| Form 3 160-5 (August 1999) | ONTEDSTATES | | | | | | FORM APPROVED OMB No. 1004-0135 Expires Inovember 30, 2000 5. Lease Serial No. SF-078095A 6. If Indian, Allottee or Tribe Name | | | | |
|--|--|----------------------|--------------|--|---|-------------|--|---|-----------------------|--|--|
| | Do not use this form for proposals to drill or reenter at the shadoned well. Use Form 3160-3 (APD) for such proposals. | | | | | | | | | | |
| SUBMIT IN TRIPLICATE — Other instructions on reverse side 1. Type of Well Oil Well X Gas Well Other | | | | | | | | 7. If Unit or CA/Agreement, Name and/or No. 8. Well Name and No. | | | |
| 2. Name of Operator | | | | | | | Horton #1/ | | | | |
| Hallador Petroleum, LLP 3a. Address 3b. Phone No. (include area code) | | | | | | | 9. API Well No. | | | | |
| | | | | one No.(<i>include i</i> 8 9-5504 | 30-045-2195500Sl 10. Field and Pool, or Exploratory Area | | | | | | |
| 4. Location of Well(Footage, Sec., T., R., M., or Survey Description) | | | | | | | Blanco-Mesaverde, Basin-Dakota | | | | |
| 1850' fnl, 1690' fel Sec 7 T31N R11W | | | | | | | 11. County or Parish, State | | | | |
| | | | | | | | San Juan, New Mexico | | | | |
| 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REP | | | | | | | | | | | |
| TYPE OF SUBMISSION TYPE OF ACTION | | | | | | | OKI, OR OTHER DATA | | | | |
| | | | | | | | | | | | |
| Notice of Inte | ent | Acidize Alter Casing | Deep Frac | pen ture Treat | H | Reclamation | (Start/Resume) n | _ | er Shut- Integri | | |
| Subsequent Report Casing Repair New Construction X Recomplet | | | | | | | | Othe | er | | |
| Change Plans Plug and Abandon Temporari Final Abandonment Notice Convert to Injection Plug Back Water Dis | | | | | | | | | | | |
| 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 procedure to recomplete the Horton #1A in the Dakota Formation. 14. Thereby certify that the foregoing is true and correct | | | | | | | | M NORM | 7m7 FBI -7 // III: 35 | | |
| 14. I hereby certi: Name (Printe | , . | rue and correct | Title | | | | | | | | |
| Timothy Lovseth Manager of | | | | | | ger of Ex | Exploration and Geology | | | | |
| Signature Tomo to Date | | | | | | Ju | June 3, 2002 | | | | |
| | | THIS SPAC | E FOR FEI | DERAL OR ST | ATE U | SE | | | | | |
| Approved by | | | | Title | | | Date | | | | |
| certify that the appl which would entitle | licant holds legal or eque the applicant to conduc | | ubject lease | | | | | | | | |
| 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. | | | | | | | | | | | |
| (Instructions on rever | | | : | | | | - 32N Z | 2002 | | | |

RECOMPLETION AND COMMINGLING PROCEDURE

HORTON 1A SEC. 7, T31N-R11W SAN JUAN COUNTY, NEW MEXICO 070 FOR THE PROPERTY AND

2002 JM -7 MH: 36

CURRENT STATUS

Total Depth: 7541' KB DTD; 7526' KB WLTD

Casing: 7 5/8" set @ 3099' KB.

Liner: 5 1/2" 15.5# AND 17# set @ 7519' KB. Liner Top @ 2902' KB.

PBTD: +/- 7300' - Baker Model "D" Packer set @ +/- 7300' w/ 10 sx cement spotted over it

Cement top: Unknown'

Tubing Depth: 2 3/8" string landed open-ended at 5373.40' KB

Producing Formation: Mesaverde

Mesaverde Perforations: 4394' (top) - 5408' (bottom) Menefee Perforations: 4802' (top) – 5054' (bottom) Dakota Perforations: 7396' (top) - 7436' (bottom)

All personnel on location will be on Questar's Approved Vendor List and will comply with Questar's environmental and safety policies.

Procedure:

- 1) Install and/or test anchors to 25,000#. MIRUSU. Blow well down. If necessary, kill well with 2% KCL water. NDWH. NUBOP.
- 2) TOH with 2 3/8" tubing string and inspect. Replace all bad joints.
- 3) TIH with 4 3/4" mill tooth bit, drill collars and tubing to cement plug @ +/- 7300' KB. RU power swivel and foam unit. Drill out cement and packer to PBTD @ 7519'. TOH.
- 4) RU wireline. Run gauge ring for $5 \frac{1}{2}$, 17 # casing (drift = 4.767") to PBTD.
- 5) TIH with 2 3/8" tubing and a Model "R" packer. Set @ +/- 7330'.
- 6) Swab Dakota formation to kick well off. Flow test Dakota formation for a minimum of 30 days.
- 7) When Dakota production has stabilized, pull packer to commingle well (commingling procedure will be sent at a later date).