

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.*5. Lease Serial No.
NMSF079011

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: COAL BED METHANE8. Well Name and No.
SAN JUAN 32-5 UNIT 101

2. Name of Operator

SOUTHLAND ROYALTY COMPANY LLC

Contact: ROBBIE A GRIGG

E-Mail: rgrigg@mspartners.com

9. API Well No.
30-039-24338-00-S1

3a. Address

400 W 7TH STREET
FORT WORTH, TX 76102

3b. Phone No. (include area code)

Ph: 817-334-7842

10. Field and Pool or Exploratory Area
BASIN FRUITLAND COAL

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

Sec 23 T32N R6W SENE 2325FNL 1010FEL
36.966740 N Lat, 107.420850 W Lon

11. County or Parish, State

RIO ARRIBA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☒ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

SRC would like to recomplete this well by drilling a horizontal lateral off the existing vertical mainbore as indicated on the proposed attached C-102 and directional well plan. The existing vertical mainbore is a sidetracked vertical wellbore. It also has 1 existing lateral in the Fruitland Coal (2689'MD-4846'MD). A cast iron bridge plug will be set at approximately 2750' to isolate the vertical sidetrack mainbore. A composite bridge plug will be set at approx. 2470' to isolate the existing lateral and serve as a base for the whipstock assembly. A window will be milled in the existing 7" casing from approx. 2450'-2460'. The lateral will be drilled to 5477'MD/2990'TVD. a 2.875" 6.5# J-55 pre-perforated liner will be ran and set from 2450'MD-5477'MD. A 2.375" production tubing string will be run to 2450'in the mainbore 7" casing.

OIL CONS. DIV DIST. 3

SEP 05 2017

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

Electronic Submission #385507 verified by the BLM Well Information System
For SOUTHLAND ROYALTY COMPANY LLC, sent to the Farmington
Committed to AFMSS for processing by JACK SAVAGE on 08/29/2017 (17JWS0206SE)

Name (Printed/Typed) ROBBIE A GRIGG

Title SUPVR REGULATORY REPORTING

Signature (Electronic Submission)

Date 08/21/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JACK SAVAGE

Title PETROLEUM ENGINEER

Date 08/29/2017

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 operations thereon.

Office Farmington

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

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

NMOCDA

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DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Artes, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department.

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-24338		² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 22045	⁵ Property Name SAN JUAN 32-5 UNIT NP		⁶ Well Number 101 H
⁷ OGRID No. 162928	⁸ Operator Name SOUTHLAND ROYALTY CO., LLC		⁹ Elevation 6404'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	23	32N	6W		2325'	NORTH	1010'	EAST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	32N	6W		75'	NORTH	855'	EAST	RIO ARriba

¹³ Dedicated Acres E/2 SEC. 23 (320 ACRES)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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18	17	OPERATOR CERTIFICATION
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I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature Robin L. Gray Date 9/1/17

Printed Name Robbie A Grigg

rgrigg@inspartners.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 26, 2017

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number

11393

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Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

