

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

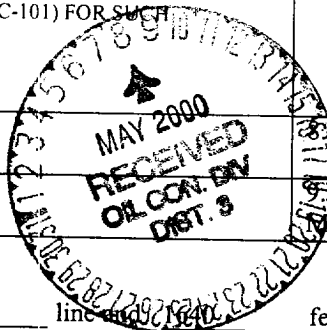
State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-103

Revised March 25, 1999

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-045-30160
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Hallador Petroleum, LLP		6. State Oil & Gas Lease No.
3. Address of Operator 1660 Lincoln St., Suite 2700, Denver CO 80264		7. Lease Name or Unit Agreement Name: Horton
4. Well Location Unit Letter <u>G</u> : <u>2215</u> feet from the <u>fnl</u> line and <u>1640</u> feet from the <u>fel</u> line Section <u>22</u> Township <u>32N</u> Range <u>11W</u> NMPM San Juan County		8. Well No. #2B
10. Elevation (Show whether DR, RKB, RT, GR, etc.) KB 6408		9. Pool name or Wildcat Blanco-Desaverde



11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☒ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER: ☐

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.

Drilling operations commenced on April 10, 2000 at 5:00 a.m.  
See attached drilling history for the Horton #2B

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

SIGNATURE Timothy Lovseth TITLE Manager of Exploration and Geology DATE 5/5/00

Type or print name Timothy Lovseth

Telephone No. 303 839-5504

(This space for State use)

APPROVED BY ORIGINAL SIGNED BY TITLE DEPUTY OIL & GAS INSPECTOR

Conditions of approval, if any:

DATE MAY - 8 2000

Drilling History  
Horton #2B  
San Juan County, New Mexico  
SW NE Section 22-T32N-R11W

- 4/10/00 Relocate drilling unit from Storey #1B to Horton #2B – Rig up on Horton #2B location. Drill rat and mouse hole. Damage rotary table tie downs while pulling out of mouse hole – wait on welder to make repair – Repair rotary table tie down. Spud well and drill to 40 feet.
- 4/11/00 Drill from 40' to 106 feet. Survey at 106 feet (1/2°). Drill from 106 to 230 feet. Circulate and condition hole. Drop survey and POOH to run casing (survey 3/4°). R/U casing equipment, safety meeting – run 3 joints casing – hit bridge. Wait on swedge to circulate casing. Circulate through bridge 5 feet - run casing to bottom. Circulate casing contents. R/U cementing equipment and cement casing with: 110 sks Class B, 15.6 ppg, 1.20 yield, 2% Calcium Chloride, displace with 15.77 bbl – bump plug at 1549 hours (Trace of cement returns – prepare for topout). Wait on additional cement to topout Annulus. Mix 200 sks Class G, 3% Calcium Chloride and topout Annulus. WOC. Cut off casing – Preheat wellhead to 350° - Weld on casing head. Test wellhead to 1000 psi – held for 30 minutes. Nipple up BOPE.
- 4/12/00 R/U to test BOPE. Test BOPE – Blind rams: 2400 psi – Pipe rams: 2400 psi – Manifold valves: 2400 psi – TIW + Check valve: 2400 psi – All tested and held test for 30 minutes (passed). M/U new 8-3/4" bit, BHA and RIH to top of cement at 170 feet. Drill cement, float collar and shoe track to 230 feet. (Float collar at 190 feet). Drill from 230 to 725 feet. Attempt to survey – Miss run. Drill from 725 to 784 feet. Survey at 784 feet (3/4°). Drill from 784 to 1251 feet. Survey at 1251 feet (1°). Drill from 1251 to 1500 feet.
- 4/13/00 Drilling from 1500 to 1754 feet. Survey at 1754 feet (3/4°). Drilling from 1754 to 2221 feet. Survey at 2181 feet (3/4°). Drilling from 2221 to 2600 feet.
- 4/14/00 Drilling 2600 to 2661 feet. Survey at 2661 feet (1/2°). Drilling from 2661 to 3155 feet. Survey at 3155 feet (1/2°). Drilling from 3155 to 3166 feet (lost returns). POOH 6 stands to 2800 feet. Mix high vis mud pill – (48 Vis – 8% LCM). Circulate high vis pill while waiting on additional water and mud material. RIH to 3145 feet. Ream to 3180 feet (Lost Returns). Mix high vis mud and build volume – (65 vis – 20% LCM). Pump high vis mud with 65 vis and 20% LCM. Retain circulation – Circulate high vis mud system. Drilling from 3166 to 3200 feet.

