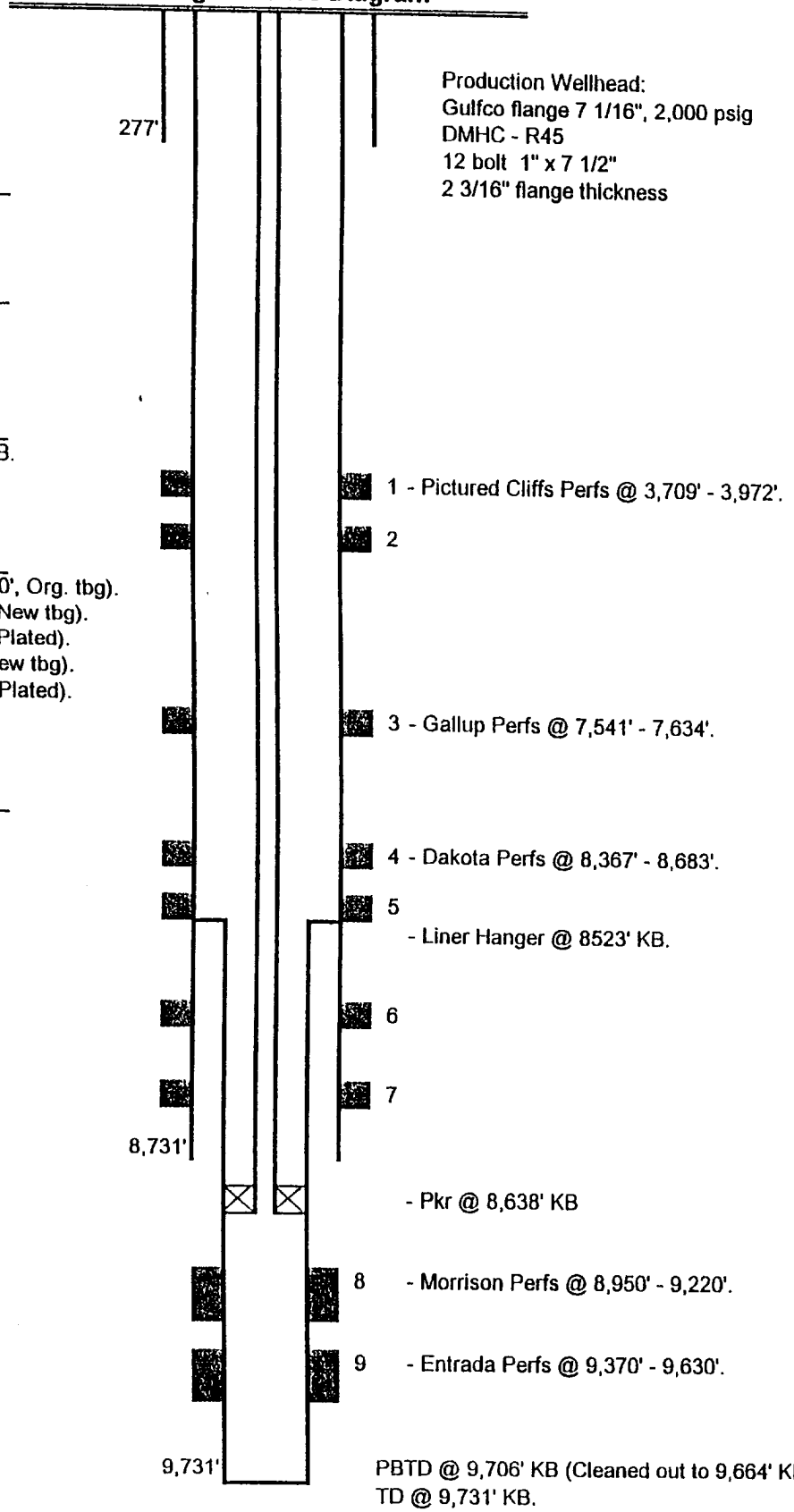
Entrada: Perf w/ 2 spf.
9) 9,370' - 9,410'
9,460' - 9,630'

Top Of Morrison @ 8,600' KB.
Top Of Entrada @ 9,300' KB.

Mallon Oil Company

2/15/00
JZ

Existing Wellbore Diagram



Simms Federal #1

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

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

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 1
3 1/2", 9.3#, L-80, IJ Hydrill, set @ 9,731' KB.
Arrow Sealbore Pkr (3.0" ID) @ 8,523' KB.
Cmt w/ 65 sx 50/50 POZH / Hole @ 4 3/4".