☐ AMENDED REPORT

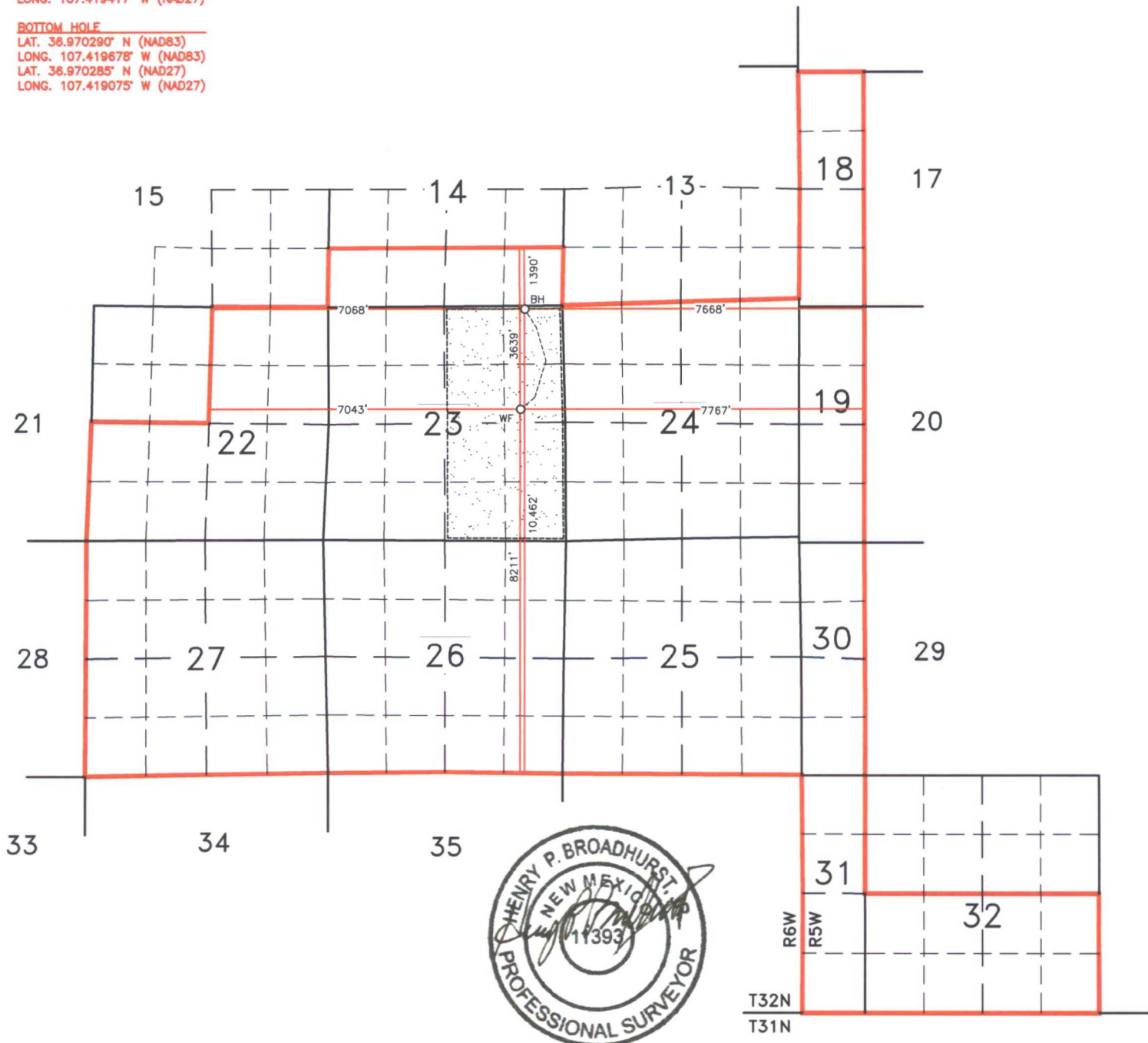
SOUTHLAND ROYALTY CO., LLC
SAN JUAN 32-5 UNIT NP #101

WELL HEAD

LAT. 36.964110° N (NAD83)
LONG. 107.420020° W (NAD83)
LAT. 36.964105° N (NAD27)
LONG. 107.419417° W (NAD27)

