

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.
NM 100599 SF-000-566A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Stevie Joe No. 3

9. API Well No.

3003906072

10. Field and Pool, or Exploratory Area

Blanco Pictured Cliffs South

11. County or Parish, State

Rio Arriba, NM

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Standard Silver Corporation

3a. Address

15 Vista Cliff Place; Richardson, TX 75080

3b. Phone No. (include area code)

(972) 479-9701

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

NE 1/4 of SW 1/4 of S7, T25N, R3W, NMPM

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☒ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

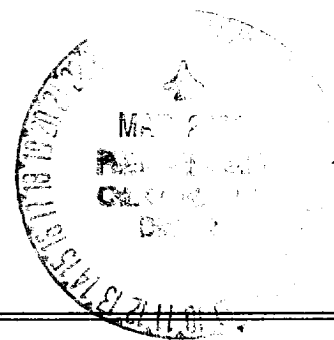
☐ Well Integrity

☐ Other

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.)

See attached pages and drawings

2001 MAR -5 PM 1:28



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

John Cayias

Title

Agent

Signature

Date

2/28/01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Brian W. Davis

Title
Lands and Mineral Resources

Date

MAR 22 2001

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, 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)

NMOCD

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present

productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information on connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. et seq.; 43 CFR 3160.

PRINCIPAL PURPOSE - The information is to be used to evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease.

ROUTINE USES:

- (1) Evaluate the equipment and procedures to be used during a proposed subsequent well operation and to review the completed well operations for compliance with the approved plan.
- (2) Request and grant approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4.
- (3) Report the beginning or resumption of production, as required by 43 CFR 3162.4-1(c).
- (4) Analyze future applications to drill or modify operations in light of data obtained and methods used.
- (5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION - Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4, and 3162.4-1(c).

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et seq.) requires us to inform you that:

This information is being collected in order to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer, (DW-101) Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 and the Office of Management and Budget, Paperwork Reduction Project (1004-0135), Washington, D.C. 20503.

Minel Plug and Abandonment Procedure

Well Name: Stevie Joe No. 3
Formation: Blanco Pictured Cliffs South
Lease Name: SF-080-566A
Location: NE¼ SW¼ S7, T25N, R3W, NMPM, Rio Arriba Co., NM

Procedures and instructions:

1. MI, install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM and Minel safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record Wellhead pressures. NU relief line and blow down well. Kill with 8.3 ppg water as necessary. ND wellhead and NU BOP and stripping head. Test BOP.
2. PU additional 2-3/8" tubing and tag bottom. POH and tally 2-3/8" tubing. Round trip a 4½" casing scraper on tubing to 3820' or as deep as possible. If less than 3800' clean out wellbore with foam unit or hydrostatic bailer as needed to 3820'.
3. PU a 4½" full bore packer and RIH with the tubing. Set packer at 3600' and load the casing with 2% KCl (or NutraClay) treated water. Pressure test the casing to 400 psig for 15 minutes. If there are indications of a casing leak, such as low pressure, high fluid level or drilling mud on the tubing, then set a top drillable CIBP at 3650'. Then test and isolate the casing leak interval with the packer.
4. If the casing does not leak, then release the packer and POH. LD packer. RIH with 3-7/8" bit and clean out any fill on bottom, circulate the well clean using nitrogen or air. Contact office to determine if acidizing the perforations is warranted. If the casing does leak, then report the top and bottom of the bad casing to the office. Minel will determine if the casing repair is economic. In the event the well is not economic to repair, then continue with procedures.
5. **Plug # 1 (Pictured Cliffs, Fruitland, Kirtland and Ojo Alamo tops, 3682' - 3178')**: Set a 4½" wireline CIBP at 3682'. RIH with open ended tubing and tag CIBP. Load casing with water and circulate well clean. If casing did not test, then spot or tag subsequent plugs as appropriate. Mix 42 sxs type II cement and spot a balanced plug inside casing above the CIBP to isolate the Pictured Cliffs perforations and to cover through the Ojo Alamo top. POH with tubing.
6. **Plug #2 (Nacimiento top, 1630' - 1530')**: Perforate 3 HSC squeeze holes at 1630'. Establish rate into squeeze holes if casing tested. Set 4½" cement retainer at 1580'. Establish rate into squeeze holes. Mix and pump 36 sxs type II cement. Squeeze 24 sxs type II cement outside 4½" casing and leave 12 sxs type II cement inside casing to cover the Nacimiento top. POH and LD tubing.

7. **Plug #3 (8-5/8" Surface casing at 170' to Surface):** Perforate 3 HSC squeeze holes at 170'. Establish rate out bradenhead valve. Mix and pump approximately 60 sxs type II cement down 4½" casing and circulate good cement out bradenhead valve. Shut well in and WOC.
8. ND BOP and cut off casing below surface. Install P&A marker with cement to comply with regulations. RD, MOL, cut off anchors, and restore location.

