

JUN 27 2008

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No 1004-0137  
Expires: March 31, 2007SUNDRY NOTICES AND REPORTS ON **RECEIVED**

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 ☐ Other2. Name of Operator **Elk San Juan, Inc.**3a. Address  
**1401 17th Street, Suite 700, Denver, Colorado, 80202**3b. Phone No. (include area code)  
**303-296-4505**

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

**J: 1700' FSL, 1645' FEL, Section 21-T31N-R14W**

5. Lease Serial No.

**IMDA 751-05-1025, Tract C**

6. If Indian, Allottee or Tribe Name

**Ute Mountain Ute**

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

**NA**

8. Well Name and No.

**Ute Mountain Tribal 21D**

9. API Well No.

**3004534113**

10. Field and Pool, or Exploratory Area

**Verde Field**

11. County or Parish, State

**San Juan County, 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 checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input 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 type="checkbox"/> Other
	<input 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.)

Work began on 5/24/08 to frac treat the subject well. Run Tracer and Temperature Logs from 1650'-3025'. Open frac sleeve @ 3015'; sand frac from 2923'-3097' with 426 bbls 24# gel, 76,000# 20/40 sand, and 70 quality N2. Open frac sleeve @ 2828', sand frac from 2763'-2923' with 408 bbls 24# gel, 84,000# 20/40 sand, and 70 quality N2. Flow back well. Shut well in to build pressure. Drill 2 1/2" sleeve @ 2668', drill 2' sleeve from 2827' to 2829'. Drill 2" sleeve @ 2828'. Drill on 3" Hydroport sleeve. Drill 3" sleeve @ 3015'. Run R/A log. Run production equipment in hole. Swab on well. Set pumping unit. Began pump testing well on 6/13/08.

ACCEPTED FOR RECORD

By: *Dep* 7/8/08  
San Juan Resource Area  
Bureau of Land Management

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

**Karin Kuhn**Title **Sr. Engineering Technician**

Signature

Date

**06/23/2008****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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)

RECORDED

# Elk Production LLC Field Activity Report

UTE MTN UTE RES.

UTE MTN TRIBAL 21-D "C"

GAL	31N 14W 21 NWS	1PDP	30045341130000
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**SYNOPSIS:** Work began on 5/24/08 to frac treat the subject well. Run Tracer and Temperature Logs from 1650'-3025'. Open frac sleeve @ 3015'; sand frac from 2923'-3097' with 426 bbls 24# gel, 76,000# 20/40 sand, and 70 quality N2. Open frac sleeve @ 2828', sand frac from 2763'-2923' with 408 bbls 24# gel, 84,000# 20/40 sand, and 70 quality N2. Flow back well. Shut well in to build pressure. Drill 2 1/2" sleeve @ 2668', drill 2" sleeve from 2827' to 2829'. Drill 2" sleeve @ 2828'. Drill on 3" Hydroport sleeve. Drill 3" sleeve @ 3015'. Run R/A log. Run production equipment in hole. Swab on well. Set pumping unit. Began pump testing well on 6/13/08.

On 4/26/2008, MIRU Key Rig #27. Tested BOPs and manifold, 250 low, 3000 high, ok. Ran in hole and drilled out cement from 1765' to float shoe @ 1808'. Drilled and surveyed to 3152' (TD); reached TD on 5/3/2008. Cored from 2599' to 2659' (60'). Cored from 2657' to 2717' (60'). Cored from 2792' to 2804' (12'). Cored from 2814' to 2826' (12'). Core from 2980' to 3035' (55'). Run logs from 1808' to 3152'. Set 4 1/2", 11 6#, N80 ST&C casing @ 3151', setting 4 1/2" external casing packers @ 2616', 2763', 2923', 3097'; set ball-actuated frac sleeve modules at 2668' and 2828'; set hydroport pressure-activated sleeve module @ 3015'; and ball-activated direct inflation sub module @ 3110'. Rig down. Currently waiting on frac.

Drl 6 1/4" hole to 1825'. Picked up an 8 3/4" bit and reamed 6 1/4" hole to 8 3/4" to 1825'. Set 23#, J-55, LT&C csg @ 1825'. cement casing with 147 sx 65/35 STD Poz w/ 6% gel, 5 pps gilsonite, 1/4 pps superflake mixed @ 12.3 ppg w/ 1.94 yield, followed by 100 sx Std Poz with 2% CaCl<sub>2</sub>, 5 pps gilsonite and 1/4 pps superflake mixed @ 15.2 ppg with 1.27 yield, bumped plug @ 1500#, float held ok. Cmt circulated to pit, Rig down and released surface rig on 3/22/08. Shut well in and wait on drilling rig to finish drilling well.

Spud: 3/8/08. MIRU D&D Rig #1, drl 12 1/4" hole 145'; set 9 5/8", 36#, ST&C, surface casing @ 139' and cemented with 95 sx cmt (20 bbls) STD w/ 2% CaCl<sub>2</sub> & 1/4# surflake mixed @ 15.6 ppg, 1.18 yield, dropped plug. Wait on cement. Pressure test BOP, test blind rams, pipe rams, safety valve and choke manifold to 250# low and 2000# high. Test casing to 600#, held ok. Drill out cement 75' to 145'. Begin drilling 8 3/4" hole. Currently drilling ahead @ 425'.