BOTTOM HOLE

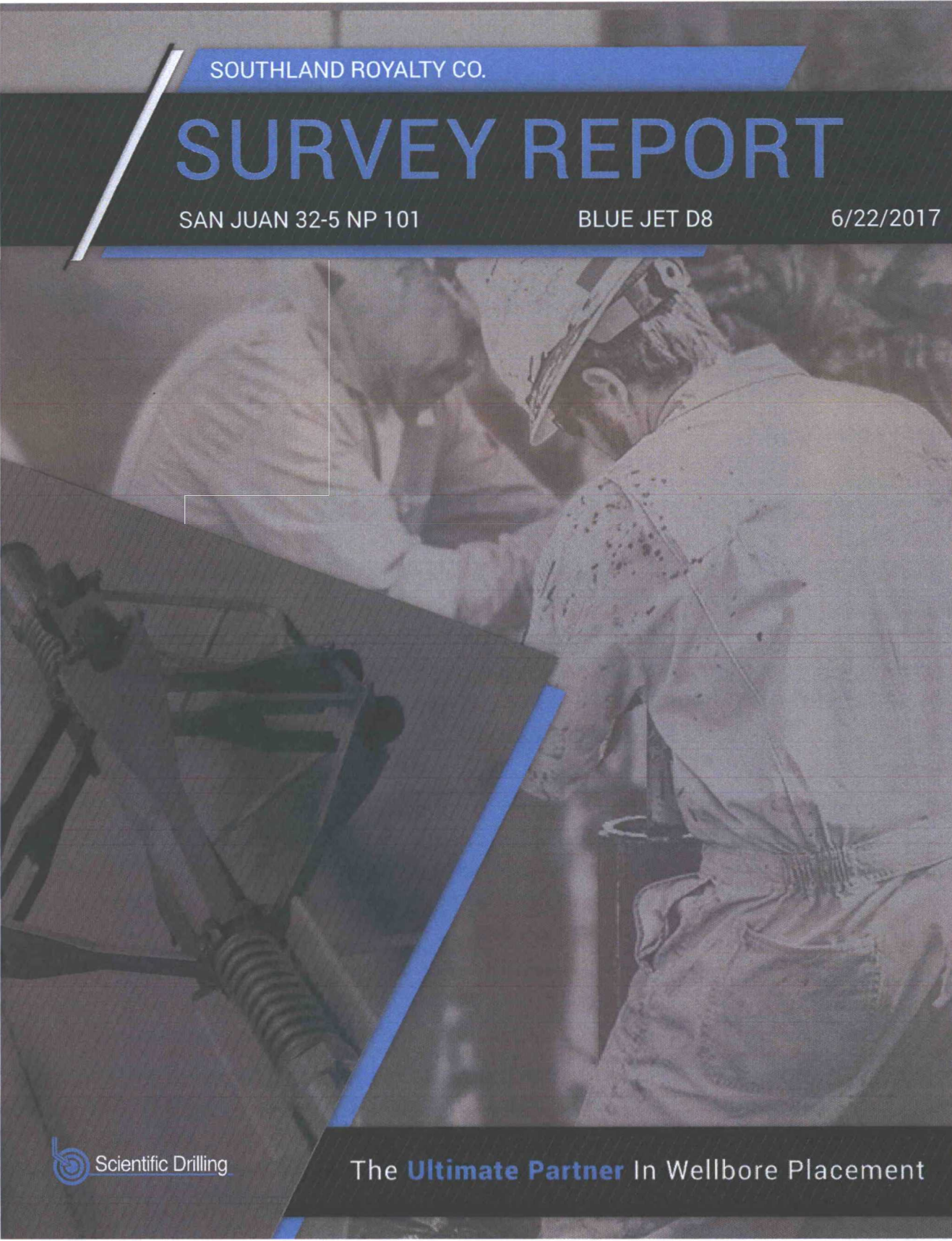
LAT. 36.970290° N (NAD83)
LONG. 107.419678° W (NAD83)
LAT. 36.970285° N (NAD27)
LONG. 107.419075° W (NAD27)



PENETRATED SPACING UNIT; E/2 SEC. 23 (320 ACRES),

TOTAL 4861.04 ACRES:

T32N R6W ALL SEC. 14, S/2 & NE/4 SEC. 22, & ALL SEC. 23-27;
T32N R5W ALL SEC. 18, 19, 30, 31 & S/2 SEC. 32 - UNDIVIDED UNIT



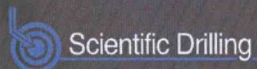
SOUTHLAND ROYALTY CO.

