

BLACK RIVER CORPORATION
ATTACHMENT TO FORM C-102
MILLER #1
760' FNL 2080' FWL
SECTION 10: T-23-S, R-27-E
EDDY COUNTY, NEW MEXICO

WORKING INTEREST AND ROYALTY OWNERSHIP

Tract I: N/2 NW/4 and SW/4 NW/4, Section 10

| | |
|--|-------|
| <u>William B. Blakemore II 100% Working Interest</u> | |
| Forrest Miller and wife Marifred Miller | 1/4 |
| David D. and wife Earnestine Carrasco | 1/4 |
| Simon and wife Cinderella Carrasco | 1/2 |
| | <hr/> |
| | All |

Tract II: N/2 NE/4 Section 10

| | |
|--|-------|
| <u>William B. Blakemore II 100% Working Interest</u> | |
| David D. and wife Earnestine Carrasco | 1/4 |
| Forrest Miller and wife Marifred Miller | 1/4 |
| W. H. McNutt | 1/2 |
| | <hr/> |
| | All |

Tract III: SE/4 NW/4 and SW/4 NE/4 Section 10

| | |
|---|-------|
| <u>Black River Corporation 100% Working Interest</u> | |
| <u>until payout re: Farmin from Mesa Petroleum Co.</u> | |
| Hubert Cook, Individually and Mercantile National Bank as Trustees, Dallas, Texas | 1/8 |
| H. B. Rodgers aka W. B. Rodgers and wife Mabel Rodgers | 1/8 |
| Curtis Kelly Skeen and wife Carol D. Skeen | 1/8 |
| Dora Lewis McKnight, Doralea Sanders Bean and Leland L. Fellows, Independent Executors and Trustees under the Last Will and Testaments of L. T. Lewis, deceased and Nellie T. Lewis, deceased | 1/4 |
| H. B. Robb, Jr., Individually and Mabel Claire Robb, a widow | 1/8 |
| J. Y. Robb, Jr., Individually and Independent Executor of the Estate of J. Y. Robb and Isabell Robb, deceased | 1/8 |
| Janet Robb, deceased | 1/8 |
| Janet Robb O'brien | 1/8 |
| | <hr/> |
| | All |

Tract IV: SE/4 SE/4 Section 29

| | |
|---|-------|
| <u>Black River Corporation 100% Working Interest</u> | |
| <u>until payout re: Farmin from Huskey Oil Co.</u> | |
| H. B. Rodgers aka W. B. Rodgers and wife Mabel Rodgers | 1/4 |
| Curtis Kelly Skeen and wife Carol D. Skeen | 1/4 |
| Dora Lewis McKnight, Coralea Sanders Bean and Leland R. Fellows, Independent Executors and Trustees under the Last Will and Testaments of L. T. Lewis, deceased and Nellie T. Lewis, deceased | 1/2 |
| | <hr/> |
| | All |

BLACK RIVER CORPORATION
ATTACHMENT TO FORM C-101
MILLER #1
760' FNL 2080' FEL
SECTION 10: T-23-S, R-27-E
EDDY COUNTY, NEW MEXICO

MUD PROGRAM:

The surface hole (surface to 350') will be drilled with high viscosity gelled water containing 5 to 8 pounds per barrel of loss circulation material. The interval 350' to 5600' will be drilled with saturated brine water. The interval 3600' to approximately 9100' (Third Bone Spring) will be drilled with fresh water containing lime and corrosion inhibitor. If any high pressures are encountered while drilling the interval 5600' to 9100' will then convert to brine water. At 9100' 10.2 brine water will be used to a depth of 11,800'. At 11,800' the contractor will convert the existing drilling fluid system to a system composed of Magcogel, Bennex, Sipan and Soda Ash. This system is to be maintained with the following required characteristics to hold the morrow bottom hole pressure:

Weight: 8.6 to 9.0 pounds per gallon, or consistent with preventing excessive gas cutting of the system.

Viscosity: 34 to 36 or more seconds per thousand cc's.

Water Loss: 10.0 cc or less.

BLACK RIVER CORPORATION
Attachment to Form C-101
Miller #1
760' FNL 2080' FWL
Section 10: T-23-S, R-27-E
Eddy County, New Mexico

RECEIVED

MAY 19 1978

O. C. C.
ARTEZIA, OFFICE

SCHMATIC ON BLOW OUT PREVENTOR

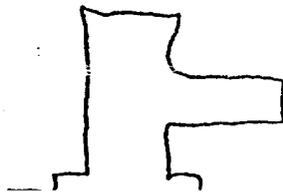
366-8844



RENTALS

8701 W. COUNTY ROAD
P. O. BOX 6462
ODESSA, TEXAS 79762

BOP EQUIPMENT FOR BLACK RIVER CORP.





