

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.
NMNM99705

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

EAGLE SPRINGS 8 FEDERAL 1H

2. Name of Operator

HIGH PLAINS OPERATING CO LLC

Contact: ARTHUR (BUTCH) W BUTLER

E-Mail: bbutler@highplainsop.com

9. API Well No.

30-043-20949-01-S2

3a. Address

32700 ASPEN DRIVE
BUENA VISTA, NM 81211

3b. Phone No. (include area code)

Ph: 719-395-8059
Fx: 719-395-809310. Field and Pool, or Exploratory
WILDCAT

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

Sec 8 T19N R4W NWNE 263FNL 2545FEL

11. County or Parish, and State

SANDOVAL COUNTY, NM

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

TYPE OF SUBMISSION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other

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 recompleat 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 recompleat 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.)

High Plains Operating Company, LLC (HPOC) is operating with Bond No. NMB 000457.

HPOC has completed its remedial work in the Eagle Springs 8 Federal 1H wellbore and the well is back in production. The open-hole section below the casing exit in the Morrison has been cemented and the shallow casing leak has been repaired. A detail of operations is attached.

RCVD AUG 9'10
OIL CONS. DIV.
DIST. 3

FILE IN A TIMELY MANNER

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

Electronic Submission #90919 verified by the BLM Well Information System

For HIGH PLAINS OPERATING CO LLC, sent to the Rio Puerco

Committed to AFMSS for processing by STEVE MASON on 08/05/2010 (10SXM0028SE)

Name (Printed/Typed) ARTHUR (BUTCH) W BUTLER

Title MANAGER

Signature (Electronic Submission)

Date 08/04/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

STEPHEN MASON

Title PETROLEUM ENGINEER

Date 08/05/2010

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 Rio Puerco

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.