SURVEY REPORT

SAN JUAN 32-5 NP 101

BLUE JET D8

6/22/2017



The **Ultimate Partner** In Wellbore Placement

CUSTOMER Southland Royalty Co.
PROJECT San Juan 32-5 NP 101
FIELD Basin Fruitland Coal

SDI JOB NO.
SDI DISTRICT Grand Junction
SDI KIT/UNIT

SITE INFORMATION

Site Name San Juan 32-5 NP 101
Lat/Long 36.96411° N, 107.42002° W
Northing
Easting

Section 23
Township 32N
Range 06W

MAP INFORMATION

North Reference True North
Grid Correction
System
Datum
Map Zone



WELL INFORMATION

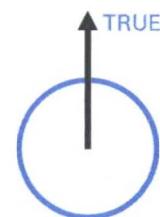
Lat/Long 36.96411° N, 107.42002° W
Northing
Easting
UWI 30-039-24338

DEPTH AND ELEVATION REFERENCE

Ground Level 6404 ft above Mean Sea Level
Reference Datum KB
Reference Height 12 ft above G.L.
Reference Elevation 6416 ft

VERTICAL SECTION REFERENCE

+N/-S 0 ft
+E/-W 0 ft
Proposal Direction 316.21°
Calculation Method Minimum Curvature



LOCAL GRAVITY REFERENCE INFORMATION

Local Gravity 998.622 mG [computed]

WELL NOTES

OPERATORS

J. Baassiri, S. Elijah

SDI Operator Name (Printed)

SIGNATURE

DATE



Scientific Drilling

© 2017 Scientific Drilling International

6/22/2017 4:55 PM Mountain Daylight Time

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MD	INC	AZIM	TVD	VS	+N/-S	+E/-W	DLS
ft	deg	deg	ft	ft	ft	ft	"/100ft
0.00	0.00	0.00	0.00	0.00	0.00	0.00	Invalid
89.00	0.26	28.17	89.00	0.06	0.18	0.10	0.30
111.43	0.19	122.48	111.43	0.04	0.20	0.15	1.51
138.00	0.19	18.02	138.00	0.02	0.22	0.20	1.16
161.82	0.08	273.66	161.82	0.05	0.26	0.20	0.97
188.43	0.18	141.50	188.43	0.03	0.23	0.21	0.91
211.08	0.10	300.54	211.08	0.01	0.21	0.21	1.21
237.93	0.31	219.22	237.93	0.02	0.17	0.14	1.16
261.19	0.32	171.95	261.19	-0.04	0.06	0.11	1.09
288.11	0.30	212.31	288.11	-0.12	-0.08	0.09	0.80
311.53	0.46	194.20	311.53	-0.18	-0.22	0.03	0.83
338.34	0.35	174.14	338.33	-0.30	-0.41	0.01	0.66
361.08	0.25	191.96	361.08	-0.38	-0.52	0.01	0.61
387.86	0.47	193.70	387.85	-0.47	-0.69	-0.03	0.84
411.26	0.53	160.65	411.25	-0.62	-0.88	-0.02	1.24
437.95	0.32	171.96	437.95	-0.80	-1.07	0.03	0.83
461.25	0.47	179.44	461.24	-0.92	-1.23	0.04	0.68
487.88	0.52	171.93	487.88	-1.10	-1.46	0.06	0.29
513.77	0.37	174.65	513.76	-1.26	-1.66	0.09	0.59
537.34	0.38	192.28	537.33	-1.36	-1.81	0.08	0.49
563.96	0.53	182.29	563.95	-1.50	-2.02	0.05	0.64
587.33	0.49	164.94	587.32	-1.66	-2.23	0.07	0.68
610.76	0.42	176.62	610.75	-1.81	-2.41	0.11	0.50
637.28	0.35	204.27	637.27	-1.92	-2.58	0.08	0.74
663.98	0.49	197.07	663.97	-2.00	-2.77	0.01	0.54
686.73	0.31	187.42	686.72	-2.09	-2.92	-0.03	0.83
713.33	0.22	209.89	713.31	-2.15	-3.04	-0.06	0.51
736.63	0.13	291.71	736.62	-2.14	-3.07	-0.11	1.04
763.13	0.26	260.09	763.11	-2.08	-3.06	-0.20	0.60
785.95	0.31	235.92	785.93	-2.04	-3.11	-0.30	0.57
811.47	0.20	247.26	811.46	-2.01	-3.16	-0.40	0.48
837.57	0.14	252.69	837.56	-1.98	-3.19	-0.47	0.25
863.59	0.30	331.83	863.58	-1.90	-3.14	-0.53	1.16

