

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
March 4, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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|--|
| WELL API NO. 30-045-29405 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. NM 010063 |
| 7. Lease Name or Unit Agreement Name Lucerne Federal |
| 8. Well Number 7 |
| 9. OGRID Number 36845 |
| 10. Pool name or Wildcat Kutz Fruitland Sand W Kutz PC/Basin FL |

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Roddy Production Company, Inc.

3. Address of Operator
P.O. Box 2221 Farmington, NM 87499

4. Well Location

Unit Letter O: 790 feet from the South line and 2050 feet from the West line

Section 21 Township 28N Range 11W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5768' GR.

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL O Sect 21 Twp 28N Rng 11W Pit type Work Over/ Blow Pit Depth to Groundwater 400' Distance from nearest fresh water well > 1500'
Distance from nearest surface water > 1500' Below-grade Tank Location UL Sect Twp Rng ;
feet from the line and feet from the line

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: Work over Operations, clean out existing well bore ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

13. Application to downhole commingle the Basin Fruitland Coal and the West Kutz- Picture Cliffs per division No. 11363. Fruitland Coal Perforation interval TOH, RU Blue Jet. Perforated with 4jspf, 1686'-1690', 1655', 1642'-1648', 1621', 1595', 1564'-1566', 1577', 1544', 1532', and 1499'-1501'. Picture Cliffs Perforation intervals w/ jspf as follows: 1693'-1706', 1712'-1742'. Allocation method and supporting data: Subtract historic PC production (from the decline curve) from total production to allocate Fruitland Coal production. The commingling will not reduce the value of the total remaining reserves. This operation will include the construction of an earthen bermed blow pit and a work over pit. Pits will be closed per NMOCOD guidelines. Estimated start date is June 22, 2004

BLM Notice - offset interests notified DHC 1528A2

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCOD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

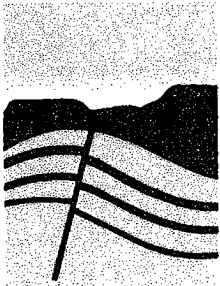
SIGNATURE Robert R. Griffie TITLE Operation Manager DATE June 21, 2004

Type or print name Robert R. Griffie E-mail address: rgriffie@djsimmonsinc.com Telephone No. 505- 326-3753

(This space for State use)

APPROVED BY Charles D. TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE JUN 21 2004
Conditions of approval, if any.

OK WBT pit rule does not apply



DJ SIMMONS, INC.

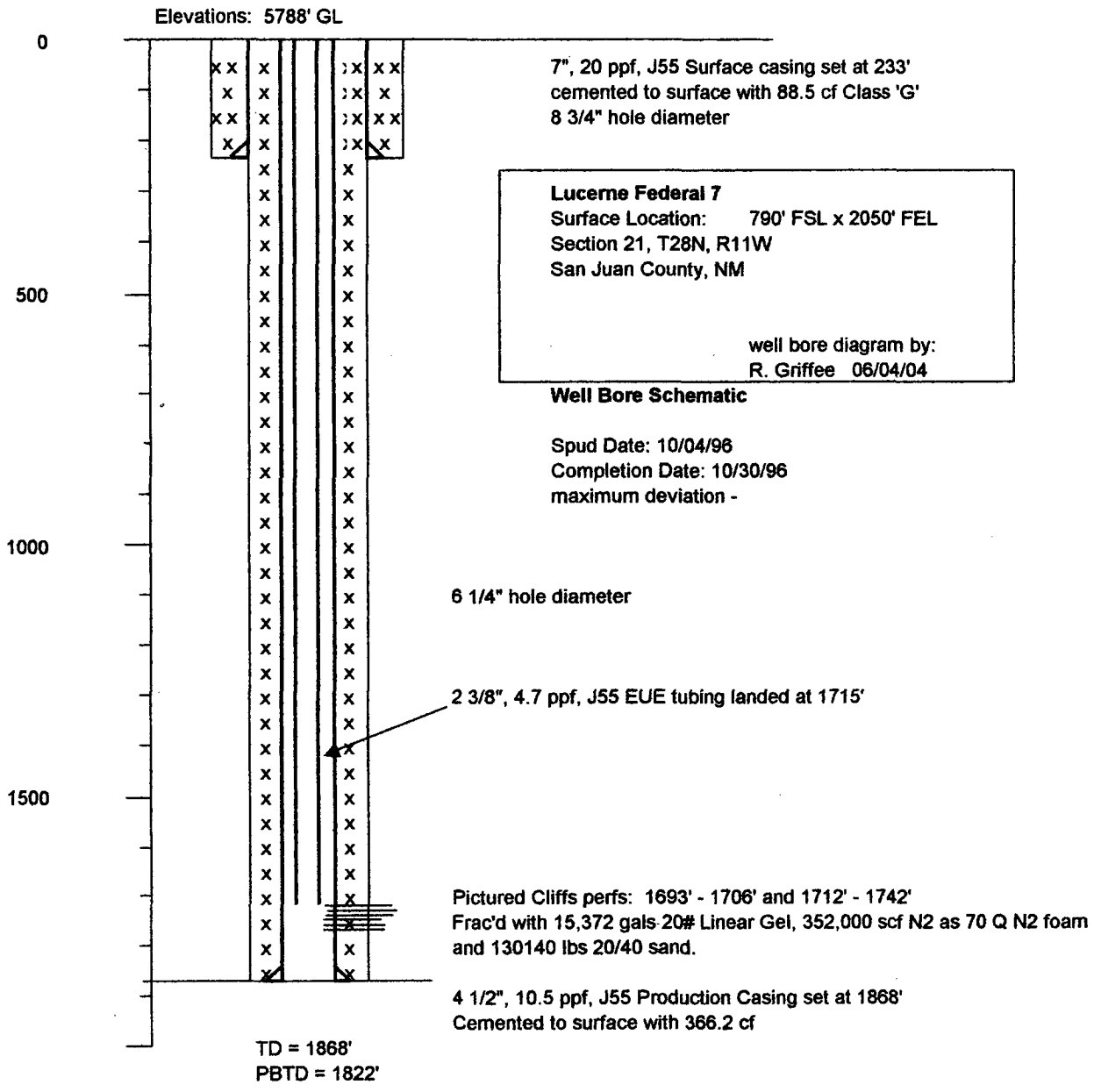
1009 Ridgeway Place
Suite 200
Farmington,
New Mexico 87401

