

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED

Budget Bureau No. 1004-0135
Expires: November 30, 2000

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.*

MAY 16 2011

Field Office
Bureau of Land Management

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No. SF - 047020 B
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. Ghostrider No. 1
9. API Well No. 30-045-31894
10. Field and Pool, or Exploratory Area Basin Fruitland Coal
11. County or Parish, State San Juan County, NM

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator El Pamco, Inc.	
3a. Address P.O. Box 14738 Albuquerque, NM 87191-4738	3b. Phone No. (include area code) (505) 296-5508
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 958' FSL & 820' FEL Sec. 25, T29N, R11W	

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

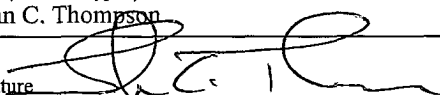
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other See Below
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate 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 recompletion 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.)

ElPamco plans to perform a "coal stim" treatment on the existing perforations 1724' - 1732', then perforate and frac the upper coals from 1594' - 1608' as per the following procedure

RCVD MAY 20 '11
OIL CONS. DIV.
DIST. 3

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

Name (Printed/Typed) John C. Thompson	Title Engineer/Agent
Signature 	Date May 10, 2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Original Signed: Stephen Mason	Title	Date MAY 18 2011
Approved by 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 operation thereon.	Office	

Title 18 U.C.S. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

NMOCD A

Walsh Engineering & Production Corporation

Workover Procedure for El Pamco

April 15, 2011

Well:	Ghost Rider #1	Field:	Fruitland Coal
Location:	985' fsl & 820' fel	Elevation:	5565' GR
	Sec. 25, T29N, R11W		5569' RKB
	San Juan County, New Mexico	By:	John Thompson

Procedure

Background

Treat existing perforations (1724' - 1732') with "Coal Stim" then perforate and frac upper coals from 1594' - 1608'.

Prior to rig

1. File sundry notice to BLM.
2. Apply for "Closed Loop" pit permit from NMOCD
3. Check location for anchors, replace and test if necessary
4. Coordinate rig work with stimulation company
5. Set frac tanks and fill w/ fresh water treated w/ biocide

Pull rods & tubing, round trip scraper

1. Hold safety meeting w/ rig crew and any associated personal. Review procedure and discuss any possible safety concerns.
2. Move-in, rig up pulling unit.
3. ND horsehead & bridle. Lay down polish rod & stuffing box.
4. TOH w/ $\frac{3}{4}$ " rods and insert pump. ***
5. TOH w/ 2-3/8" tubing. ***
6. RIH w/ 4-1/2" casing scraper to PBTD (1903' KB).
7. ND WH & install 5K frac valve.

***Note: if trouble coordinating w/ stimulation company (frac date), can lay down rods & tubing and release rig until frac is completed.

Pump "Coal Stim" and Frac Upper Coals

1. RU Stimulation Company and hold safety meeting. Pressure test pumps and lines, perform pre-job fluid tests.
2. Pump "Coal Stim" treatment into existing perforations (1724' - 1732') via 4-1/2" casing. Note ISIP then SWI after treatment.
3. RU Wireline company & RIH w/ 4-1/2" composite bridge plug. Set plug at +/- 1650'.
4. Load hole and pressure test casing and frac valve to 3500 psi.
5. RIH w/ 3-1/8" casing guns and perforate the Upper Fruitland Coal from 1594' - 1608' (3 spf for a total of 45 holes).

6. Load & break formation prior to spearheading 500 gal of 15 HCl acid. Follow acid w/ 5 bbl water flush then proceed directly into frac. (Note: once starting on acid, make every effort to not shut down job!)
7. Frac w/ 60,000# of 20/40 sand in 20# cross link gel system, pump job at 15 to 20 bpm. Make sure all fluid stages contain CESI mutual solvent or similar chemical to aid in flowback. Flush job to ~ 50 above top perforation, MAX PRESSURE: 3500 PSI.
8. Open thru $\frac{1}{4}$ " choke to flowback tank as soon as possible.

Clean out & return well to production

1. Kill w/ if necessary. ND frac valve & install well head. NU BOP.
2. Move in and rig up air/foam unit.
3. PU 3-7/8" bit & 6 ea. 3-1/8" drill collars, RIH on 2-3/8" tubing.
4. Clean out frac sand down to composite bridge plug.
5. Once sand returns diminish, drill out bridge plug and clean out to PBTD.
6. TOH and lay down drill collars & bit.
7. RIH w/ production string, land tubing so pump intake will be as far below bottom perforation as possible.
8. RUTS. Swab well until fluid is free of any debris, fines etc.
9. TIH w/ pump and rods.
10. Return well to production.

Attachments:

Well bore schematic

Materials and Services

Rig: Hurricane Well Service (or best available)

Packer/tools: Weatherford

Trucking: M&R trucking & Double "S" hot shot (or best available)

Water: DetriX Water hauling

Tubulars: Cave Inc.

Stimulation company: not selected yet

Wireline: not selected yet

El Pamco, Inc.
Wellbore Schematic
Ghost Rider No. 1
Current Wellbore Configuration

Location: 985' fsl & 820' fel
 Sec 25, T29N, R11W, NMPM
 San Juan Co, New Mexico
 Revised: April 15, 2011

Elevation: 5565' GL
 5569' KB

Field: Basin Fruitland Coal
 Prepared by: John Thompson

