

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT---" for such proposals

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
SF-080000-A

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Simmons 2

9. API Well No.

30-045-11867

10. Field and Pool, or Exploratory Area

Blanco PC

11. County or Parish, State

San Juan County, New Mexico

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil ☒ Gas ☐ Other

2. Name of Operator

D.J. Simmons Inc.

3. Address and Telephone No.

1009 Ridgeway Place, Suite 200, Farmington NM 87401

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

1070' FNL x 1530' FEL, Section 26, T29N, R9W

Actual Bottom Hole Location:

same

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☐ Other TA

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depth for all markers and zones pertinent to this work.)*

DJ Simmons, Inc. will perform a temporary abandoned procedure in compliance with NMOCD and BLM requirements in order to ensure that this well will not pose a threat to groundwater or other productive zones in the immediate area. referenced well. The T&A procedure and well bore diagram are attached. Estimated start date will be May 8, 2006.

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

Signed

Bill Mack Arnold JR

Title: Operations Manager, Petroleum Engineer

Date: 05/03/2006

(This space for Federal or State office use)

Approved by Original Signed: Stephen Mason

Title

Date

MAY 05 2006

Conditions of approval, if any:

Please Give OGD 24 Hr. Notice to witness

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

NMOCD

**Simmons #PC2 Well
T&A Procedure
May 3, 2006**



DJ Simmons, Inc.
Simmons #PC2 – Gas Well – API # 30-045-11867
Spud 8-30-1966, TD 2552' Completed 10-5-1966
Basin Fruitland Coal/Blanco Mesa Verde PC Formation
San Juan County, New Mexico
By Billy Mack Arnold, Jr. - Petroleum Engineer & Mechanical Engineer

Well Bore Data and Information

Current Status; Well has been shut in

| Table 1 – Well Datum and Logging Information | | | |
|---|----------------------------------|-------------------------|---------------------------------|
| Elevation (feet) | Rig Kelly Bushing (feet) | Rig Floor (feet) | Log Measured From (feet) |
| GL | RKB | RF | RKB |
| 5923', datum | 5933.5' | 5932' | 5923', 10.0' above datum |
| Logs Run | Welex; Density log – 1550'-2552' | | |

| Table 2 – Wellbore Data | | |
|---|----------------------------|---------------------------------------|
| <i>Existing Configuration of the Well Bore</i> | | |
| Description | Depth/Interval (ft) | Specifications |
| Surface Casing | 0'-100' | 8 5/8" OD, 30.0 lb/ft, |
| Surface Casing Cemented | 0'-100' | 70 sacks |
| TOC – Surface Casing | unknown | unknown |
| Production Casing | 0'-2522' | 4 1/2" OD, 9.0 lb/ft set @ 2522' |
| Production Casing Cemented | 0'-2522' | 300 sacks |
| TOC – Production Casing | unknown | unknown |
| PBTD | 2489' | Casing Float Collar set @ 2489' |
| Perforations | 2380'-2438' | Pictured Cliffs Completion 1 SPF |
| Production Tubing | 0'-2330' | 1 1/4" OD landed "free hung" to 2330' |

Preparation before the Procedure - Production Manager and Permitting

1. Notify and/or file any required documents to obtain any required authorization(s) associated with this procedure with/from the appropriate federal and state agencies. Review any plats, studies and engineering reports related to any applicable safety, environmental and archaeological issues at or in proximity to the well site. Construct a map with text block describing how to drive to location.
2. Determine if H₂S hazards will exist during the procedure and assess what level of monitoring, signage and PPE is required. Consult with safety professionals if necessary.
3. Inspect the entry road and well site pad to determine if the service rig, equipment, trucks, tanks, etc. can be safely transported in, spotted and supported on such. Make necessary repairs and maintenance to the road and well site. Notify any land owner(s) affected by the oncoming procedures.
4. Locate all rig anchors set previously on the well site and determine/test if a minimum of four (4) are in tact for safe use. Flag each inspected anchor as inspected and approved for use. Replace or add any additional anchors as needed. Install new rig anchors if none have been installed prior to this operation.

