

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Oil Cons.
N.M. DIV-Dist. 2
1001 W. Grand Avenue
Artesia, NM 88210FORM 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 to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Saga Petroleum LLC

3a. Address

415 W. Wall, Suite 1900, Midland, TX 79701

3b. Phone No. (include area code)

(432)684-4293

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL & 660' FEL
Sec 35 (P) T19S, R28E

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OCD-ARTESIA

5. Lease Serial No.

NM092190

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Dero A Fed Com #1

9. API Well No.

30-015-20304

10. Field and Pool, or Exploratory Area

Winchester Morrow

11. County or Parish, State

Eddy

NM

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/ Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input checked="" type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Recomplete</u> |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Bone Springs</u> |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (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 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.)

3-09-04 ☐ NDWH, weld on 4-1/2" collar & screw in 5' 4-1/2" sub & PU on csg. Remove csg slips out of WH. RU Computalog & RIH w/free point tool, Free point 100% @ 5030', 6015', 7030' & 7080'. POOH w/tool, PU chemical cutting tool & RIH to 7003', pulled up to 90,000# tension on csg & cut 4-1/2" csg. POOH w/cutting tool, NU BOP & SDFN.

3-10-04 ☐ RU csg crew & SOOH, LD 179 jts 4-1/2" csg & 10' cut off jt (7 AM to 12 PM) PU 4-1/2" Bowen csg patch & 5' 4-1/2" perf sub & 1- 4-1/2" FC & 1- 4-1/2" 11.6# shoe jt & 2nd 4-1/2" FC - used centralizers halfway on shoe jt & 2nd jt & 3rd jt. Space out 13 centralizers every other jt & 49 jts 11.6# 2046' & 92 jts 10.5# 3638' & 30 jts of 11.6# 1299'. Latch on 4-1/2" fish @ 6989', pull up to 70K-30K over string wt. RU Schlumberger, break circulation -cmt w/175 sx 35:65 Poz Class C, .3% D167, .15% D65, 6% D20, .25pps D29 & tail in w/520 sx 50:50 Poz Class C w/.3% D167, .15% D65, 2% D20 & .25 pps D29. Displaced w/108 bbls fresh wtr, failed to bump plug.

3-11-04 ☐ ND BOP, install csg 4-1/2" slips & make cut off on 4-1/2" csg, install WH spool & NU BOP

3-12-04 ☐ PU 3-7/8" bit, bit sub, 4- 3-1/8" dc's, top sub = total BHA=132.15 w/12' KB. PU 2-3/8" J55 tbg off rack & tag up @ 214 jts 6957'. RU power swivel & begin drlg cmt (cmt hard) stopped drlg @ 6986' (still drlg cmt). Circ hole clean.

3-13-04 ☐ Complete POOH w/tbg & dc's & bit, PU 4-1/2" scraper & RIH w/bit & scraper & 4 dc's on 218 jts 2-3/8" J55 tbg to 6986'. RU & circ 100 bbls 2% KCL wtr. Test csg to 1500 psi for 10-mins. POOH w/218 jts tbg & dc's & scraper & bit. LD dc's, scraper & bit. Cont on back - Copy to Artesia OCD

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

Name (Printed/Typed)

Bonnie Husband

Title

Production Analyst

Signature



Date

03/24/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

MAR 29 2004

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

ALEXIS C. SWOBODA

PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001, makes 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 reverse)

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3-16-04 RU Computalog, RIH w/logging tool Spectra Gama Compensated Neutron & tag up @ 6969'. Correlate w/Welex log. Log well from 6969'-4000'. POOH & RIH w/CBL logging tool & log from 6969'-3700'.

3-19-04 RU Computalog, RIH w/4-1/2" csg guns & perf 2 JSPF @ 6900', 6895', 6886', 6877', 6872', 6849', 6844', 6826', 6814', 6812' 20 holes. RD Computalog. PU 4-1/2" Arrow HD Model pkr 5' & 1.10' SN. RIH on 214 jts 2-3/8" J55 tbg 6727', hydrotest to 6000 psi. Set pkr w/18K compression @ 6746' w/12' KB. RU swab, IFL surface, swab dwn to SN in 7-runs. Had 5-10# gas blow - no oil show. Wait 1-hr, had 200' fluid entry., FFL 6550'. Rec 22 BW. SDFN

3-20-04 SITP 150 psi, blow dwn to tank, RU swab, IFL 6550', swab dwn, wait 1-1/2 hrs. RIH -no fluid entry. FL @ 6700'. Wait 1-1/2 hrs, ck fluid entry, none. RU Cudd, acidize perfs 6900'-6812' (20 holes) w/1000 gals 15% HCL NEFE w/40 ball sealers. Balled out w/20 balls, surge off & balled out 2nd time. Surge off balls & complete flushing to btm perf. Total load 53 bbls, avg 5 BPM @ avg press 3580 psi. Max 5800 psi. formation broke @ 2650 psi. 5-mins 934, 10 mins 930, 15 mins 928. ISDP 1080 psi. Release pkr & RIH & knock off balls. Reset pkr @ 6745', RU swab, IFL surface. Made 8-runs, swabbed dry & rec 29 bbls. 23-1/2 BLTR. FFL 6700', no show oil or gas.

3-21-04 FTP 0 psi, RU swab, IFL 6350', swab dwn 1st run. Wait 1-1/2 hrs - RIH w/swab, no fluid entry. Wait 1-1/2 hrs, RIH w/swab, no fluid entry. No show oil or gas. Rec 1 BW. SI till Monday 3-22-04 22-1/2 BLTR

3-23-04 SITP 100 psi - RU swab, IFL 6250', swab dwn 1st run. Wait 2-hrs, RIH w/swab, 100' fluid entry. Wait 2-hrs, RIH w/swab - no fluid entry. No show oil, very light gas blow. Rec 1 BW - 21-1/2 BLTR

3-24-04 FTP 0 psi, RU swab, IFL 6450', swab dwn 1st run. Rec 1 BW. 20 BLTR Release pkr & POOH w/tbg & pkr. RU Computalog & RIH w/Gamma Tool & setting tool & CIBP. Set dwn @ 4398' (btm of CIBP) Found CIBP stuck, work to free up, failed. Attempted to set CIBP. Failed to release off setting tool. POO Rope socket. End of WL appeared that we pulled out of rope socket, leaving no wire in hole. Pkr had all rubbers good & slips in place. Pkr is 3-7/8" OD & CIBP 3-1/2" OD