

UNITED STATES  
DEPARTMENT OF INTERIOR  
BUREAU OF LAND MANAGEMENT

**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 Form 3160-3 for such proposals.)

1. Oil well [ ] Gas Well [ X ] Other [ ]  
**Gas Well**

2. Name of Operator  
**Producing Royalties, Inc.**

3. Address & Telephone No. (505) 334-2555  
c/o A. R. Kendrick, Box 516, Aztec, NM 87410

4. Location of Well (Footage & S.T.R.)  
**1120' FNL 860' FEL  
A-11-29N-12W**

5. Lease Designation and Serial No.  
**SF-065557**

6. If Indian, Allottee or Tribe Name.

7. If Unit or CA, Agreement Designation  
**SEP 2001**

8. Well Name and No.  
**Payne #1**

9. API Well No.  
**30-045-22118**

10. Field and Pool, or Exploration Area  
**Fulcher Kutz Pictured Cliffs**

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

**12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change Plans
<input checked="" type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other _____	<input type="checkbox"/> Dispose Water

**17. Describe Proposed or Completed Operations (Give Pertinant Details and Dates.)**

Pressure tested casing to 2000 psi. Held Ok. Pulled tubing.  
Perforated 1654' to 1660' (6'), 1682' to 1686' (4'), 1722' to 1726' (4') and 1730' to 1732' (2') with  
two shots per foot - total 16 feet, 32 shots.  
Attempted acid break down. Did not break down at 2500 psi. Ran 50 joints 1-1/4" tubing.  
Shut-in for guage.

NOTE: This format is issued in lieu of U.S. BLM Form 3160-5.

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

Signed A.R. Kendrick Title \_\_\_\_\_ Agent \_\_\_\_\_ Date 09/13/01

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any:

**ACCEPTED FOR RECORD**

**P 24 2001**

**NMOCD**

Approved by smc OFFICE