Liner Casing 2
5 1/2" x 3 1/2" Weatherford SLP Liner Hanger.
3 1/2", 9.3#, L-80, IJ Hydrill csg liner (1,275').
3 1/2" Float Collar w/ Landing Shoe.
Liner Hanger Set @ 7,250' KB.

Tubing
2 7/8", 6.5#, L-80, EUE Duoline tbg pups.
2 7/8", 6.5#, L-80, EUE Duoline tbg (225 jnts @ 7,200').
2 7/8" EUE 8R x 2 1/16" IJ PT Cross-over (Nickel Plated).
2 1/16", 3.25#, L-80, IJ PT Duoline Tbg (53 jnts @ 1,700').
2 1/16" IJ PT x 2 1/16" IJ 10R Cross-over (Nickel plated).
2 1/16" IJ 10R Seating Nipple w/ 1.375" ID (Nickel plated).
3 1/2" x 2 1/16" IJ 10R Arrow Set-1 10K pkr (Nickel plated).
2 1/16" Re-entry Guide (Nickel plated).
Pkr Set @ 8,900' 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 (8,427' - 8,543) squeezed w/ 50 sx 50/50 POZ cmt, Dec 99.
Gallup perfs (7,462' - 7,736') squeezed w/ 25 sx Micro Matrix cmt, Dec 99.

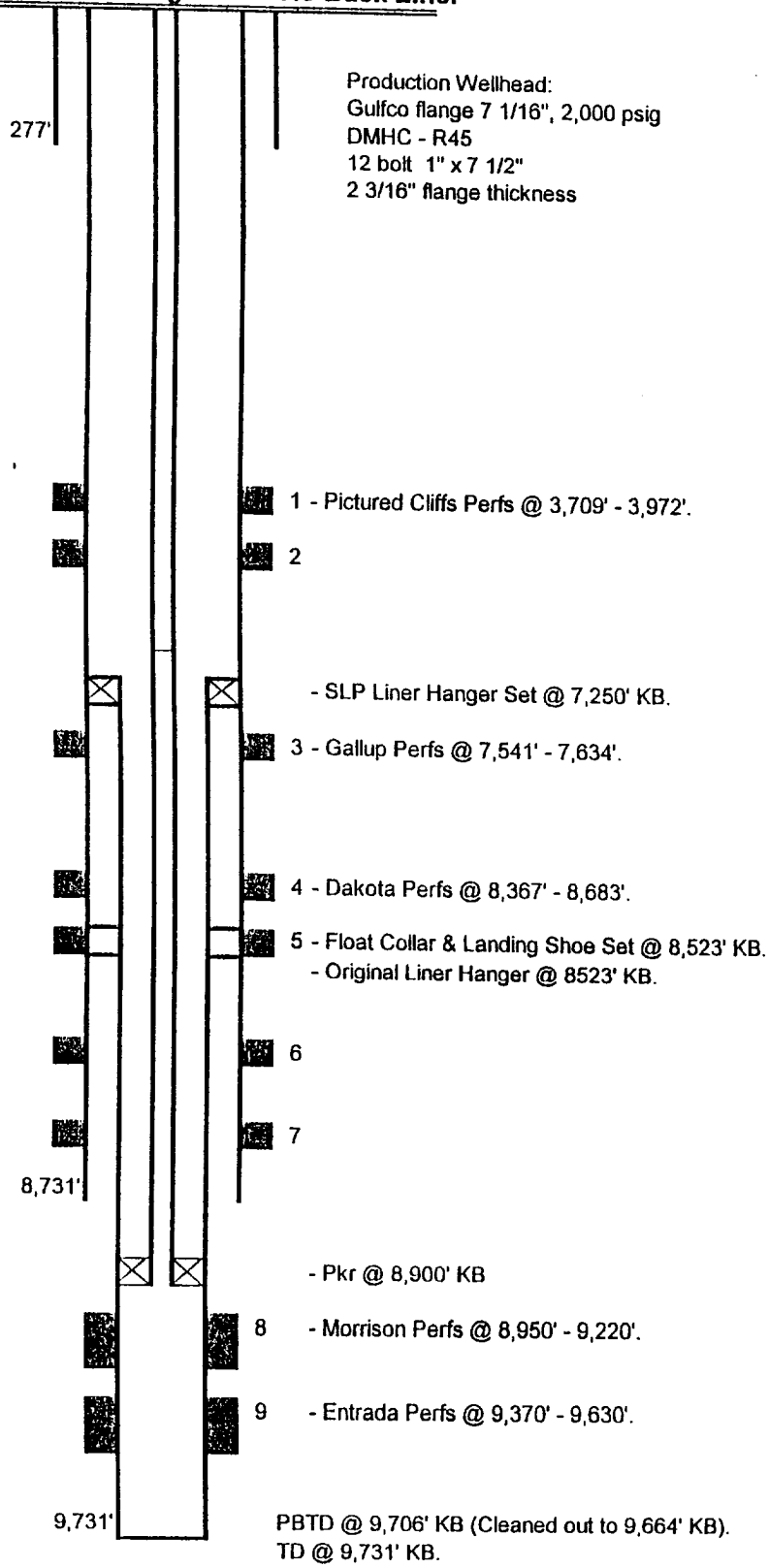
Injection Perforations
Morrison: Perf w/ 2 spf.
8) 8,950' - 8,982'
9,020' - 9,064'
9,098' - 9,220'

