

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

GREYSTONE ENERGY, INC.

3. Address and Telephone No.

5802 HIGHWAY 64, FARMINGTON, NM 87401 Phone: (505) 632-8056

4. LOCATION OF WELL (Footage, Sec., T., R., M., or Survey Description)

910' FSL & 880' FEL - UL "P"
SEC. 35, T31N, R13W

5. Lease Designation and Serial No.

NMSF 078464

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

PAYNE #4 (True Grit #1)

9. API Well No.

30-045-25514

10. Field and Pool, or Exploratory Area

BASIN FRUITLAND SAND

11. County or Parish, State

SAN JUAN, NM

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

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment ☐ Change of Plans
☐ Recompletion ☐ New Construction
☒ Plugging Back ☐ Non-Routine Fracturing
☐ Casing Repair ☐ Water Shut-Off
☐ Altering Casing ☐ Conversion to Injection
☐ Other _____ ☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

11/10/99 Fruitland Sand formation plugged and abandoned as per the following:

RIH with open ended tubing to 2090' and establish circulation to surface. Mix 50 sx Class B cement w2% CaCl an spot a balanced plug in the 4-1/2" csg. PUH to 1200' & fill csg, hessitation squeezed 5 bbl of displacement down the csg, filling the perforations. WOC overnight.

11/11/99 TOH and PU 3-7/8" bit. TIH and drill out cmt. Clean out to PBTD @ 2115'.

Pressure test squeeze to 2000 psig. Squeeze held pressure for 15 min.

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

Signed

Chester L. Deal

Title SUPERINTENDENT

Date

November 15, 1999

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of Approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and wilfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

FEB 15 2000

RECORDED

LAND MANAGEMENT OFFICE

Fruitland Sand
PLUG AND ABANDONMENT PROCEDURE

8-23-99

Payne #4
910' FSL & 880' FEL, Section 35, T31N, R13W
San Juan County, New Mexico

Note: All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures.

Flowback Tank

1. Install and test rig anchors. Prepare ~~blow pit~~. Comply with all NMOCD, BLM and Greystone safety rules and regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Blow well down; kill with water as necessary. ND wellhead and NU BOP and stripping head; test BOP.
2. Unseat pump and determine if rods are free. Reseat pump and pressure test tubing to 1000#. Pull and LD rods with pump. Release anchor and TOH with 2-3/8" tubing. Roundtrip 4-1/2" casing scraper to 2115' PBTD, or as deep as possible. TIH with Baker AD-1 packer and set at 1750' (above top perf at 1792'). Load casing annulus with water and pressure test to 1000#. Release packer and TOH, LD packer.
3. RIH with open ended tubing to 2090' and attempt to establish circulation to surface. Mix 50 sxs Class B cement and spot a balance plug in the 4-1/2" casing covering the Fruitland sand perforations; PUH to 1200' and fill casing, hesitation squeeze approximately 4 bbls of displacement down the casing filling the perforations. WOC 4 hours.
4. TOH and PU 3-7/8" bit. TIH and drill out cement. Clean out to PBTD. Pressure test squeeze to 1000#.

Fruitland Coal
COMPLETION PROCEDURE

5. If necessary run CCL and perhaps Neutron log to identify the Fruitland Coal intervals.
6. Perforate and frac the Fruitland coal zones per procedure.
7. Blow well after frac and then clean out to PBTD.
8. Land tubing near bottom perforation.
9. RD rig and move off location.

(505) 325-4192

A - PLUS WELL SERVICE, INC.

P.O. BOX 1979
FARMINGTON, NM 87499
505-325-2627 • FAX: 505-325-1211

August 23, 1999

Greystone Energy, Inc.
5802 Highway 64
Farmington, NM 87401

Attn.:

Re: Workover Procedure: **Payne #4**
SE, Sec. 35, T31N, R13W
San Juan County, New Mexico

Fruitland Coal Well

Gentlemen:

A-Plus Well Service is pleased to provide you with this procedure to plugback the referenced well. We have prepared the attached procedure and A-Plus can provide:

- a double drum pulling unit with crew;
- cement services and 100 sacks cement,
- perforating (none),
- one 4-1/2" AD-1 Packer rental,
- storage tank and water,

necessary for the plugging of the zones in this well.

It is our understanding that Greystone will provide:

- the rig anchors,
- a pit suitable for waste fluid disposal,
- and any necessary dirt work on the location or access.

A-Plus will cement off the Fruitland sand zones in the referenced well for approximately **\$10,000.00 plus tax (actual cost with be by time and material)**. Then we can provide the rig for the Fruitland Coal completion.

Please review this proposal and advise us of any questions you may have. This procedure is based on the information, which you have provided. In the event the planned procedure is modified or deviated from, then any additional work or services provided by A-Plus will be paid for by the operator in accordance with A-Plus' current price schedule.

We look forward to the opportunity to work for you.

Sincerely,



Bill Clark

Energy Pump. (Joe
564-2874 (Harris)

Payne #4

Current

Basin Fruitland Coal

SE, Section 35, T-31-N, R-13-W, San Juan County, NM

Today's Date: 8/23/99

Spud: 11/10/82

Comp: 12/30/82

Elevation: 5975' GR
5979' KB

Ojo Alamo @ 370'

Kirtland @ 510'

Fruitland Coal @ 1785'

Pictured Cliffs @ 2122'

12-1/4" hole

6-1/4" hole

PBTD 2115'

TD 2260'

Cement Circulated to Surface

8-5/8" 20#, Casing set @ 163'
150 sxs cement (Circulated to Surface)

WELL HISTORY

Dec '82: Initial Completion: Perforate, frac and test PC zone then set CR at 2115' and squeezed with 30 sxs. Perforate frac and test Farmington zone then sqzd with 50 sxs. Completed Fruitland sand zones.

May '97: Swabbed well.

May '99: Pull 1-1/2" tubing and LD. Ran 2-3/8" tubing with anchor, then rods and pump.

Farmington Sands Perforations:
1218' - 1228',
Sqz'd with 50 sxs cmt (12/82)

2-3/8" Tubing set at 1876'
(60 joints with anchor at 1803',
73 3/4" rods and pump)

Fruitland Sand Perforations:
1792' - 1799'

1856' - 1866'

2066' - 2076'

Cmt Retainer set at 2115' (12/82)

Pictured Cliffs Perforations:
2130' - 2145'
Sqz'd with 30 sxs cmt (12/82)

4-1/2" 10.5, K-55 Casing set @ 2257'
Cement with 250 sxs
Circulated 25 sxs to Surface

145'