5. Determine the local emergency contact numbers and emergency medical sites in proximity to the well site. Prepare a document listing the emergency contact numbers and a map indicating the directions to the site. Forward the information to the rig supervisor so that the information is posted and available to all parties during the operations.

Procedure – Rig Supervisor & Operations Manager

IMPORTANT NOTES;

A. The rig supervisor is responsible for holding daily “safety meetings” and to officially record having such. Further, during each safety meeting, the emergency response plan is to be explained to all crew members (This necessary repetition will avoid a new or returning crew member from not knowing of such emergency response plan).

B. Rules and Regulations from the New Mexico State OCD agency (confirmed by Federal BLM agency instructions) for T&A operations describe specific procedures that must be performed on the well bore. These procedures from the state agency must be followed and can not under any circumstances be avoided or circumvented (“short cutted”).

1. MI and RU the service rig, power swivel, pump(s), tanks(s), and other equipment necessary for the procedure. Place a portable “Johnny on the Spot” and designate, if permissible, a gathering/smoking area and usable trash bin.
2. Record any tubing and casing side pressure. Bleed or blow down well. Use 2% KCl water to kill well if necessary. ND well head and NU BOP. TOH with the 1 ¼” tubing string. RIH with 4 ½” CIBP on 1 ¼” tubing string, tally tubing as RIH and set top of CIBP at 2260’ (NMOCD requires 100’ distance from top perf at 2380’ and placement of CIBP. This procedure places the CIBP approximately 120’ above top perf). (Alternate procedure is to RIH with 4 ½” CIBP on wireline and set) *100’*
3. ROH and LD 1 ¼” tubing string. ND BOP and NU well head/test head and load well with 2% KCl. (NMOCD requires the fluid to be an inert type of fluid) Perform MIT by the following parameters; test to 500 psia maximum and test for a 30 minute cycle. Observe and record results of the pressure test for every 5 minute interval up to and pass the required 30 minute interval. The NMOCD rules for the T&A approval process require that the well bore pass the MIT by maintaining the 500 psia pressure for 30 minutes without a pressure drop surpassing 10% of the 500 psia. or 50 psia drop. *- pressure can not drop below 500 PSI.*
4. RD and MO location.
5. Forward copy of MIT test results to Operations Manager/Engineering.

Tasks After the Procedure - Production Manager

1. Dispose of any waste material according to local, state and federal regulations.
2. Close and return pit site(s), if any to original surface pad conditions according to local, state and federal regulations.
3. Inspect the well site for any garbage material or oilfield equipment to be returned to the operator’s storage facility.

Exhibit "A"
Well Bore Diagram - Current Configuration
Simmons PC 2 - API # 30-045-11867
 DJ Simmons, Inc. - Operator
 Completion - Pictured Cliffs - 2380'-2438'
 Blanco Pictured Cliffs Field
 San Juan County, New Mexico
 Drawn on 5-3-2006; not to scale