Entrada: Perf w/ 2 spf.
9) 9,370' - 9,410'
9,460' - 9,630'

Mallon Oil Company

3/15/01
JZ

Proposed Wellbore Diagram w/ Tie-Back Liner

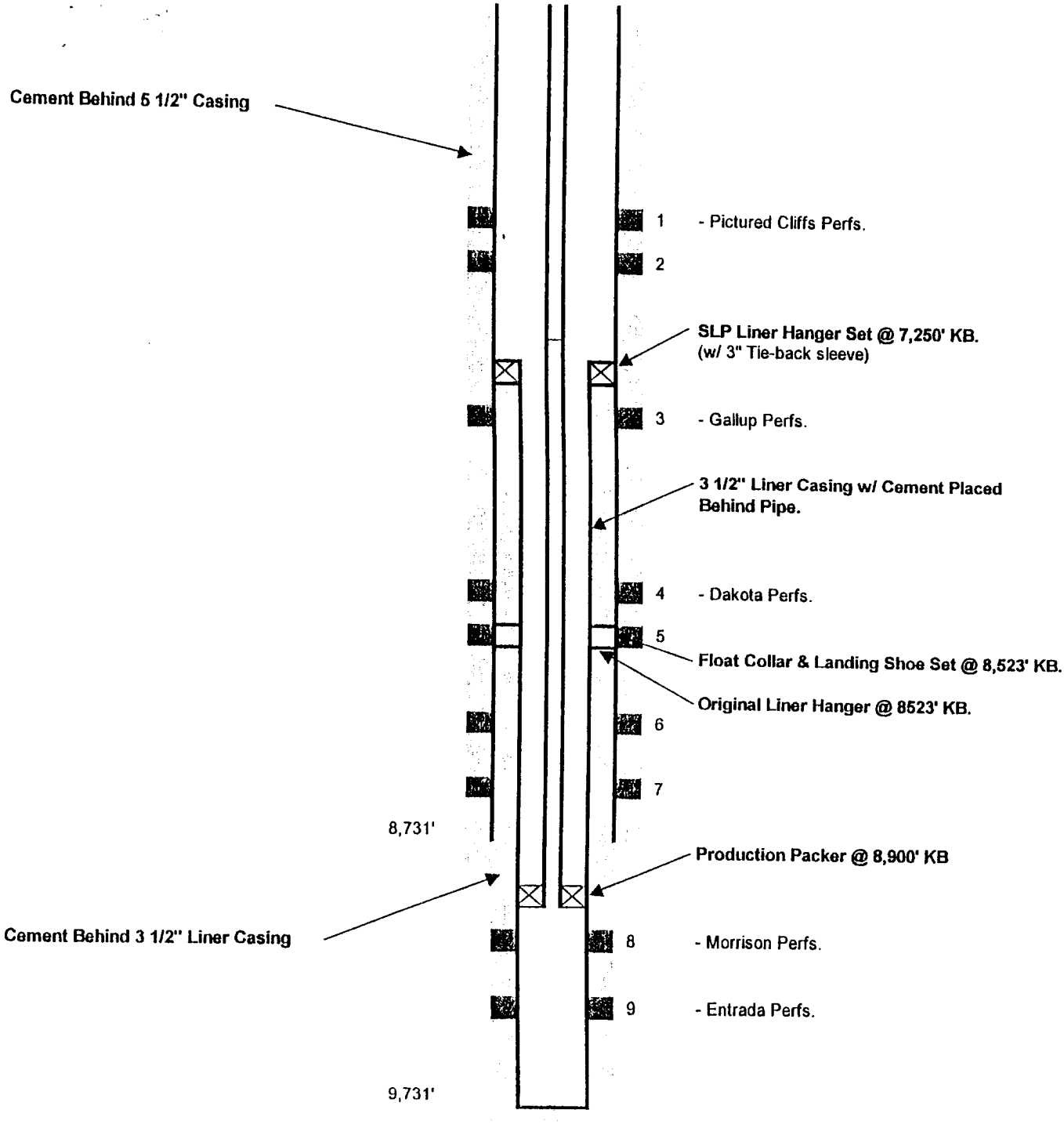


Simms Federal #1

Mallon Oil Company

3/15/01
JZ

Proposed Tie-Back Liner w/ Cement Diagram



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

Mallon Oil Company
Tubing & Casing Data

3/15/01
JZ

Summary Of Casing & Tubing Data

Production Casing: 5 1/2", 15.5#, K-55, LT&C, set @ 8,731' KB.
ID @ 4.950" DD @ 4.825"
Pc = 4,040 psig Pb = 4,810 psig
Capacity @ 0.0238 bbls/ft

Casing Liner: 3 1/2", 9.3#, L-80, IJ Hydrill, set @ 9,731' KB, liner hanger @ 8,523' KB.
ID @ 2.992" DD @ 2.867"
Pc = 10,530 psig Pb = 10,160 psig
Capacity @ 0.0087 bbls/ft

Tubing: 2 7/8", 6.5#, L-80, EUE, 8R
ID @ 2.441" DD @ 2.347" Cplg OD @ 3.668"
Pc = 11,160 psig Pb = 10,570 psig
Jnt Yield = 144,960 lbs
Capacity @ 0.00579 bbls/ft

2 1/16", 3.25#, L-80, IJ
ID @ 1.751" DD @ 1.657" IJ OD @ 2.325"
Pc = 11,180 psig Pb = 10,590 psig
Jnt Yield = 71,370 lbs
Capacity @ 0.00298 bbls/ft

Tbg & Csg Capacities: 5 1/2", 15.5# csg @ 0.0238 bbls/ft.
3 1/2", 9.3# liner csg @ 0.0087 bbls/ft.
2 7/8", 6.5# tbg @ 0.00579 bbls/ft.
2 1/16", 3.25# tbg @ 0.00298 bbls/ft.

Annulus Capacities: 2 7/8" tbg x 5 1/2" csg @ 0.0158 bbls/ft.