MD	INC	AZIM	TVD	VS	+N/-S	+E/-W	DLS
ft	deg	deg	ft	ft	ft	ft	°/100ft
886.36	0.39	312.87	886.35	-1.77	-3.04	-0.61	0.64
912.36	0.51	294.74	912.35	-1.57	-2.93	-0.78	0.71
938.29	0.46	289.97	938.27	-1.37	-2.84	-0.99	0.24
961.06	0.43	294.15	961.05	-1.21	-2.78	-1.15	0.20
986.31	0.38	294.85	986.30	-1.04	-2.70	-1.31	0.22
1012.45	0.33	315.72	1012.44	-0.89	-2.61	-1.44	0.52
1038.50	0.47	325.72	1038.48	-0.71	-2.47	-1.56	0.60
1061.26	0.55	316.74	1061.24	-0.51	-2.32	-1.68	0.50
1087.11	0.72	322.29	1087.09	-0.22	-2.10	-1.87	0.70
1112.96	0.69	305.63	1112.94	0.09	-1.88	-2.09	0.80
1138.98	0.73	307.75	1138.95	0.41	-1.69	-2.35	0.17
1161.07	0.59	309.30	1161.04	0.66	-1.53	-2.55	0.62
1186.97	0.69	320.20	1186.94	0.95	-1.32	-2.75	0.60
1212.96	0.72	330.20	1212.93	1.27	-1.06	-2.94	0.49
1238.77	0.83	320.79	1238.74	1.61	-0.77	-3.13	0.65
1261.47	0.85	321.25	1261.43	1.94	-0.52	-3.34	0.07
1287.26	0.93	319.76	1287.22	2.34	-0.21	-3.60	0.32
1313.22	0.87	318.63	1313.18	2.75	0.10	-3.86	0.22
1338.89	0.81	313.46	1338.85	3.12	0.37	-4.12	0.39
1361.11	0.67	318.13	1361.07	3.41	0.58	-4.32	0.66
1387.05	0.66	330.11	1387.01	3.71	0.82	-4.50	0.54
1412.79	0.63	334.85	1412.75	3.99	1.08	-4.64	0.24
1438.54	0.89	343.76	1438.49	4.30	1.40	-4.75	1.08
1461.17	0.82	338.75	1461.12	4.60	1.72	-4.86	0.43
1487.09	0.92	331.62	1487.03	4.97	2.07	-5.03	0.57
1513.34	0.89	327.67	1513.28	5.38	2.43	-5.23	0.28
1535.75	0.71	322.78	1535.69	5.68	2.69	-5.41	0.84
1562.13	0.58	342.33	1562.07	5.97	2.95	-5.55	0.96
1588.31	0.49	337.23	1588.25	6.19	3.17	-5.63	0.39
1611.18	0.59	336.34	1611.11	6.39	3.37	-5.72	0.43
1636.81	0.60	347.55	1636.75	6.63	3.62	-5.80	0.45
1662.62	0.69	342.27	1662.56	6.88	3.90	-5.88	0.44
1688.17	0.70	331.98	1688.10	7.17	4.19	-6.00	0.49

