(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
SF-078095A

6. If Indian, Allottee or Tribe Name
NA

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Horton #1

2. Name of Operator
Hallador Petroleum, LLP

9. API Well No.
30-045-10841

3a. Address
1660 Lincoln St., Suite 2700,Denver, CO 80264

3b. Phone No. *(include area code)*
303 839-5504

10. Field and Pool, or Exploratory Area
Blanco Mesaverde

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
990 feet fwl and 790 feet fsl Section 7, T31N, R11W

11. County or Parish, State
San Juan County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☒ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operations (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 recomplete 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 shall be filed within 30 days Following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

See attached workover well history.

NOV 2000
RECEIVED
OIL CON. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* Timothy Lovseth
Title Manager of Exploration and Geology
Signature
Date October 23, 2000

THIS SPACE FOR FEDERAL OR STATE USE

Approved by
Title
Date

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

ACCEPTED FOR RECORD
NOV 2 0 2000
FARMINGTON FIELD OFFICE
BY

Title 18 U.S.C. Section 1001, 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.

NMOCD

Workover History

Hallador Petroleum, LLP
Horton #1, Mesa Verde Well
Section 7, T31N-R11W
San Juan County, NM

10/11/00

Level rig on location, dig out wellhead to expose the 10 ¾" surface casing. Well has 115 psi on the 2 3/8" tbg, 5 ½" casing and the 10 ¾" surface. Attempt to blow well down. Unable to open either 3" valve on the 5 ½" casing or the 10 ¾" casing. Release rig crew at 3:00 PM. Pump, Tank and BOE to be delivered this evening. Will install Rig Anchors at 7:30 AM Oct. 12th. Purchased 3-2" 750 psi valves and 1-3" collar to replace 3" well head valves.

10/12/00

Kill well by pumping down 2 3/8" tubing with 35 bbls 2% KCL and down 10 ¾" through a 1" valve with 30 bbls of 2% KCL. Casing and tubing annulus's dead. Install new 2" valves on the 10 ¾", 5 ½" and on the wellhead. Remove 6" 1,000 psi flange and attempt to release tubing "donut". Cannot undo setscrews to release tubing. Weatherford delivers 11"- 1000 psi flange to flange up to our 10" – 400 psi flange. Pull first joint of tubing and strip on 11" flange. Install 9" by 7 1/16", 7 1/16" spool and BOE. Trucked in 80 bbls 2% KCL. Pull 29 stands of 2 3/8" tubing. Secure well and shut down for night at 6:00 PM.

10/13/00

Continue to pull 2 3/8" tubing. A total of 161 joints of 2 3/8" tubing. Lay down 25 joints (530' of 2" line pipe). Line pipes 11 ½ "V" threads are corroded. Pipe can be used for future construction. Run in hole with 4 ¾" bit and Scraper to 4,600'. Pull out of the hole. Lay down 112 joints of 2 3/8" tubing, all with excessive thread loss and/or holes in the body of the pipe. There is 1,500' of 2 3/8" from the bottom of the well that appears to be in adequate condition and will be installed on the top of the new tubing string. Receive 108 joints (3,476') of J-55, 4.7#/ft new 2 3/8" tubing and 530' of 2 1/16" J-55 IJ tubing. Pick up Baker Retrievable Bridge plug and run with 108 joints of 2 3/8" tubing.

10/14/00

Continue into hole with 2 3/8" tubing and Baker Retrievable Bridge Plug, set at 4,600'. Pull out and run 5 ½" Baker Full-Bore Packer and set at 1,400'. Fill casing with 73 bbls 2% KCL and pressure test casing to 1,500 psi. Pull 630' of tubing to 770' and pressure casing to 1,500 psi, pull 590' of tubing and set Packer at 180', pressure casing to 1,500 psi. Set packer at 25' and pressure to 500 psi. Casing integrity okay.

10/16/00	Dump 5 gallons of sand on top of Baker Bridge plug at 4,567'. Pull bailer and run in and perforate 2 holes at 3,800'. Notified BLM of squeeze at 8:30 AM. Run in with Baker Full-Bore on 2 3/8" and set at 3,546'. Establish pump rate of 1.7 bpm at 500 psi. No returns to surface. Pump in total of 135 bbls of 2% KCL. Fill annulus with 45 bbls. Establish rate down tubing pump 590 sks. Class "H" w/2% Sodium Metasilicate at 12.5 ppg, 2.08 yield/cu.ft. 11.8 gal/sack mixed with 165.7 bbls water. Followed by 50 sks Class "H" w/2% CaCl2, at 15.6 ppg, and 1.18 yield. Shut down, wash lines and begin displacement down tubing. Pump 15 bbls, begin hesitation, wait 10 minutes, pump 2 bbls down tubing, shut down and shut in tubing with 75 psi on tubing. No fluid returns to surface or pressure increase while pumping (i.e.: no pressure increase to indicate cement being lifted towards surface).
10/17/00	Pressure test squeeze holes at 3,800' with rig pump to 1,000 psi. Holds pressure for a minute and then drops off. Pump at ½ bbl/minute at 500 psi. Pull Baker Full-Bore on 2 3/8" tubing and reset at 3,246'. Rig American Energy Services and establish pump rate of 2.0 bpm at 1,000 psi. Mix and pump 50 sks. Neat cement, close unloader, wash pumps and lines, displace with 22 bbls water. Shut down for 15 minutes. Pump ¾ bbl at 1,400 psi. Wait 15 minutes, cement pressured up at 1,100 psi. Rig down equipment.
10/18/00	Pull Baker Full-Bore from 3,246'. Pickup Drag bit, Scraper, 4-3 ½" Drill Collars and 2 3/8" tubing and drill out hard cement from 3,660 to 3,800'. Bit falls through, pickup one joint. Pull out and lay down Drill collars. Run Baker 3 7/8" Retrieving Tool, run in to 4,450'. Hit cement, circulate and rotate for 20'. Pull Retrieving tool.
10/19/00	Pickup Drag bit and Scraper on 2 3/8" tubing and drill out hard cement from 3,901' to 4,410'. Bit falls through, continue into hole to top of Baker Retrievable Bridge plug at 4,567'.
10/20/00	Pull out of hole and lay down bit and scraper. Run Retrieving Tool, latch on to the Retrievable Bridge plug at 4,567'. Attempt to release with no success. Swab 80 bbls fluid, attempt to release Bridge plug, no success. Will swab remaining 20 bbls in AM.
10/21/00	Continue to swab remaining 20 bbls fluid, release Baker Retrievable Bridge Plug and pull out of hole. Cement on bottom of Bridge Plug. Run 4 ¾" bit, Baker Oil Tool changeover from regular API to 2 3/8" EUE and 4,567' of tubing. Drill one foot of hard cement. Pull and lay down 2 joints of tubing.