

Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W. Grand Ave , Artesia, NM 88210
District III
1000 Rio Brazos Rd , Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (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. 30-039-21827
1. Type of Well: Oil Well Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Golden Oil Holding Corporation		6. State Oil & Gas Lease No.
3. Address of Operator c/o Walsh Engineering & Production Corp 7415 East Main Street, Farmington, NM 87402 505-327-4892		7. Lease Name or Unit Agreement Name Jicarilla 70
4. Well Location Unit Letter I : 1850' feet from the South line and 790' feet from the East line Section 27 Township 24N Range 4W NMPM Rio Arriba County		8. Well Number #7
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7055' GR		9. OGRID Number 240787
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Basin Dakota/Lindrith Gallup
Pit type <u>Workover</u> Depth to Groundwater <u>> 100'</u> Distance from nearest fresh water well <u>> 1000'</u> Distance from nearest surface water <u>1000'</u>		
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER. <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER. <input type="checkbox"/>
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13. 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 recompletion.

RCVD JUN5'07

OIL CONS. DIV.

DIST. 3

Pending EPA and NMOCD permits, Golden Oil Holding Corporation intends to convert the Jicarilla Apache 70-7 to a Class II SWD disposal well, as per the attached procedure.

Golden is also requesting approval for a temporary 12'x12'x5' workover pit on the above mentioned well.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE John C. Thompson TITLE Engineer/Agent DATE 5/29/05

Type or print name: John C. Thompson

E-mail address: john@walsheng.net

Telephone No. 505.327.4892

For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE JUN 29 2007
Conditions of Approval (if any):

B

PROGNOSIS FOR
Golden Oil Holding Corporation
Jicarilla #70-7

Location: Section I27 T24N R4W
Rio Arriba, New Mexico

Revised: May 8, 2007

Field: Lindrith Dakota/Gallup

Elevation: 7055' GL
7067' KB

Surface: Jicarilla Apache
Lease Number: Jicarilla 70

Procedure:

Prior to Move in:

1. Check for anchors and dig reserve pit if necessary. Note: file for temporary "pit permit" w/ state of New Mexico.

Squeeze Existing perforations (Gallup & Dakota):

2. Move on location and rig up service unit. Hold safety meeting. Blow well down and kill with water, if necessary.
3. ND WH & NU BOP. TOH with (7340') of 2-3/8" tubing. Tally & visually inspect tbgs while TOH. Replace any bad jts. RU Hydrotester and PU 4-1/2" casing scraper. TIH to 7100'. Hydrotest tubing to #1500 while TIH. TOH & lay down casing scraper.
4. TIH with cement retainer on 2-3/8" tubing. Set retainer at 7000'. Pressure test tubing. Load backside w/ water & hold #100 of pressure. Establish an injection rate with water into the Dakota perms. Mix & pump 75 sx (87.3 cu. ft.) of Class "B" cement. **Monitor backside while pumping cement.** Sting out of retainer leaving 50' of cement on top of retainer. TOH w/ tbgs.

Squeeze Gallup:

5. TIH w/ CICR and set at 6100'. Pressure test tubing. Load backside w/ water & hold #100 of pressure. Establish an injection rate into Gallup perms. Mix & pump 50 sx (59.0 cu.ft.) of Class "B" cement. **Monitor backside while pumping cement.**
6. Displace cement below CICR. Sting out of retainer leaving 50' of cement on top of retainer. Reverse tubing and casing clean. TOH
7. Pressure test casing to #1000. If pressure test OK. RIH w/ bond log and run log from new PBTD (6050') to surface. If pressure test fails, set packer and determine location of leak(s). RE-squeeze as necessary.

Perforate & Acidize Point Lookout

8. If pressure test is OK, TIH to 4800' and spot 500 gal of 15% HCl. TOH w/ tbg. RU perforators and perforate Mesaverde formation 4 spf at the following depths: 4760'-4800', 4804'-4814', 5046'-5066', 5132'-5170' & 5204'-5256', (total of 640 holes.)
9. Acidize Point Lookout w/ 2000 gals. of 15% HCl. Pump acid w/ 300 (1.3 SG) ball sealers. RIH w/ junk basket. Run junk basket to at least 5300' to knock balls off perms & recover as many balls as possible.

Injection Test

10. Pick up 4-1/2" X 2-3/8" packer and TIH. Set packer at 4600'. Load the annulus and pressure up to 100 psi. Monitor annulus pressure during injection test. Inject water down the tubing and into the Point Lookout formation, starting at 1/4 BPM and increasing rate in 1/4 BPM increments. Maximum injection pressure allowable by NMOCD will be 952 psi. Record all rates and pressures. TOH and lay down packer.

Install injection string

11. If injection rates and pressures are satisfactory, TIH with plastic lined packer with on-off tool and on 2-3/8" plastic lined tubing.
12. Circulate packer fluid down backside and set packer at 4710'.
13. Release rig and move off location

Install surface facilities

14. Install injection pump and surface facilities.
15. Run step rate injection test and casing integrity test per EPA and NMOCD requirements.

John C. Thompson

Engineer