- 4/15/00 Drilling from 3200 to 3230 feet. Lost circulation – build mud volume – attempt to circulate. POOH 5 stands to 2920 feet. Circulate high 20% LCM mud. RIH to 3230 feet. Drill from 3230 to 3510 feet TD. Circulate with full returns. Short trip to 2890 feet – No drag. Circulate with full returns to condition hole. Strap out hole to log.
- 4/16/00 Drop survey. POOH- measure out – total measurement 3513.28' Survey (1/2°). R/U Halliburton and log – logs HRI / DSN / SDL / GR – logging unit total depth 3490 ft. R/D Halliburton logging equipment – prepare to RIH. RIH slowly to 2275'. Break circulation and circulate with full returns. Continue RIH to 3453 ft (60 ft of fill). Ream and circulate to bottom at 3513 ft. Circulate and condition hole for casing – lower mud to 51 vis. POOH laying down tubulars. R/U casing running equipment – change pipe rams to 7". Held safety meeting – run 90 joints, 3512.65 ft of 7", 20#/ft, K-55 casing with Weatherford model 751E two stage DV collar at 1951 ft. – tag bottom at 3509 feet. Install 7" circulating swedge and circulate with full returns.
- 4/17/00 Install cementing head – conduct safety meeting. Cement 1st stage 7" casing with 115 sks Class B, 3% extender + 2% CaC12 + 5 pps Gilsonite + ¼ pps Cellophane + .2% antifoam – 2.61 yield, 11.8 ppg – bump plug with 1172 psi. Drop DV bomb to open DV tool. Circulate through DV tool – No cement returns. Cement 2nd stage 7" casing with 350 sks Class B, 3% extender + 2% CaC12 + 5 pps Gilsonite + ¼ pps Cellophane + .2% antifoam – 2.61 yield, 11.8 ppg – bump plug with 1537 psi – 10 bbls of cement returns. N/D BOPE. Set 7" casing slips + cut off casing. N/U BOPE for air drilling. Test BOPE and service equipment to 250 psi low – 2000 psi high. Change out Kelly to 3-1/2". M/U air hammer bit and test same. Continue picking up BHA and 3-1/2" DP – RIH to DV tool – tag fill at 1935' – DV tool 1945'. Install rotating head packer – P/U Kelly – Displace hole with air. Air drill DV Tool from 1945 to 1947 feet + 30 feet with no fill. Continue packing up 3-1/2" drill pipe and RIH.
- 4/18/00 P/U 3-1/2" Drill pipe – tag cement at 3346'. Displace hole with air. Drill cement – shoe tracker to 3513'. Displace hole with air. Air drill from 3513 to 4770 feet.
- 4/19/00 Drill from 4770 to 4879 feet. Air circulate hole clean. POOH. L/D air hammer + bit and P/U new air hammer + bit. RIH with new air hammer and bit to 4770 feet. L/D 3 joints of drill pipe – P/U Kelly. Ream from 4770 to 4879 feet. Drill from 4879 to 4889 feet. Attempt to get air hammer + bit to drill – pump 5 gallons of soap to check for fluid – No fluid. POOH to check air hammer + bit. Bit was dull and out of gauge – L/D air hammer + bit – P/U mill tooth bit. RIH with mill tooth bit to 4635 feet. L/D 8 joints drill pipe – P/U Kelly. Break circulation with air. Ream from 4635 to 4769 feet.

- 4/20/00 Ream from 4769 to 4879'. POOH – Measure out of hole (Adjust depth to 4879'). M/U air hammer + bit and test hammer. RIH with air hammer + bit and tag bottom at 4875 feet. Drill from 4879 to 4950 feet. Grant rotating head insert leaking (change insert packer). Drill from 4950' to 5790 feet.
- 4/21/00 Drill from 5790 to 5884 feet TD. Clean hole with air for logging. Measure out of hole 48 stands – 2975 feet. L/D DP + BHA – Break Kelly. R/U and log open hole from 5884 to 3512 feet – GR-CAL-DIL-SP / GR-CNL-FDC. Change to 4-1/2" rams – R/U casing running equipment – conduct safety meeting. P/U and run 59 joints 4-1/2", 11.9#/ft, J-55 – 2649 feet. M/U Liner hanger – R/D casing running equipment. RIH with 4-1/2" liner on drill pipe. Clean hole with air – conduct safety meeting. M/U cement head. Cement liner with 205 sks, 12.4 ppg, Class B 50/50 po- + 2.75% gel + 2% Cal + 0.2% fluid loss (25% excess) – bump plug with 1050 psi. Set liner packer – circulate casing contents – No cement returns. POOH laying down pipe + liner setting tool. Nipple down BOPE.
- 4/22/00 Nipple down BOPE. Rig down air compressors – prepare rig to move. Release rig at 1200 hours. Rig down drilling equipment – prepare to move to Horton #1B.