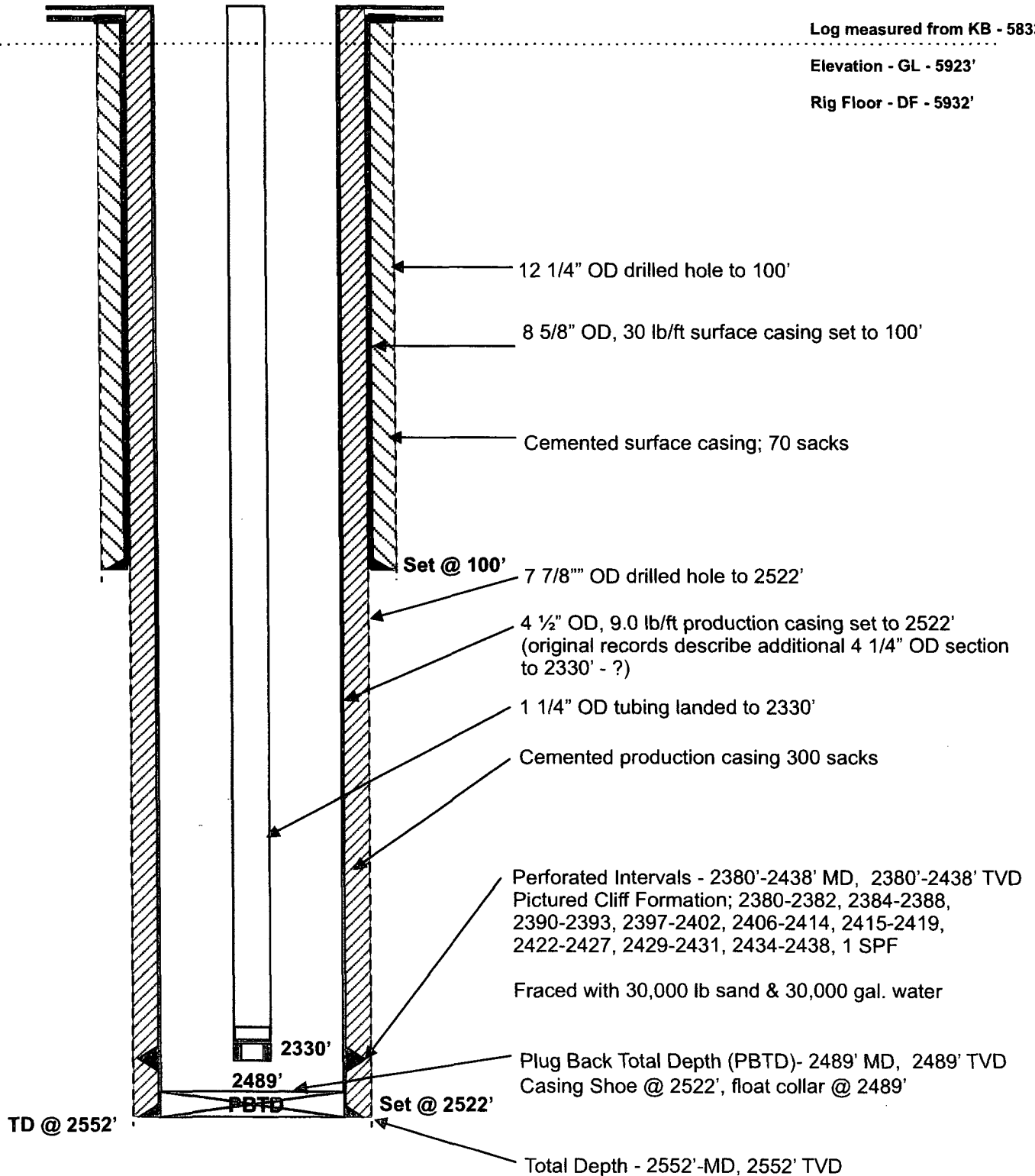
Section 26, T29N, R9W, N.M.P.M.
 At surface; 1070' FNL & 1530' FEL
 At top producing interval below; 1070' FNL & 1530' FEL
 At total depth; 1070' FNL & 1530' FEL

Spudded 8-30-1966
 Completed 10-5-1966

Log measured from KB - 5833.5

Elevation - GL - 5923'

Rig Floor - DF - 5932'



Drawn by Billy Mack Arnold, Jr.
 Petroleum Engineer & Mechanical Engineer

Exhibit "B"
Well Bore Diagram - Proposed T&A Configuration
Simmons PC 2 - API # 30-045-11867

DJ Simmons, Inc. - Operator
 Completion - Pictured Cliffs - 2380'-2438'
 Blanco Pictured Cliffs Field
 San Juan County, New Mexico
 Drawn on 5-3-2006; not to scale

MIT - Mechanical Integrity Test
 NMOCD Requirements for T&A
 Casing test to 500 psia
 30 minute test
 minimum 10% drop allowed

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