

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

RECEIVED

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other Injection well

2. Name of Operator

Evergreen Operating Corporation

3. Address and Telephone No.

1512 Larimer Street, Suite 1000, Denver, CO 80202

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

1650' FSL, 2310' FWL
Sec. 3-T16S-R31E

5. Lease Designation and Serial No.

NM 04421

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

NE Square Lake Unit

8. Well Name and No.

3

9. API Well No.

30-015-87356

10. Field and Pool, or Exploratory Area

NE Square Lake

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☒ Altering Casing
☐ Other
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection

Shut-in

(Note: Report results of multiple completion on Well Completion or
Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

This well was approved for a SI status as per the attached Sundry Notice.

Evergreen requests that this well remain in a SI status until a full evaluation, as shown in the attached plan of development, has been completed.

APPROVED FOR 12 MONTH PERIOD
ENDING 6/16/95

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

Signed Stephanie J. Basey

Title Petroleum Engineer

Date 6/13/94

(This space for Federal or State office use)

Orig. Signed by Shannon J. Shaw

Petroleum Engineer

Approved by

Title

Date

7/15/94

Conditions of approval, if any:

- This well will require M.I.T. by 6/16/95 if it remains inactive.

RECEIVED
JUN 16 11 01 AM '94
CANTON
ARIZONA

OPERATOR'S COPY

CARLSBAD

Form 3160-5
11 December 1989

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Injection well	5. License Designation and Series No. NM 04421 04421
2. Name of Operator Evergreen Operating Corporation	6. If Lease, Allotment or Tribe Name SJS
3. Address and Telephone No. 1512 Larimer St. #1000, Denver, CO 80202 (303) 534-0400	7. If Unit or CA Agreement Designation NE Square Lake Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FSL, 2310' FWL, Sec. 3-T16S-R31E	8. Well Name and No. NE Square Lake #3
	9. API Well No. 30-015-87356
	10. Field and Pool, or Explanatory Area NE Square Lake
	11. County or Parish, State Eddy, NM

12. CHECK APPROPRIATE BOX(S) 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"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Reconnection
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	Temporary Abandonment <u>SI</u>
	(Note: Report results of immediate completion on Well Completion or Reconnection Report and Log form.)

13. Describe proposed or completed operations (Clearly state all pertinent details, and give pertinent data, accurate estimated date of starting any proposed work, if well is discontinuously drilled, give separator locations and measures and true vertical depths for all chambers and zones pertinent to this work.)

WAS

This well ~~will be~~ shut in December 31, 1993.

An evaluation of procedures and expenses required to bring this unit back to economic levels is currently underway.

ACCEPTED FOR RECORD

FEB 10 1994

SJS

CARLSBAD, NEW MEXICO

4. I hereby certify that the foregoing is true and correct
Signed Sarah Jane Dwyer Title Petroleum Engineer Date 12/20/93
(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Comments of approval, if any:
Please submit plan to either P&A, perform casing integrity test to TA, or return well to injection no later than 9/1/94. sjsaw

The U.S. S.C. Section 1001, makes it a crime for any person knowingly and willfully to make or use a statement or report of the Bureau of Land Management or its representatives as to any matter within its jurisdiction.

(See instruction on Reverse Side)

NE SQUARE LAKE UNIT PLAN OF DEVELOPMENT
T16S-R31E
EDDY AND LEA COUNTIES, NM

OPERATED BY:
EVERGREEN OPERATING CORPORATION

OBJECTIVE:

Evaluation of the entire field to determine feasibility of bringing this unit back to full waterflood status by obtaining individual well data required for a reservoir study.

CURRENT UNIT STATUS:

The #9 and #30 are being worked on now. The #30 has just been re-fraced and the #9 is being flowtested. The only operating injection well is the #21.

TESTING AND INFORMATION OBTAINED FROM DRILLING #30 IN 9/93:

- While drilling the #30 well, we ran a mud log from 2800' to 3741'. This log shows drilling rate, lithology and hydrocarbon shows on 10 foot intervals. Hydrocarbon shows were observed in the following intervals:
 - 2968' to 3016'
 - 3529' to 3538'
 - 3618' to 3741'The mud log also describes the core taken from 3657'-3701' on a foot-by-foot basis.
- 73% of a 60' Premier Sand core was recovered from 3657' to 3701'.
- A CNL/GR/Caliper log was run from surface to TD.
- A DLL/ML/GR log was run from 2600' to TD.
- Foot-by-foot core analysis gave us the following information:
 - Two permeability measurements, one relative to air and one taking into account the Klinkenberg Effect.
 - Porosity measurements.
 - Oil and water saturations.
 - Sample description.
- Relative permeability and capillary pressure evaluations were done at core depths of 3659.5', 3665.4', 3689.0', 3692.1' and 3695.3'. Conclusions of this analysis show that:
 - Relative permeability determinations indicate this reservoir may have mixed wettability properties with an average mobility ratio of 1.78 for water displacing oil.
 - Very little additional oil will be recovered after water breakthrough.
 - Injection of produced water should recover an average of 37% of OOIP.
 - Mercury injection capillary pressure curves suggest that greater than 75% of the pore volume space should have been originally occupied by oil.
- A complete fluid analysis was done on both produced water and oil.

Plan of Development
Page two

- A five day pressure build-up test immediately following perforating showed a reservoir pressure of 2,580 psig. This reservoir pressure was 1,380 psi higher than our records show the original reservoir pressure to be.
- The first frac screened out after pumping only 358 bbls of Viking II-30 and 12,300 lbs of 12/20 sand.
- Due to low production levels, #30 was shut in on February 1, 1994 and a second build-up test was done. After 17 days, the pressure had built up to only 2,287 psig. This test took 12 days longer to build up to 300 psi less than the final build-up pressure from the previous test.
- The #30 was re-fraced on 6/1/94 and is currently flowing up the casing at 30# casing pressure and 60 BFPD with a 5-15% oil cut.

TENTATIVE PLANS FOR NEXT 12 MONTHS:

- Produce the #30 until stabilized production rates are achieved (or a maximum of three months) to obtain pre-waterflood information.
- Work over the #9 to evaluate whether to move on a pumping unit, re-frac or plug.
- Reinstate injection into the 3 injection wells surrounding the #30 while monitoring pressure and production rates from the #30 to obtain post-waterflood information.
- Evaluate and upgrade surface equipment as necessary.
- Evaluate infill drilling sites.
- Evaluate recompleting the #31.

LONG-TERM PLANS:

- Evaluate, recomplete and bring on all current wells, one five-spot at a time, if economically feasible.
- Drill infill wells as economically feasible.
- Return unit to economic production levels.