submitted in lieu of Form 3160-5

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2014 MAR 24 PM 12: 18

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Sundry Notices and Reports on Wells 70 Farmington, NM

| Signed A. R. Kendrick Title Agent Date 3/23/04 (This space for Federal or State Office use) APPROVED Boriginal Signed: Stephen Mason Title Date APR 1 3 2004 | 1. | Type of Well | | 5. | | |
|--|---------------|--|----------------------|--------------------|---------|---|
| 2. Name of Operator Producing Royalties, Inc. 3. Address & Phone No. of Operator C A. R. Kendrick, Box 516, Aztec, NM 87410 4. Location of Well, Footage, Sec., T, R, M 1790' FNL and 790' FEL, Sec. 11, T-29-N, R-12-W 9. API Well No. 30-045-29945 10. Field and Pool Fulcher-Kutz Pictured Cl 11. County & State San Juan County, NM 12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA Type of Submission Type of Action X. Notice of Intent Recompletion New Construction New Construction New Construction New Construction New Construction Casing Repair Water Shut off Conversion to Injection Other - Othe | | Gas | | | 6. | |
| Producing Royalties, Inc. 3. Address & Phone No. of Operator C/o A. R. Kendrick, Box 516, Aztec, NM 87410 4. Location of Well, Footage, Sec., T, R, M 1790' FNL and 790' FEL, Sec. 11, T-29-N, R-12-W 9. API Well No. 30-045-29945 10. Field and Pool Fluther-Kutz Pictured CI 11. County & State San Juan County, NM 12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA Type of Submission Type of Submission Type of Action X. Notice of Intent M. Abandonment M. Abandonment M. Subsequent Report Plugging Back Casing Repair Mater Shut off Mater Shut off Mater Shut off Conversion to Injection 13. Describe Proposed or Completed Operations Producing Royalties, Inc. proposes to plug and abandon the above referenced wells 14. I hereby certify that the foregoing is true and correct. Signed M. R. Kendrick Title Mater A. R. Kendrick Title Mater A. R. Kendrick Title Mater A. R. Kendrick Title Mater Appent Title Date APR 1 3 2004 APPROVED Byriginal Stgned: Stephen Mason Title Date APR 1 3 2004 | 2. | Producing Royalties, Inc. Address & Phone No. of Operator | | | ٠. | |
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| X Notice of Intent X Abandonment Recompletion New Construction New Construction Now Construction Not Constru | 12. | CHECK APPROPRIATE BOX T | O INDICATE NATURE OF | NOTICE, REPORT, C | THER | DATA |
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| | | Subsequent Report | | | cturing | 1 |
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| Signed A. R. Kendrick Title Agent Date 3/23/04 (This space for Federal or State Office use) APPROVED Boriginal Signed: Stephen Mason Title Date APR 1 3 2004 | | | | pandon the above r | eferer | nced Wells 14 |
| (This space for Federal or State Office use) APPROVED Boriginal Signed: Stephen Mason Title Date_APR 1 3 2004 | | ned CR Kerelin | C Title (4) | w f | Ports. | Date 3/23/04 |
| APPROVED Boriginal Signed: Stephen Mason Title Date APR 1 3 2004 | (Th | is space for Federal or State Office | Ce use) | | | |
| CONDITION OF APPROVAL if any: | API | PROVED B <mark>original Signed: Stephe</mark> | en Mason Title | | | Date <u>APR 1 3 2004</u> |

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PLUG AND ABANDONMENT PROCEDURE 24 PM 12: 18

January 7, 2004

Payne #1R

070 Farmington, NM

Fulcher Kutz Pictured Cliffs 1790' FNL & 790' FEL, Section 11, T29N, R12W San Juan County, New Mexico, API #30-045-29945 Lat: N ______ / Long: W _____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures.

All cement is ASTM Type II, mixed at 15.6ppg with a yield of 1.18 cf/sx.

- Install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM, and Producing Royalties safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. NU relief line and blow down well; kill with water as necessary. ND wellhead and NU BOP. Test BOP.
- 2. TOH and tally 1867' tubing string. If necessary, LD tubing, then tally and PU tubing workstring. Round-trip 4-1/2" gauge ring to 1810'.

