

UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT

5. Lease Designation and Serial No.
SF-065557

SUNDRY NOTICES AND REPORTS ON WELLS
(Do not use this form for proposals to drill or to
deepen or plug back to a different reservoir.
Use Form 3160-3 for such proposals.)

6. If Indian, Allottee or Tribe Name.

7. If Unit or CA, Agreement Designation.

1. Oil well [] Gas Well [X] Other []
Gas Well

JAN 2003

2. Name of Operator

Producing Royalties, Inc.

8. Well Name and No.

Payne #1

3. Address & Telephone No. (505) 334-2555

c/o A. R. Kendrick, Box 516, Aztec, NM 87410

9. API Well No.

30-045-22118

4. Location of Well (Footage & S.T.R.)

1120' FNL 860' FEL

A-11-29N-12W

10. Field and Pool, or Exploration Area

Fulcher Kutz Pictured Cliffs

11. County or Parish, State

San Juan County, New Mexico

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

[] Notice of Intent

[•] Abandonment

[] Change Plans

[•] Subsequent Report

[] Recompletion

[] New Construction

[] Final Abandonment Notice

[] Plugging Back

[] Non-Routine Fracturing

[] Casing Repair

[] Water Shut-Off

[] Altering Casing

[] Conversion to Injection

[] Other

[] Dispose Water

17. Describe Proposed or Completed Operations (Give Pertinant Details and Dates.)

See attached cementing summary submitted by A-Plus Well Service, Inc.

The plugging operations were witnessed by Mr. Mike Wade.

□The surface cleanup was not completed until recently.

RECEIVED
2002 DEC 19 PM 4:22
070 Farmington, NM

NOTE: This format is issued in lieu of U.S. BLM Form 3160-5.

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

Signed _____ Title _____ Agent _____ Date 12/19/02

Approved by A.R. Kendrick Title _____ Date _____

Conditions of approval, if any:

ACCEPTED FOR RECORD

NMOCB

JAN 06 2003

FARMINGTON FIELD OFFICE
BY Sm

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
FARMINGTON, NM 87499
505-325-2627 • FAX: 505-325-1211

Producing Royalties, Inc.

February 14, 2002

Payne #1

Page 1 of 2

1120' FNL & 860' FEL, Section 11, T-29-N, R-12-W
San Juan County, NM
Lease No. SF-065557
API 30-045-2218

Plug & Abandonment Report

Cementing Summary:

Plug #1 with 10 sxs cement from 1737' to 1374' to fill Fruitland perforations.

Plug #1a with 10 sxs cement inside casing from 1533' to 1170' to cover Fruitland top.

Plug #2 with 5 sxs cement inside casing from 716' to 535' to cover the Kirtland and Ojo Alamo tops.

Plug #2a with 5 sxs cement with 2% CalCl₂ inside casing from 660' to 479' to cover Kirtland and Ojo Alamo tops.

Plug #3 with 40 sxs cement pumped down the 2-7/8" casing, squeeze 35 sxs outside casing and leave 15 sxs inside, displace to 350'.

Plug #3a with 12 sxs cement pumped down the 2-7/8" casing, squeeze 9 sxs outside casing and leave 3 sxs inside, displace to 200'.

Plug #3b with 52 sxs cement pumped down the casing from 153' to surface, circulate good cement out bradenhead.

Plugging Summary:

Notified BLM on 2/7/02

2-07-02 Road rig to location. SDFD.

2-08-02 Safety Meeting. RU. Layout relief line to pit. ND wellhead. NU BOP and test. TOH and tally 52 joints 1-1/4" EUE tubing, total 1,649'. PU 8 joints 1-1/4" IJ tubing and TIH to 1737'. Circulate well clean with 12 bbls water. Plug #1 with 10 sxs cement from 1737' to 1374' to fill Fruitland perforations. PUH. SI well. SDFD.

2-11-02 Safety Meeting. TIH and tag cement low at 1533'. Attempt to pressure test casing to 500#, bleed down slowly. Plug #1a with 10 sxs cement inside casing from 1533' to 1170' to cover Fruitland top. PUH to 800'. WOC for 3 hours. TIH to 1221'. Reverse circulate 1/4 bbl gray water. Attempt to pressure test to 500#, leak of slow. PUH 60' and WOC for 1-1/4 hours more. TIH and tag cement at 1302'. Attempt to pressure test, leak. PUH to 716'. Plug #2 with 5 sxs cement inside casing from 716' to 535' to cover the Kirtland and Ojo Alamo tops. PUH to 528'. Reverse circulate with 4 bbls water. Recover trace amount of gray water. PUH to 340'. Shut in well. SDFD.

A-PLUS WELL SERVICE, INC.

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Payne #1

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1120' FNL & 860' FEL, Section 11, T-29-N, R-12-W

San Juan County, NM

Lease No. SF-065557

API 30-045-2218

Plug & Abandonment Report

- 2-12-02** Safety Meeting. TIH and tag cement low at 660'. Attempt to pressure test casing, leak. Plug #2a with 5 sxs cement with 2% CaCl₂ inside casing from 660' to 479' to cover Kirtland and Ojo Alamo tops. PUH to 528' and reverse circulate 4 bbls; recovered 1/4 bbl cement. PUH 60' and WOC. TIH and tag cement at 550'. M. Wade, BLM, approved tag. TOH and LD tubing. RU A-Plus wireline truck. Perforate 2 bi-wire squeeze holes at 520'. Pump 20 bbls water down casing and attempt to circulate out bradenhead; pumping into squeeze holes at 1-1/2 bpm at 900#. Pump 8 bbls water down bradenhead to assure it's clear. Wait on orders from BLM. Perforate 3 bi-wire squeeze holes at 450'. Pump 20 bbls water down casing and attempt to circulate out bradenhead; pumping into squeeze holes at 1-1/2 bpm at 900#. No circulation out bradenhead. Plug #3 with 40 sxs cement pumped down the 2-7/8" casing, squeeze 35 sxs outside casing and leave 15 sxs inside, displace to 350'. Shut in well. SDFD.
- 2-13-02** Safety Meeting. Pressure test casing to 500#, OK. Tag cement at 320'. Perforate 2 bi-wire squeeze holes at 300'. Pump 10 bbls water down casing 1-1/2 bpm at 500#, unable to establish circulation out bradenhead. M. Wade, BLM, approved procedure change. Plug #3a with 12 sxs cement pumped down the 2-7/8" casing, squeeze 9 sxs outside casing and leave 3 sxs inside, displace to 200'. Perforate 2 bi-wire squeeze holes at 153'. Pump 10 bbls water down casing; establish circulation out bradenhead. Plug #3b with 52 sxs cement pumped down the casing from 153' to surface, circulate good cement out bradenhead. Shut in well. WOC. ND BOP. Dig out and cut off wellhead. Found cement down 8' in 2-7/8" casing and down 6' in 7" annulus. Mix 12 sxs cement to fill the casing and annulus, then install P&A marker. RD. MOL.
M. Wade, BLM, was on location.