

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit or CA/Agreement, Name and/or No.
NMNM119482

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other: COAL BED METHANE

8. Well Name and No.
SAN JUAN 32-5 UNIT COM 114H

2. Name of Operator SOUTHLAND ROYALTY COMPANY LLC Contact: ROBBIE A GRIGG
Email: rgrigg@mspartners.com

9. API Well No.
30-039-29790-01-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 24 T32N R6W SWNW 1345FNL 225FWL
36.969444 N Lat, 107.416667 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 recompleate 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 recompleation 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.

Verbal Notice was given to Joe Hewitt @ approx. 9:45PM 8/20/2017

Sidetrack lateral #3 was drilled to a TD of 6723'MD, 3036.90'TVD (projected to bit) Last survey was 6632'MD, 3039.74'TVD.
Survey attached.

We got stuck on our way out of the hole.

After unsuccessful fishing operations, we backed off and left tools in the hole.
Fish: 4212'MD-4750'MD consisting of 6 1/8" Reed PDC bit, 4 3/4" NB sub, 4 3/4" motor. NM pony DC, gap sub, 2 NM flex DC's, and 12 jts 3 1/2" 15.5# X-95 drill pipe.

OIL CONS. DIV DIST. 3

SEP 05 2017

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

**Electronic Submission #385678 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 (17JWS0208SE)**

Name (Printed/Typed) ROBBIE A GRIGG

Title SUPVR REGULATORY REPORTING

Signature (Electronic Submission)

Date 08/22/2017

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 ****

NMOC D

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Additional data for EC transaction #385678 that would not fit on the form

32. Additional remarks, continued

We will pull whipstock from sidetrack lateral #3.

Propose to drill sidetrack #4 lateral.

We will RIH a RBP and set at 4061'MD in the 7" casing.

We will RIH whipstock assembly a mill window from 4042'-4050'MD in the 7" casing.

We are finalizing new lateral directional plans.



Job Number: NM17102
Company: Southland Royalty
Lease/Well: San Juan 32-5 Unit COM #114 ST3
Location: Eul Canyon
Rig Name: D&J #3
State/County: New Mexico/ Rio Arriba
Country: USA
API Number: 30-039-29790

Elev. GL: 6472.00 ft **RKB:** 6488.00 ft
System: US State Plane 1927 (Exact solution)
Group: New Mexico West 3003
Datum: CLARKE 1866
Mag. Decl.: 9.13° (C:\HawkEye\IGRF2015.MIF)
Grid Conv.: 0.25079 E
Date: Friday, August 18, 2017



Directional Drillers: Tom Allen / Jonathan Rice

Calculated by HawkEye Software
 Minimum Curvature Method
 Vertical Section Plane 303.91°

Northing (US ft): 2172400.80 **Easting (US ft):** 621817.87

Latitude: 36°58'9.8870" N **Longitude:** -107°24'58.8190" W

Well Location: 1359.44 FNL, 322.68 FWL, Section 24, T32N, R6W, New Mexico Principal Meridian, Rio Arriba County, NM