HALLIBURTON SERVICES

FRACTURING
CEMENTING
CHEMICAL
SERVICE

PROPOSAL

May 8, 1978

Procedure Analysis
Cementing

For: Mr. Forrest Miller
Black River Corp.
620 Commercial Building
Midland, Texas

Re: Miller #1
Eddy County, New Mexico

The purpose of this analysis is to recommend the procedures and materials to cement the various casing strings in the above captioned well.

Proposed Well Data:

Surface: 13 3/8" casing in 17 1/2" hole set at 350'
Intermediate: 10 3/4" casing in 12 1/4" hole set at 5600'
Liner: 7 5/8" in 9 1/2" hole set at 11,800'
Liner: 5" in 6 1/2" hole set at 12,200'

Recommendation:

It is recommended that the surface casing be cemented with 375 sacks of class C cement containing 2% calcium chloride. This volume is calculated to circulate and includes 100% excess over the theoretical annular volume. Floating equipment for this string should consist of a 13 3/8" guide shoe, insert float valve, one centralizer and two pounds of Weld-A.

The recommended cement for the intermediate casing is 400 sacks of Halliburton Light with 8#/sack salt, followed by 300 sacks of class C cement with 6#/sack salt. This volume includes 50% excess. The suggested float equipment includes a float collar and shoe, and two pounds of Weld-A.

The recommended cement for the 7 5/8" liner is to be cemented with 1,250 sacks of Class H with 3/4% CFR-2. This volume includes 35% excess over the theoretical annular volume and is calculated to circulate the liner.

The recommended cement for the 5" production liner is 60 sacks of class H with 1% CFR-2 and 5#/sack KCL. This volume is calculated to circulate the liner. Slurry properties for this cement are 15.8#/gallon and 1.20 ft³/sk.

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 May 8, 1978
 Mr. Forrest Miller
 Black River Corp.

Cost Estimate:

| | | |
|----------|-------------------|---------------|
| Surface: | Cementing Charges | 306.50 |
| | Mileage 6 miles | 42.98 |
| | Top Plug | 54.85 |
| | Class C Cement | 1,537.50 |
| | Calcium Chloride | 103.60 |
| | Guide Shoe | 435.00 |
| | Insert Float | 221.00 |
| | Centralizer (1) | 55.00 |
| | Weld-A (2) | 14.00 |
| | Drayage | 241.18 |
| | | <u>241.18</u> |
| | | \$3,011.61 |

| | | |
|---------------|------------------------------------|---------------|
| Intermediate: | Cementing Charges | 829.30 |
| | Mileage 6 miles | 84.10 |
| | Top Plug | 74.70 |
| | Halliburton Light Cement 400 sacks | 1,336.00 |
| | Class C Cement 300 sacks | 1,230.00 |
| | Salt | 190.00 |
| | Float Collar | 325.00 |
| | Float Shoe | 323.00 |
| | Weld-A (2) | 14.00 |
| | Drayage | 478.02 |
| | | <u>478.02</u> |
| | | \$4,884.12 |

| | | |
|--------|----------------------------|---------------|
| Liner: | Cementing Charge | 2,151.00 |
| | Mileage | 113.65 |
| | Class H Cement 1,250 sacks | 4,837.50 |
| | CFR-2 | 2,334.65 |
| | Drayage | 917.06 |
| | | <u>917.06</u> |
| | | \$10,353.86 |

| | | |
|--------|-------------------------|--------------|
| Liner: | Cementing Charges | 2,551.00 |
| | Mileage | 27.00 |
| | Class H Cement 60 sacks | 232.20 |
| | CFR-2 | 148.40 |
| | KCL | 40.50 |
| | Drayage | 37.20 |
| | | <u>37.20</u> |
| | | \$3,036.30 |

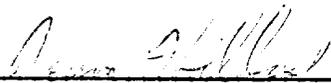
The above costs are based on information available at this time and current pricing schedules.

We are pleased to have this opportunity to present this proposal for your consideration. If you accept our proposal, all materials and equipment furnished and services performed will be under our General Terms and Conditions and pursuant to our applicable Work Order Contract (whether or not executed by you). Copies of the General Terms and Conditions and applicable Work Order Contract will be furnished on request.

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May 8, 1978
Mr. Forrest Miller
Black River Corp.

Personnel and equipment to perform the services on this well will be coordinated by our Artesia, New Mexico location. Mr. Doug Buford is our Assistant District Superintendent here and may be contacted at 505-746-2757

Prepared by:



Jerry Hillard
Field Engineer
Artesia, New Mexico

JH/lh

cc: Earl Stanley
Doug Buford
W. R. Setzler
J. R. Redden
Hobbs
File

run 10 3/4" casing to circulate

50% excess

625 sy Hales Lites 8# per/sack salt - \$2277 50

300 sy Class "C" w 6# per/sack salt - \$1230 00

Drayage - 744 80

TOTAL - \$4252.30

100% excess

900 sy Hales Lites 8# per/sack salt - \$3279 60

300 sy Class C 6# per/sack salt - \$1230 00

Drayage - 968 22

TOTAL \$5477 82