Stevie Joe #3

Current

Blanco Pictured Cliffs South

NE¼ SW¼ Section 7, T-25-N, R-3-W, NMPM, Rio Arriba County, NM

Today's Date: 2/28/01

Spud: 6/30/64

Completed: 9/28/64

Elevation: 7203' GL

12" hole

8-5/8" 24# Casing set @ 120'
Cemented with 50 sxs (Circulated to Surface)

Nacimiento @ 1580'

2-3/8" Tubing Set at 3700'

TOC @ 2871' (Calc, 75%)

Ojo Alamo @ 3228'

Kirtland @ 3430'

Fruitland @ 3520'

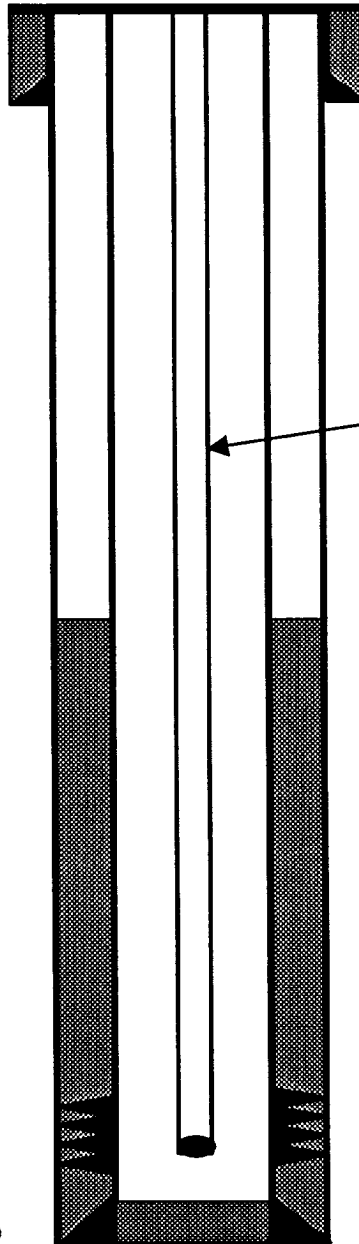
Pictured Cliffs @ 3745'

Pictured Cliffs Perforations:
3732' – 3800'

4-1/2" 10.5# Casing set @ 3832'
Cemented with 150 sxs

6-3/4" hole

TD 3850'



Stevie Joe #3

Proposed P&A

Blanco Pictured Cliffs South

NE¼ SW¼ Section 7, T-25-N, R-3-W, NMPM, Rio Arriba County, NM

Today's Date: 2/28/01

Spud: 6/30/64

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12" hole

Nacimiento @ 1580'

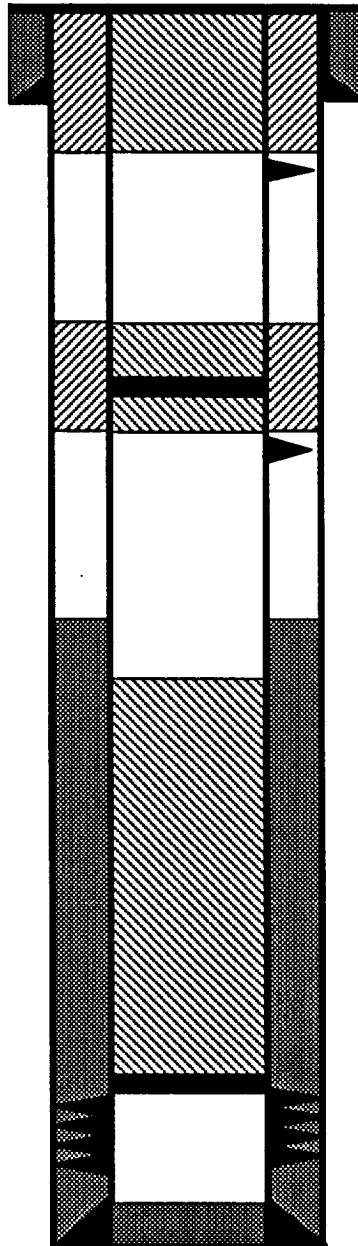
Ojo Alamo @ 3228'

Kirtland @ 3430'

Fruitland @ 3520'

Pictured Cliffs @ 3745'

6-3/4" hole



TD 3850'

8-5/8" 24# Casing set @ 120'
Cemented with 50 sxs (Circulated to Surface)

Perforate @ 170'

Plug #3 170' - Surface
Cement with 60 sxs

Cmt Retainer @ 1580'

Perforate @ 1630'

Plug #2 1630' - 1530'
Cement with 36 sxs,
24 outside casing
and 12 inside.

TOC @ 2871' (Calc, 75%)

Plug #1 3682' - 3178'
Cement with 42 sxs

Set CIBP @ 3682'

Pictured Cliffs Perforations:
3732' - 3800'

4-1/2" 10.5# Casing set @ 3832'
Cemented with 150 sxs