

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 Resource Development Technologies, LLC

3a. Address 80465
P.O. Box 1020, Morrison, CO 3b. Phone No. (include area code)
(303) 674-6571

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

760' FSL & 990' FEL, Section 4, T24N, R8W
SE SE of Section: Unit 'P'

5. Lease Serial No. NM 28752

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Scarecrow Fed. #1

9. API Well No.
30-045-25208

10. Field and Pool, or Exploratory Area
Dufers Point Gallup/Dakota

11. County or Parish, State
San Juan County, New Mexico

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input checked="" 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 type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input checked="" type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <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 recompleat 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 recompleat 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.)

Subsequent Report:

From 7/12 to 7/17/2004: RDT MI Pulling Unit. RDT RIH w/ Test Packer.
RDT Tested Casing above 2895' @ 1000 PSI/10 Min
RDT Injected below Packer @ 3895' @ 0.5-1.0 BPM
@ 500-750 PSI. RDT POOH w/ Test Packer.

RDT has determined that the Casing Leak is between 3895' & 4258'.
On 1/15/2002 Merrion Oil & Gas (previous Operator) had determined that there was a casin leak above 4258' before their test packer became stuck in this hole @ 3967'. The casing tested from 4258' to 5500' to 1000 psi for 10 Min. OK.

RDT has MO PU Pending Sundry Notice & Partner AFE Approval.

See Attached Plan for Casing Repair and Current Wellbore Diagram

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Robert A. Schwering, PE

Title Operations Manager

Signature

Date

7/29/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason

Title

Date

AUG 06 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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, 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 page 2)

NMOC

Addendum To BLM Sundry Notice Form 3160-5:
Scarecrow Federal #1 Well:
7/29/2004:

Notice of Intent:

RDT plans to circulate an AFE to Repair the Casing in this well. Operations planned are:

1. MIRU PU. ND tubinghead. NU BOPE. POOH w/ tubing.
2. RIH & Jar Loose or Mill-Over & recover packer body stuck @ 3967'.
3. Recover Lower Mandril Body & RBP Retrieving Head.
4. Clean-Out well to RBP @ 5500' & dump 2 sx. Sand on RBP.
5. Use Squeeze Packer to locate & isolate leak(s) between 3895' & 4258'.
6. Squeeze cement casing leak(s) with minimum 50 sx. Cement.
7. Drill-out & test casing to minimum 1000 psi. f/ 10 Min.
8. Circ. clean & recover RBP.
9. RIH w/ Tubing & Clean-Out well if necessary.
10. Swab test well to determine productivity.
11. Stimulate well if necessary to restore productivity.
12. Land tubing for pumping well. ND BOPE. NU tubinghead.
13. Run pump & rods & resume oil production.

Existing Perforations:

| | |
|------------------------------|----------------|
| Upper Gallup Fm.: | 5542' – 5674'. |
| Lower Gallup Fm.: | 5702' – 5764'. |
| Graneros (Upper Dakota) Fm.: | 6521' – 6558'. |

If the planned fishing operation and casing repair operations are NOT successful then the BLM & NMOCD will be notified of such failure. At that time RDT will inform the BLM & NMOCD of the condition of the wellbore. RDT will then request verbal approval to proceed to abandon the wellbore as contemplated in the Merriam Oil & Gas Sundry Notice, a Notice of Intent to Plug & Abandon this well, submitted to the BLM on 1/19/2004 & approved by the BLM on 1/23/2004. RDT will modify this approved procedure to meet the needs and desires of the BLM & NMOCD at that time.

A diagram of the current wellbore configuration is attached.



7/29/2004

Scarecrow Fed. #1

Current Config.

12 1/4" Hole →
Cement w/ 1075 sx. 9' + 2200'
Circ. to Surf.
8 5/8" @ 229' →

Surveys:
3 1/4" @ 230'
1 1/2" @ 1588'
3/4" @ 2752'
1 3/4" @ 5212'
1 1/2" @ 6526'
1 1/4" @ 6855'

R-3 Double Grip,
Stick @ 3967'
Lower Mandrel &
RBP Retrieving Tool
Still Attached On RBP

2 3/8" Tubing: 126 Jt. = 13'
KB = 3949.02'
SN = 1.10'
BTM @ 6761.12'

Casing Leak Interval:

3895' - 4258'
Casing Tested to 10000 OK
Above & Below Leak Interval

DV. Tool @ 4462' →

Cmt. 1st Stage:
630 sx. 100' + 2% Gel
TOC Unknown

Possible Lower Mandrel
& Retrieving Head on RBP

RBP @ 5500'
No Sand On Top

Upper Gallup:
5542/45/52/54/5556 250 Gal. 7 1/2% H.
5595/97/5610/12/5618 32K Gal. 0.1
5620/46/50/72/5674 50.5 K# 20/40

Lower Gallup:
5702/04/12/16/5720 500 Gal. 15% H.
5734/38/42/48/50/52/5764 43K Gal. 0.1
70.5 K# 20/40

Gravels:
6521' - 6526'
6528' - 6546'
6554' - 6558'

250 Gal. 7 1/2% H.
500 Gal. 15% H.
40 K Gal. 30% X-1
67.5 K# 20/40 Sd

Cmt. 1st St

F.C. @ 6808'
4 1/2" @ 6855' →