2 1/16" tbg x 5 1/2" csg @ 0.0197 bbls/ft.
2 1/16" tbg x 3 1/2" csg @ 0.00456 bbls/ft.
3 1/2" csg x 5 1/2" csg @ 0.0119 bbls/ft.

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

Mallon Oil Company
December 1999 Workover Summary

8/8/00
JZ

Summary Of Casing Tests & Remedial Work

Summary Of Casing Tests:

1)	Pictured Cliffs Perforations & Casing To Surface (Surface to 7,462' KB)	No Leak
2)	Gallup Perforations. (7,462' to 7,736' KB)	Leaked 40 psig in 20 minutes.
3)	Upper Dakota Perforations & Casing Interval. (7,736' to 8,427' KB)	No Leak
4)	Lower Dakota Perforations & Casing Liner Hanger. (8,427' to 8,543' KB)	Leaked 420 psig in 20 minutes.
5)	Casing Liner Test. (8,543' to 8,646' KB)	No Leak

Summary Of Remedial Work:

1)	Squeezed Lower Dakota Perforations & Top Of Casing Liner Hanger. (8,427' to 8,543' KB)	Squeeze w/ 50 sx (14 bbls) 50/50 POZ. Squeeze to 1,750 psig.
2)	Squeezed Gallup Perforations. (7,462' to 7,736' KB)	Squeeze w/ 25 sx (5 bbls) Micro Matrix. Squeeze to 1,000 psig.

3) Drill out cmt, test squeezes to 400 psig for 30 minutes (No loss), clean out well to 9,664' KB.

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

5) Pump 110 gals Baker/Petrolite corrosion inhibitor in 140 bbls 2 % KCl wtr down csg annulus.

6) Perform MIT on 12/10/99.