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

NMOC

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1. May 12, 2010. MIRU Mesa Well Service rig 202, set pump & pit. Removed PCP drive head and LD rods & PCP rotor. ND wellhead & NU BOP, RU floor and tubing tools. Unset and LD tubing mandrel, TOO H with tubing and PCP Stator with tag bar assembly and no-turn tool. Changed out pipe rams to 3-1/2 IN, changed out tubing slips and power tong dies to 3-1/2 IN. Picked up 3-1/2 IN JZ slip grip elevators. Secured location and SDON.
2. May 13, 2010. Picked up a 3-1/2 IN IF pin x 3-1/2 IN EUE 8rd box crossover and TIH on 163 jts of 3-1/2 IN, N-80, 9.3 lb tubing. Tagged top of 3-1/2 IN IF DP at 5141 FT KB. RU rig pump and pumped 6 bbls of produced water and well began to circulate. Circulated while lowering into box of 3-1/2 IN DP. Engaged DP, shut down pump and latch into DP. Pumped produced water via tubing, pump pressure climbed to 100 psi and fell off. Well began to circulate with full returns, circulated for approx 10 min. Shut down, installed valve on tubing, secured location and SDON. We plan to isolate Morrison formation with cement in A.M.
3. May 14, 2010. SITP & SICP are static upon arrival. Rigged up BJ Services. Established circulation with 12 bbls of produced water, 2.5 bpm @ 250 psi (some restriction pumping thru two 1 IN plug valves). Pumped 2 bbls of fresh water and started Cement. Pumped 110 sks (150.7 cuft, 26.9 bbls) of Type III neat cement, shut down and washed pump & lines. Displaced with 2 bbls of fresh water then 10 bbls of Entrada crude oil and followed by 46 bbls of Entrada produced water. Casing circulated throughout cement job. Final pump pressure was 390 psi @ 1.0bpm. ISDP=195 psi. Job completed at 12:10 hrs on 5/14/10. Shut in tubing and shut in casing. RD and released BJ Services. SDON.
4. May 15, 2010. SITP=vacuum & SICP=slight vacuum upon arrival. Rigged up Weatherford Wireline and ran CBL/CCL log from 5493 FT KB to 4270 FT KB. Found top of cement at approx 4810 FT KB and good cement bond F/ 4840 FT KB T/ 5493 FT KB and most likely below this, however could not get logs deeper due to inclination increase to approx 52 degrees. Rigged down Weatherford. Rigged up swab tools. Initial fluid level at 400 FT. Made 8 swab runs, swabbed fluid to 4300 FT and recovered 36 bbls of fluid (oil & water—fluids put into steel rig pit to settle—will move oil back to production tank). Hesitated 1hr, TIH with swab and tagged fluid at 4300 FT, pulled from 4500 FT with no fluid recovery. Made 3 more swab runs from 5000 FT, last fluid level at 4900 FT, recovered 5 bbls fluid. Little to no fluid entry from existing perforations. Pressure tested annulus to 600 psi. Pressure bled to 500 psi in 1 min; 430 psi=2 min; 365 psi=3 min; 320 psi=4 min; 280 psi=5 min; incrementally slowed until we reached a bleed off at 150 psi of 10 psi per minute. Casing was at 75 psi after 20 minutes. Braiden head valve remained static. Tubing had been shut in for casing test and was on a slight vacuum when we reopened, indicating possible tubing coupling leak. Shut in well and SDFW. We plan to TIH with coil tubing unit to clean out perfs then adjust procedure as necessary.
5. May 21, 2010. Made decision to clean out hole and reperforate Entrada sand. No activity while waiting on coil tubing unit & perforating guns. Rigged up Maverick Coil Tubing Services. Picked up a 2.25 IN Cut-Right mill on a 1-11/16 IN motor and TIH with 1-1/4 IN coil. Loaded tubing with 33 bbls of produced water and coil at approx 4000 FT. TIH & tagged at 5991 FT KB, milled approx 10 FT and drilling became hard. Milled out cement with pump rate at 1bpm @ 3500 psi F/ 6004 FT KB T/ 6064 FT KB. Circulated hole clean and pumped gel sweep. PUH to 5950 FT KB and run back in hole to 6064 FT KB, no obstructions found. TOO H and removed bit and motor from coil. Prepared unit to pick up perforating guns in A.M. Shut in well and SDON.
6. May 22, 2010. Pressure tested casing/tubing annulus to 1000 psi, pressure bled to 900 psi in 10-15 secs and to 600 psi in 45 secs. Increased pressure again with a slow pump rate and began to pump into at 940 psi then pressure began to fall back, pumping into casing annulus at .21bpm at 820 psi. Indicates there is a casing leak. Will locate & remediate after perforating Entrada. Rigged up Maverick Coil Tubing Services. Made three gun runs on coil tubing with 2 IN guns and perforated Entrada formation as follows; 5975 FT – 5995 FT; 6005 FT – 6025 FT; 6041 FT – 6061 FT (4 spf, .27 IN EHD, 20 IN est penetration). LD all perf guns and TIH with nozzle, blowing coil & tubing dry with nitrogen to 4000 FT. TOH with coil and RD Maverick Coil Tubing Services. Rigged up swab tools. TIH and tagged fluid level at 1800 FT, fluid entry of approx 19 bbls in 1hr. Made 3 swab runs and recovered 10 bbls of water, last fluid level at 2000 FT, calculated fluid entry of approx 30 bbls/hr. Hesitated 30 min and TIH with swab. Tagged fluid level at 1000 FT. Made 7 more swab runs and recovered 19 bbls of water, last fluid level was at 1700 FT, calculated approx 21 bbl/hr fluid entry. Shut in well and SD until 5/24/10. We plan to back off & LD 3-1/2 IN tubing on Monday then begin procedure to locate casing leak.
7. May 24, 2010. SITP=static; SICP=slight vent, opened casing to rig pit and casing began to unload fluids lightly but consistently. Rigged up swab tools, made 2 runs, initial fluid level was not indicated but approx 1000 FT by calculating swabbed fluids, 2nd run fluid level was at 1000 FT. Recovered a total of 13 bbls of water, no significant oil recovered. RU Wireline Specialties and TIH, ran a strip from 5200 FT to 4600 FT and correlated with CBL. Shot collar at 4797 FT KB, good shot. RD Wireline Specialties and TOO H with 151 jts of 3-1/2 IN rental string. Adjusted rig KB correction and top of 3-1/2 IN, 9.3 lb, EUE 8rd tubing left in hole is at 4794 FT KB, with a slim hole box looking up. Changed out 3-1/2 IN pipe rams and prepared rig to run 2-7/8 IN tubing in A.M. Secured location & SDON. We plan to TIH with a 7 IN RBP and proceed with casing test in A.M.
8. May 25, 2010. Picked up a 7 IN retrievable bridge plug in tandem with a 7 IN packer and TIH on 2-7/8 IN tubing. Set RBP at 4712 FT KB on 145 jts, PUH 2 jts and set packer at 4665 FT KB. Tested bridge plug to 1000 psi, good test. Tested annulus and began to pump into at .25bpm @ 900 psi. PUH and set packer with 96 jts at 3120 FT KB, tested below packer to 1000 psi, good test. PUH 2 jts and set packer at 3055 FT KB testing stage tool at 3103 FT KB to 1000 psi, good test. PUH 11 stds and set packer with 74 jts at 2414 FT KB. Tested below packer to 1000 psi, good test. PUH 1 std and set packer with 72 jts at 2350 FT KB testing old squeeze holes at 2400 FT, no test. Rigged up to casing and tested annulus to 1000 psi, good