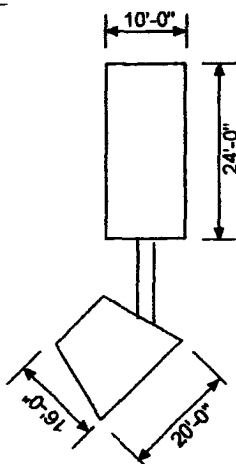
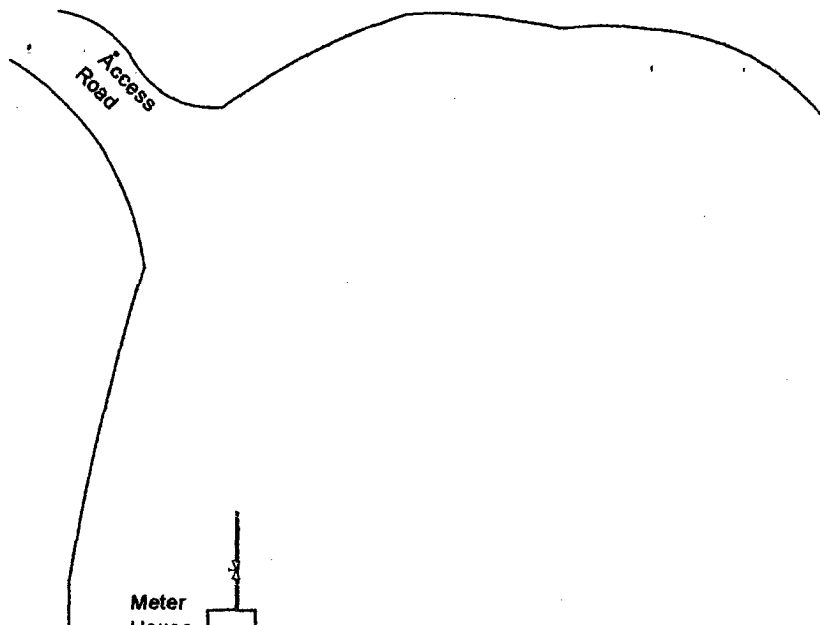
505-326-3753
505-327-4659 FAX
info@djssimmonsinc.com
www.djssimmonsinc.com

Date: 6/04/2004

Lucerne #7
Fruitland Coal Pay Addition

1. Dig blow pit and small fluid pit. Check rig anchors.
2. MIRU Franks Well Service Rig 1.
3. ND wellhead and NU BOPE.
4. TOH with 2 3/8" tubing, SLM, visually inspect.
5. PU bit and TIH. Clean out to PBTD with air.
6. TOH.
7. RU Blue Jet. Set composite bridge plug at 1675'. Pressure test under blind rams to 2000 psi.
8. TIH open ended with tubing. Spot 250 gals of 7% HCL across Fruitland coal interval.
9. TOH.
10. Perforate Fruitland coal with 4 jspf as follows: 1686' - 1690', 1655', 1642' - 1648', 1621', 1595', 1564' - 1566', 1557', 1544', 1532', and 1499' - 1501'.
11. RU Stinger and Schlumberger. Frac with 120,000 lbs 20/40 sand and 65Q foam as per Schlumberger recommendation. Bullhead 500 gals of 15% HCL ahead of pad.
12. Flow back well.
13. PU bit and TIH. Clean out Frac sand. Drill out composite bridge plug and clean out to PBTD.
14. TOH.
15. Re-land tubing with SN one joint from bottom at 1715'.
16. Return well to production.





| Legend | |
|--------|-----------------|
| | Gas |
| | Water |
| | Oil |
| | Combined Fluids |

Lucerene Federal # 7
Roddy Production Company, Inc.

Prepared by cds 06/14/04