MD	INC	AZIM	TVD	VS	+N/-S	+E/-W	DLS
ft	deg	deg	ft	ft	ft	ft	°/100ft
1710.30	0.61	329.08	1710.23	7.42	4.41	-6.12	0.44
1736.16	0.70	322.54	1736.08	7.71	4.65	-6.29	0.44
1761.78	0.66	313.40	1761.70	8.01	4.88	-6.49	0.45
1787.37	0.51	314.09	1787.29	8.27	5.06	-6.68	0.58
1813.15	0.40	292.22	1813.07	8.47	5.17	-6.85	0.80
1838.84	0.40	310.60	1838.77	8.64	5.26	-7.00	0.50
1861.37	0.52	311.32	1861.29	8.82	5.38	-7.13	0.53
1886.95	0.57	323.77	1886.87	9.06	5.56	-7.30	0.51
1912.07	0.66	314.40	1911.99	9.33	5.77	-7.47	0.53
1937.64	0.75	298.31	1937.56	9.64	5.95	-7.73	0.84
1963.39	0.77	293.82	1963.30	9.96	6.10	-8.03	0.25
1985.78	0.59	297.17	1985.69	10.21	6.21	-8.27	0.85
2011.50	0.64	286.94	2011.41	10.46	6.31	-8.53	0.48
2037.04	0.49	292.79	2036.95	10.68	6.40	-8.77	0.64
2062.66	0.46	314.37	2062.57	10.89	6.51	-8.94	0.70
2087.64	0.61	309.67	2087.55	11.12	6.66	-9.11	0.63
2113.26	0.69	308.03	2113.17	11.40	6.85	-9.34	0.33
2138.99	0.66	295.99	2138.89	11.70	7.01	-9.59	0.56
2161.33	0.51	297.00	2161.23	11.91	7.11	-9.80	0.69
2186.97	0.38	298.51	2186.87	12.10	7.20	-9.98	0.50
2212.54	0.29	300.90	2212.44	12.24	7.27	-10.11	0.35
2238.18	0.30	343.96	2238.08	12.37	7.37	-10.18	0.85
2263.56	0.40	349.71	2263.46	12.50	7.52	-10.21	0.44
2285.68	0.48	343.09	2285.58	12.65	7.69	-10.26	0.42
2311.30	0.62	345.14	2311.20	12.86	7.93	-10.32	0.55
2337.33	0.62	333.10	2337.23	13.12	8.19	-10.42	0.50
2363.58	0.73	333.57	2363.48	13.42	8.47	-10.56	0.44
2386.73	0.70	340.15	2386.63	13.69	8.73	-10.68	0.39
2413.19	0.73	350.19	2413.09	13.98	9.05	-10.76	0.49
2435.48	0.63	353.48	2435.37	14.19	9.31	-10.80	0.51
2461.25	0.80	342.96	2461.14	14.47	9.62	-10.87	0.86
2487.12	0.79	346.33	2487.00	14.78	9.97	-10.96	0.19
2512.89	1.02	330.88	2512.77	15.16	10.34	-11.11	1.30

MD	INC	AZIM	TVD	VS	+N/-S	+E/-W	DLS
ft	deg	deg	ft	ft	ft	ft	°/100ft
2538.68	0.82	330.90	2538.56	15.56	10.70	-11.32	0.79
2561.40	0.89	322.55	2561.28	15.89	10.98	-11.50	0.63
2586.99	0.85	333.87	2586.86	16.26	11.31	-11.70	0.68
2613.75	1.01	338.90	2613.62	16.67	11.71	-11.88	0.68
2637.84	0.99	345.38	2637.71	17.05	12.11	-12.01	0.48
2665.42	1.13	355.55	2665.28	17.47	12.61	-12.09	0.85