test. TIH with 1 jt and set packer with 73 jts at 2382 FT KB, no test. Rigged up to casing and tested annulus to 1000 psi, good test. Isolated casing leak between 2382 FT KB and 2414 FT KB. TIH and retrieved bridge plug, PUH to 2670 FT and re-set bridge plug on 82 jts. PUH to 2638 FT and set packer, tested bridge plug to 1000 psi, good test. Unset packer and dump 200 lbs of sand on top of plug, displace with 10 bbls of water. TOOH with packer assembly and retrieving head. Shut in well and SDON. We plan to TIH with 7 IN packer in A.M. and set at 2100 FT then proceed with cement squeeze with BJ Services.

9. May 26, 2010. Picked up a 7 IN 32A type packer and TIH on 2-7/8 IN tubing. Set packer at 2125 FT KB on 65 jts, RBP was set at 2670 FT KB on previous day with sand on top. Rigged up BJ Services via 2-7/8 IN tubing and established injection rate with 5 bbls of water at 1.0bpm @ 1000 psi. Pumped 3 bbls of Type III cement with FL52 additive at 13.8 ppg and increased density to optimum at 14.6 ppg. Pumped a total of 50 sks (69 cuft, 12.3 bbls) of Type III cement with FL52 additive, 13 sks (18 cuft, 3.2 bbls) of Type III neat cement followed by 50 sks (69 cuft, 12.3 bbls) of Type III cement with 2 percent CaCl₂, at 1.0bpm @ 400 psi (total cement pumped was 113 sks, 156 cuft, 27.8 bbl). Shut down and washed pump & lines. Displaced with 15 bbls of water, final pump at .5bpm @ 1036 psi. Shut down & hesitate 5 min. Pressure fell to 643 psi. Pumped 2 bbls of water (17 bbls total), pressure climbed to 1120 psi & broke back to 980 psi at .5bpm. SD and hesitate 15 min. Pumped 1 bbl of water (18 bbls total), pressure climbed to 1235 psi & broke back to 1133 psi @ .4bpm. SD and hesitate 1hr. Increased pressure to 2000 psi and locked up. Shut in tubing with 2000 psi. Job completed at 13:25hrs on 5/26/10. Est TOC at 2270 FT. Pumped approx 23 bbls of cement outside of casing leaving approx 5 bbls inside the casing. RD BJ Services and secured well. SDON. We plan to test cement plug, drill out and re-test in A.M. then proceed as necessary.
10. May 27, 2010. SITP=20 psi upon arrival. Unset packer, rigged up pump and pressure tested casing from surface to TOC to 1000 psi, good test. TOOH with packer. Picked up a 6-1/4 IN tri-cone tooth bit, bit sub and TIH on 2-7/8 IN tubing. Tagged cement at 2250 FT KB. Picked up power swivel. Drilled first 10 FT easily and then cement became harder. Drilled 162 FT of cement in 3-1/2hrs, fell thru at 2412 FT KB. Circulated hole clean from 2445 FT KB. Pressure tested casing to 990 psi, held 30 minutes with no loss, good test. TOOH with 6-1/4 IN bit. Picked up retrieving head and TIH. Circulated sand off of bridge plug, engaged plug, unset and TOOH with 56 jts of tubing. Running out of daylight. Installed TIW valve on tubing and shut in well. SDON. We plan to TOH with retrieving head & 7 IN RBP in A.M. and then run pump assembly to put well back into production.
11. May 28, 2010. Complete TOOH with retrieving head & 7 IN RBP. Tallied in hole with the original stator assembly with 2 FT lift sub installed & TIH 79 jts of 2-7/8 IN, 6.5 lb, EUE8rd tubing. Bottom of stator assembly is at 2604.72 FT KB, tag bar is at 2601.47 FT KB. Landed tubing on mandrel. ND BOP, picked up 2 IN on mandrel, established 3/4 turn right hand torque into no-turn tool and relanded mandrel, tighten lock down pins onto mandrel and release torque, torque held. NU wellhead and pumping tee. Picked up original 42 FT rotor with 2 FT lift sub and TIH on original 75 ea guided 7/8 IN rods and 26 ea plain new 7/8 IN rods. Tagged bar and pulled up 32 IN for space out. Installed drive motor and clamped off rods. Lease operator on location. Turned on drive unit and checked action, pumping good. RD Mesa Well Service rig 202. B&B Vac skimmed 10 bbls of oil from rig pit and placed into production tank on location. Pulled remaining fluids from rig pit and cement wash up pit and hauled to TNT Disposal. Final Report.