Direction Reference: True North

#	Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	NS (Ft)	EW (Ft)	VS (Ft)	Closure (Ft)	Closure Dir Deg	DLS */100 Ft	Build Rate */100 Ft	Walk Rate */100 Ft
Tie In to Motherbore												
1	4156.00	61.47	297.96	2920.40	2026.70	-821.60	1812.53	2186.90	337.93	0.00	0.00	0.00
Payzone MWD Surveys												
2	4226.00	63.52	308.67	2952.80	2060.77	-873.34	1874.49	2238.20	337.03	13.88	2.93	15.30
3	4258.00	63.65	313.68	2967.04	2079.63	-894.91	1902.90	2264.01	336.72	14.03	0.41	15.66
4	4289.00	64.13	317.55	2980.69	2099.52	-914.37	1930.15	2289.99	336.47	11.32	1.55	12.48
5	4320.00	64.92	321.06	2994.03	2120.74	-932.61	1957.13	2316.74	336.26	10.53	2.55	11.32
6	4352.00	67.25	325.02	3007.00	2144.11	-950.19	1984.75	2345.22	336.10	13.45	7.28	12.37
7	4383.00	70.77	328.45	3018.11	2168.31	-966.05	2011.42	2373.78	335.99	15.35	11.35	11.06
8	4414.00	73.67	331.26	3027.58	2193.83	-980.86	2037.95	2403.12	335.91	12.73	9.35	9.06
9	4445.00	75.78	334.77	3035.74	2220.48	-994.43	2064.07	2432.98	335.88	12.87	6.81	11.32
10	4476.00	77.54	337.94	3042.90	2248.11	-1006.52	2089.52	2463.14	335.88	11.46	5.68	10.23
11	4507.00	79.43	341.72	3049.09	2276.61	-1016.99	2114.11	2493.44	335.93	13.41	6.10	12.19
12	4538.00	80.57	345.41	3054.47	2305.89	-1025.62	2137.61	2523.69	336.02	12.29	3.68	11.90
13	4569.00	83.08	348.22	3058.88	2335.76	-1032.62	2160.08	2553.84	336.15	12.09	8.10	9.06
14	4600.00	86.46	350.86	3061.71	2366.11	-1038.22	2181.66	2583.87	336.31	13.81	10.90	8.52
Begin Terrapin EM MWD Surveys												
15	4658.00	91.32	354.64	3062.83	2423.61	-1045.53	2219.81	2639.51	336.66	10.61	8.38	6.52
16	4719.00	91.19	354.73	3061.50	2484.33	-1051.18	2258.38	2697.57	337.07	0.26	-0.21	0.15
17	4781.00	92.59	352.35	3059.45	2545.90	-1058.15	2298.51	2757.04	337.43	4.45	2.26	-3.84
18	4842.00	95.27	346.99	3055.27	2605.74	-1069.05	2340.94	2816.52	337.69	9.80	4.39	-8.79
19	4903.00	94.04	341.54	3050.31	2664.24	-1085.54	2387.26	2876.90	337.83	9.13	-2.02	-8.93
20	4965.00	92.77	338.11	3046.63	2722.32	-1106.88	2437.37	2938.75	337.87	5.89	-2.05	-5.53
21	5026.00	90.97	333.46	3044.64	2777.91	-1131.88	2489.13	2999.65	337.83	8.17	-2.95	-7.62
22	5088.00	89.60	330.56	3044.33	2832.65	-1160.97	2543.82	3061.33	337.71	5.17	-2.21	-4.68
23	5149.00	88.73	327.56	3045.22	2884.96	-1192.33	2599.02	3121.64	337.55	5.12	-1.43	-4.92
24	5211.00	86.88	323.88	3047.59	2936.14	-1227.22	2656.53	3182.29	337.32	6.64	-2.98	-5.94
25	5272.00	86.79	319.39	3050.96	2983.88	-1265.01	2714.53	3240.96	337.03	7.35	-0.15	-7.36
26	5335.00	89.60	314.12	3052.95	3029.73	-1308.13	2775.89	3300.07	336.65	9.48	4.46	-8.37
27	5395.00	90.70	308.14	3052.79	3069.17	-1353.30	2835.39	3354.29	336.21	10.13	1.83	-9.97
28	5457.00	91.36	304.72	3051.68	3105.98	-1403.17	2897.31	3408.23	335.69	5.62	1.06	-5.52
29	5518.00	91.10	301.73	3050.37	3139.39	-1454.18	2958.28	3459.83	335.15	4.92	-0.43	-4.90
30	5589.00	91.14	296.02	3048.98	3173.66	-1516.32	3028.97	3517.29	334.46	8.04	0.06	-8.04
31	5651.00	91.10	289.77	3047.77	3197.76	-1573.40	3089.78	3563.88	333.80	10.08	-0.06	-10.08
32	5712.00	91.71	284.85	3046.27	3215.90	-1631.60	3148.21	3606.12	333.10	8.12	1.00	-8.07
33	5773.00	91.01	279.67	3044.82	3228.85	-1691.17	3204.87	3644.93	332.36	8.57	-1.15	-8.49
34	5835.00	91.05	278.35	3043.71	3238.55	-1752.39	3261.09	3682.27	331.58	2.13	0.06	-2.13
35	5896.00	87.58	275.45	3044.43	3245.88	-1812.93	3315.42	3717.86	330.82	7.41	-5.69	-4.75
36	5958.00	88.55	276.46	3046.53	3252.31	-1874.56	3370.16	3753.86	330.04	2.26	1.56	1.63
37	6019.00	88.99	276.42	3047.84	3259.15	-1935.16	3424.26	3790.37	329.30	0.72	0.72	-0.07
38	6081.00	88.95	274.57	3048.95	3265.09	-1996.86	3478.78	3827.30	328.55	2.98	-0.06	-2.98
39	6142.00	89.12	272.20	3049.98	3268.69	-2057.74	3531.32	3862.46	327.81	3.89	0.28	-3.89

#	Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	NS (Ft)	EW (Ft)	VS (Ft)	Closure (Ft)	Closure Dir Deg	DLS "/100 Ft	Build Rate "/100 Ft	Walk Rate "/100 Ft
40	6202.00	89.25	269.30	3050.83	3269.47	-2117.72	3581.54	3895.41	327.07	4.84	0.22	-4.83
41	6263.00	90.05	268.68	3051.21	3268.40	-2178.71	3631.55	3928.00	326.31	1.65	1.30	-1.02
42	6324.00	90.97	267.80	3050.67	3266.52	-2239.68	3681.11	3960.60	325.56	2.09	1.52	-1.44
43	6385.00	91.41	266.66	3049.40	3263.58	-2300.60	3730.01	3992.95	324.82	2.00	0.72	-1.87
44	6447.00	92.11	267.98	3047.50	3260.68	-2362.50	3779.77	4026.59	324.08	2.41	1.13	2.13
45	6509.00	92.77	270.09	3044.86	3259.64	-2424.43	3830.59	4062.40	323.36	3.56	1.06	3.40
46	6571.00	92.33	269.12	3042.10	3259.21	-2486.36	3881.75	4099.32	322.66	1.72	-0.71	-1.56
47	6632.00	92.11	268.59	3039.74	3257.99	-2547.31	3931.65	4135.61	321.98	0.94	-0.36	-0.87
Straight Line Projection to TD @ 6723' MD												
48	6723.00	92.11	268.59	3036.39	3255.75	-2638.22	4005.85	4190.48	320.98	0.00	0.00	0.00

BLM CONDITION OF APPROVAL

CASING REPAIR, WORKOVER AND RECOMPLETION OPERATIONS:

1. If casing repair operations are needed, obtain prior approval from this office before commencing repairs. If a CBL or other logs are run, provide this office with a copy.
2. After any casing repair operations, test cement squeeze to a minimum of 500# for 30 minutes with no more than 10 % pressure fall off in the 30 minute test period. Provide test chart with your subsequent report of operations
3. A properly functioning BOP and related equipment must be installed prior to commencing workover, casing repair, and/or recompletion operations.
4. Contact this office at (505) 564-7750 prior to conducting any cementing operations

SPECIAL STIPULATIONS:

1. Pits will be fenced during work-over operation.
2. All disturbance will be kept on existing pad.
3. All pits will be pulled and closed immediately upon completion of the recompletion and work-over activities.
4. Pits will be lined with an impervious material at least 12 mils thick.