

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.
30-045-27340

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
E-3707-4

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 "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL ☐ GAS WELL ☐ OTHER Salt Water Disposal

2. Name of Operator
Blackwood & Nichols Co., Ltd.

3. Address of Operator
P. O. Box 1237, Durango, Colorado 81302

4. Well Location
Unit Letter N : 990 Feet From The South Line and 1600 Feet From The West Line
Section 36 Township Range NMPM San Juan County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
6430' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☒
OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

8-14-90 Drill with Dyna-drill to 3875'. Change bottom hole assembly to: bit, integral blade stabilizer (IBS), two 7-3/4" drill collars, IBS, six 7-3/4" drill collars, IBS, change over, eight 6-3/4" drill collars, 6 jts weight pipe. Overall length = 675'; weight 60,000#. TIH, ream sidetracked hole.

8-15-90 Drill to 3909' and survey. BHA building too much angle. POOH and run BHA: bit, IBS, 7.1' drill collars, IBS, one 7-3/4" drill collar, IBS, seven 7-3/4" drill collars, eight 6-3/4" drill collars, 6 jts heavy wall pipe. Overall length = 682'; weight 61,000#. New wellbore approximately 12' away from old hole.

(Continued on attached pages)

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE R. W. Williams TITLE Administrative Manager DATE 8/22/90

TYPE OR PRINT NAME R. W. Williams TELEPHONE NO. 303-247-0728

(This space for State Use)

APPROVED BY Original Signed by FRANK I. CHAVEZ TITLE SUPERVISOR DISTRICT # 3 DATE AUG 24 1990

CONDITIONS OF APPROVAL, IF ANY:

8-16-90 Drill to 4131', drop survey. POOH to change BHA to: bit, bit sub, eight 7-3/4" drill collars, eight 6-3/4" drill collars, 6 jts heavy weight drill pipe. Overall length = 664'; weight 60,000#. Prepare to drill with air mist. Lay down BHA. Pick up new bit no. 26, 12-1/4" Varel B-527 (jets: 24-24-24), and TIH to 1500'. Rig up and unload hole with air. New hole approximately 26' from old hole.

8-17-90 Unload hole at 1500'. TIH to 3315'. Unload hole, TIH to 3935'. Unable to unload hole. Pull 10 stands to 3315' and rig up blooie line. Unload hole - broke blooie line off. Drill to 4392'. Blow hole 20 minutes and TOOH to 4100'. Remove string float and TIH to 4352'. Run survey and drill ahead. New hole 41' from old hole.

8-18-90 Drill ahead with air and mist; new hole approximately 61' from old hole. Returns 70% dark gray shale, 30% siltstone.

8-19-90 Drill to 5166', lost 2 primary air compressors, trip out 7 stands, remove string float. Wait on compressor parts. TIH with 6 stands and one single. Run survey, drill ahead; now drilling in Menefee. Tops: Cliff House - 5221'; Menefee - 5269'. Drilling breaks: 5268-5275'; 5301-5308'; 5325-5332'; 5427-5434'; 5515-5526'; 5540-5546'.

8-20-90 Drill to 5820', started having circulating problems, increased soap and began drilling fractures, lost complete returns at 5857' and below. Drill ahead with little or no returns to 5906', drill ahead with stiff foam at 5975', well pressured up to 600 psi, increased foam and worked pipe. Top: Mancos - 5910'.

8-21-90 Drill to 5995', blow hole. Trip for string float. Run survey. Blow hole and strap out. Correction - 7' shallower. Rig up casers. Run 9-5/8" 40# new liner - 2416.96'. Circulate and wash liner 44'. Hang liner at 3570' with TD at 5987' and cement with 600 sx 12.2 ppg 65/35 Poz with 6% gel, .4% FLA, 6-1/4 #/sk gilsonite, and 1/4 #/sk celloflake. Tail with 200 sx Class G, 15.8 ppg. Drill pipe had annulus overbalanced throughout job. Bump plug at 3:10 a.m., 8-21-90 to 700 psi. Bleed back float - OK. Pick up drill pipe to set pack-off - unsuccessful. Trip for bit.

Liner detail:

Float shoe	1.48
Shoe jt, 9-5/8" 40# N-80	39.30
Float collar	2.79
59 jts 9-5/8" 40# N-80	2309.49
1 jt 9-5/8" 40# K-55	43.44
1 pup jt 9-5/8" 40# K-55	4.05
Baker hanger D-CPH pack-off	16.43
20 centralizers	

Lay down liner setting tool - no cement on tool.

Cement Sundry - NEBU PM SWD #1
August 22, 1990

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8-22-90 TIH with 12-1/4" bit, Smith Tool Co., FDS RR (jets: 14-14-14), set 30000# on liner seal assembly, with no indication of seal setting. POOH, wait on cement. Rig up Tefteller and RIH with temperature survey tool, tag cement at 2912'. Work down to 2932', and POOH. Tool appeared to have cement packed in it. Pick up bailer and RIH, tag at 2912' and work down to 2942'. Bailer contained contaminated and hard cement. TIH with 12-1/4" bit, bit taking weight from 2912' to 3012'. Drill cement stringers from 3012' to 3040', bit taking weight from 3040' to 3228'; broke through and trip to top of liner at 3570'. Pressure test to 850 psi, held OK. POOH, pick up bit no. 28, 8-3/4" Smith Tool Co., F-37 (jets: 20-20-20) and square drill collar. RIH.