1471'

- 3. Plug #1 (Pictured Cliffs perforations and Fruitland top, 1810' 1594'): RIH and set 4-1/2" cement retainer at 1810'. Pressure test tubing to 1000#. Load casing with water and circulate the well clean. Pressure test casing to 500#. If casing does not test, then spot or tag subsequent plugs as appropriate. Mix 20 sxs cement and spot a balanced plug inside casing above the retainer to isolate the Pictured Cliffs interval and cover the Fruitland top. If the casing leaks, then increase the cement to 30 sxs. PUH to 701'.
- 4. Plug #2 (Kirtland and Ojo Alamo tops, 701' 465'): Spot 22 sxs cement inside casing to cover the Kirtland and Ojo Alamo tops. TOH and LD tubing.
- 5. Plug #3 (7" Surface casing, 180' Surface): Perforate 3 HSC squeeze holes at 180'. Establish circulation out bradenhead valve with water. Mix and pump approximately 40 sxs cement down 4-1/2" casing to circulate good cement out bradenhead valve. Shut well in and WOC.
- 6. ND BOP and cut off casing below surface. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

Payne #1R

Current

Fulcher Kutz Pictured Cliffs

1790' FNL, 790' FEL Section 11, T-29-N, R-12-W, San Juan County, ${\rm NM}$

Lat: / Long: / API #30-045-29945

Today's Date: **12/31/03** Spud: 10/27/99 Comp: 11/10/99 Elevation: 5778' GI 5782' KB

8-3/4" Hole

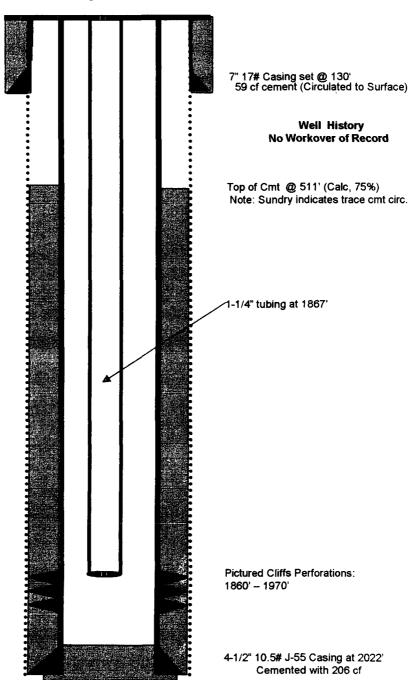
Ojo Alamo @ 515'

Kirtland @ 651'

Fruitland @ 1644'

Pictured Cliffs @ 1860'

6-1/4" Hole



TD 2050' PBTD 1980'

Payne #1R Proposed P&A

Fulcher Kutz Pictured Cliffs

1790' FNL, 790' FEL Section 11, T-29-N, R-12-W, San Juan County, NM

Lat: / Long: / API #30-045-29945

Today's Date: **12/31/03** Spud: 10/27/99 Comp: 11/10/99

Comp: 11/10/99 Elevation: 5778' GI 5782' KB

8-3/4" Hole

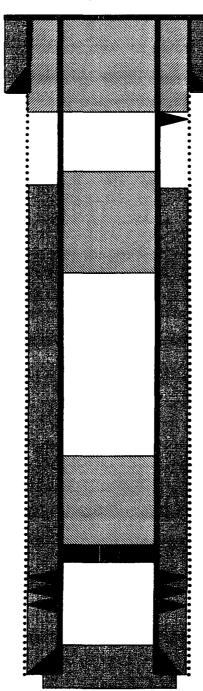
Ojo Alamo @ 515'

Kirtland @ 651'

Fruitland @ 1644'

Pictured Cliffs @ 1860'

6-1/4" Hole



TD 2050' PBTD 1980' Plug #3: 180' - Surface Cement with 40 sxs

7" 17# Casing set @ 130' 59 cf cement (Circulated to Surface)

Perforate @ 180'

Top of Cmt @ 511' (Calc, 75%) Note: Sundry indicates trace cmt circ.

> Plug #2: 701' - 465' Cement with 22 sxs

Plug #1: 1810' - 1594' Cement with 20 sxs

Set CR @ 1810'

Pictured Cliffs Perforations: 1860' – 1970'

4-1/2" 10.5# J-55 Casing at 2022' Cemented with 206 cf