## Daily Detail:

5/27/2008 4 1/2" & 7" annular on vacuum. RU Key Pmp Srv, fill 4 1/2" w/ 33.3 bbls, FL @ 2148'. Capacity of 4 1/2" to 3150' is 48.96 bbls; to hydroport @ 3015' is 46.85 bbls, 2" frac sleeve @ 2828' is 43.66 bbls, 2 1/2" frac sleeve @ 2668' is 41.6 bbls. Pressured up 4 1/2" to 1000 psi - 3 times, pressure bled off in 3 min. Tried to fill annulus, pmpd 36 bbls @ 1.25 bpm @ 21 psi. Did not fill up or pressure up. RD Key Pmp Srv. 4 1/2" on vac; using capacity & bbls, indicates fluid going out of the 2 1/2" frac sleeve @ 2666'. RU Black Warrior & Key Pmp Srv, run Temperature Log f/ 1650'-3025'. Fill 4 1/2" csg w/ 25.9 bbls. Run Tracer Log f/ 1650'-3025'. Pmp in @ 2500 psi & .5 bpm; pmpd 49 bbls. Rerun Temperature log after pmpg 49 bbls. RD Black Warrior & Key Pmpg. Logs indicate fluid going dn past 3025'.

5/30/2008 RU BJ frac & N2. RU Protechnics. Pmp 4% KCL to opn sleeve @ 3015'. Sleeve opns @ 4412 psi. Sand frac btm zone (2923-3097') w/ 426 bbls 24# gel, 76,000# 20/40 sand @ 1-4 ppg & 70% quality N2. Max press during frac was 1640 psi, avg was 1260 psi. ISIP was 76 psi. Apparent frac gradient was .4 to .6 psi/ft. Stage 1 tagged w/ IR 192. SD & drop ball (2.25) to opn the sleeve @ 2828' & pmp into shear. Sleeve opns @ 1610 psi. Sand frac middle zone (2763'-2923') w/ 408 bbls 24# gel, 84,000# 20/40 sand @ 1-4 ppg & 70% quality N2. Max press during frac was 1687 psi, avg was 1090 psi. ISIP 700 psi. Apparent frac gradient was .3 to .5 psi/ft. Stage 2 was tagged w/ SC-46. All fluids contained 4% KCL. RD Protechnics & BJ. Fluid to recover Stage 1: 380.5 bbls; Stage 2: 348.7 bbls; Total bbls: 729.2. Opn well on 10/64" chk, flwg on 440 psi. SWI to see if pressure will build up; well SI for 12 hrs: 4 1/2" csg 0; 7" 0 @ 6am today.

6/2/2008 MIRU Key Workover Rig & Diamond Air. PU BHA & 52 jts. Load hole & break circ w/ foam & air. TIH to 2668', tag'd 1st sleeve on jt 82 (20' in, 11' out). RU swivel. Drl 2 1/2" sleeve @ 2668'. Circ ctn. TIH to 2827' on sleeve #2 (2' sleeve). Drl from 2827' to 2829'. Circ hole ctn & pull 2 stds & 1 single. Ck press 4 1/2" csg 400 psi trapped air 2 3/8" tbg 0. Blow dn 4 1/2" csg. Load hole & circ w/air & soap. TIH to 2829' top of 2" sleeve. Drl 2" sleeve @ 2828' & circ ctn. TIH to 3015', junk from 2" sleeve keeps hanging up. Drl on 3" hydroport sleeve, bit quit. Circ ctn w/air & soap. TFB #2. SDFN.

6/3/2008 Ck pressure 4 1/2" csg 250 psi trapped air 2 3/8" tbg 0. Blow dn 4 1/2" csg. Load hole & circ w/ air & soap. TIH to 3016', top of 3" sleeve. Drl 3" sleeve @ 3015' & circ ctn. TOH to run after frac R/A Log. Ran 79 jts 2 3/8" tbg, KB-2557.98', Tbg Anchor-3' (set @ 2561'), 6 std- 2 3/8" - 376.47', Seat Nipple - 1.10', Perf Sub - 6.25' (2,938' to 2945'), Mud Anchor - 31.65', EOT @ 2976'. Set Anchor w/ 12000# tension. ND BOPs & installed tbg head & tstd to 1500#, tst ok. SDFN.

6/4/2008 Pressure: 0 Tbg, 180 4.5" csg, light blow 7" csg, TA @ 2561', SN @ 2938', FL @ 2400'. Swbd, made 14 runs, recovered 338', 12% oil, 51 bbls. Note: Last 3 runs got back aprox 1/4 bbls. Tbg had a light blow, 4.5" csg 200#, 7" csg light blow. SDFN.

6/5/2008 Pressure: 15 Tbg, 235 4.5" csg, light blow 7" csg, TA @ 2561', SN @ 2938', FL @ 2650'. Swbd, made 17 runs, recovered 288', 8% oil, 25.47 bbls. Tbg had a light blow, 4.5" csg 200#, 7" csg light blow. Fluid coming in well at approx 1.50 bbls per or 36 bbls per day. SDFN.

6/6/2008 Pressure: 0 Tbg, 235 4.5" csg, light blow 7" csg, TA @ 2561', SN @ 2938', FL @ 2500'. Swbd, made 9 runs, recovered 238', 6% oil, 7.99 bbls. WO DH pmp & rods. Did not see any sand during swbg. Run 12'x1.5" pump & gas anchor + 113 - 3/4" rods + 8' pony rod polish rod. Could not get pmp truck to load tbg & check pmp, will do 6/6/2008 & RD. SDFN.

# Elk Production LLC Field Activity Report

UTE MTN UTE RES.

UTE MTN TRIBAL 21-D "C"

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6/9/2008 Pressure: 0 Tbg, 190 - 4.5" csg, light blow - 7" csg, TA @ 2561', SN @ 2938'. Pressured up 500 psi & tested for 15 min., ok Rlsd Key rig & emptied flow back tank. Left tank on location to pump into. Setting prmpg unit.

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6/17/2008 Began pumping operations on well 6-13-2008. In the first 67 hrs on production, well produced 65 BO and 35 BW.