Submit 3 Copies to Appropriate District Office

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

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

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

Form C-103
Revised 1-1-89

WELL API NO. 3004510150

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: Wallace Gas Com

1. Type of Well: OIL WELL ☐ GAS WELL ☒ OTHER

2. Name of Operator: AMOCO PRODUCTION COMPANY Attention: Pat Archuleta

8. Well No. 1

P.O. Box 800 Denver Colorado 80201 303-830-5217

9. Pool name or Wildcat: Blanco Mesaverde

4. Well Location Unit Letter H : 1640 Feet From The NORTH Line and 790 Feet From The EAST Line

Section 35 Township 31N Range 11W NMPM SAN JUAN County

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

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER: Sidetrack	☒			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.

Amoco Production Company requestes permission to sidetrack this wellbore in the Mesaverde per the attached procedures.

If you have any technical questions contact Mark Rothenberg at (303) 830-5612.

RECEIVED
JUN - 4 1997
OIL CON. DIV.
DIST. 3

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

SIGNATURE Pat Archuleta TITLE Staff Assistant DATE 06-02-1997

TYPE OR PRINT NAME Pat Archuleta TELEPHONE NO. 303-830-5217

(This space for State

APPROVED BY ORIGINAL SIGNED BY ERNIE BUSCH TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JUN 19 1997

CONDITIONS OF APPROVAL, IF ANY:

Mead Ad Brader

SJOET Well Work Procedure

Wallace GC 1

Version: #1
Date: May 22, 1997
Budget: Major Cash
Repair Type: Sidetrack

Objectives:

1. Sidetrack MV well using some directional tools to ensure legal bottom hole location.
2. Drill with natural gas through the potential fractured intervals.
3. Complete either open hole or case, perf, and frac.

Pertinent Information:

Location:	1640' FNL x 790' FEL; H35-T31N-R11W	Horizon:	MV
County:	San Juan	API #:	30-045-10150
State:	New Mexico	Engr:	M. Rothenberg
Lease:	Fee	Phone:	H-(303)841-8503
Well Flac:	924504		W-(303)830-5612
			P-(303)553-6448

Economic Information:

APC WI:	80%		
Estimated Cost:	$370,000	Anticipated Prod.:	735MCFD
Payout:	2.8		
ROI	3.804	IRR %	47
DROI(13)	1.276	PV(13) $M	320

Note: **Estimated costs do not include surface equipment.**

Formation Tops: (Estimated formation tops)

Nacimento:		Menefee:	4220'
Ojo Alamo:		Point Lookout:	4645'
Kirtland Shale:		Mancos Shale:	4810'
Fruitland:		Gallup:	
Pictured Cliffs:	2410'	Graneros:	
Lewis Shale:	2455'	Dakota:	
Cliff House	4000'	TD:	4867'

Bradenhead Test Information:

Test Date: 8/96 **Tubing:** 970 **Casing:** 970 **BH:** 37

Time	BH	CSG	INT	CSG
5 min	0			
10 min				
15 min				

Comments:

Suggested Procedure:

Prep. work: daylight rig

1. Check location to ensure adequate size for sidetrack. Install and test anchors.
2. MIRUSU.
3. Blow down well, NDWH. NUBOPS. (includes cost for wellhead repairs)
4. Pull Donut, TOH with tubing.
5. TIH with tubing and packer and squeeze perfs with cement. TOH.
6. RU wireline. RIH with CBL and GR and log. Perform remedial cementing if necessary.
7. PU anchor and TIH, set whipstock, and mill with starting mill.
8. TOH and PU window cutting mill. TIH and mill window. TOH.
9. PU and TIH with watermellon mill and open window. TOH.
10. TIH with bit and build bottom hole assembly and drill approx. 150'. TOH.
11. RDMOSU.

Directional work: 24hr drilling rig

1. MIRURT, NUBOP and casing spool
2. PU 6.25" bit, float, motor, MWD or other continuous survey, DC, DP.
3. TIH and drill, building angle and orientation according to drilling plan. Drill and survey to 500'.
4. TOH and LD directional tools.
5. PU conventional bottom hole build assembly.
6. TIH and drill to TD. TOH.
7. Run 4.5" casing from TD to determined depth and hang off liner.
8. Cement 4.5" casing with appropriate volumes.
9. RDMORT

Completion: daylight rig

NOTE: If fractured zones are successfully intersected, completion may not be necessary.

1. MIRUSU.
2. Run cased hole logs (cbl/gr/ccl, neutron log for some wells).
3. Perforate Point Lookout/Menefee determined from above logs.
4. Acid breakdown and ball off perforations.
5. Frac Point Lookout/Menefee.
6. Flowback as soon as possible of 1/4" choke, changing to 1/2" or larger depending on activity of well, pressures, and sand production.
7. Set RBP above perforations
8. Perforate Cliffhouse/Menefee at depths determined from logs.
9. Acid breakdown and ball off perforations.
10. Frac Cliffhouse/Menefee.
11. Flowback as soon as possible of 1/4" choke, changing to 1/2" or larger depending on activity of well, pressures, and sand production
12. Cleanout to RBP. Retrieve RBP and clean out to PBTD.
13. RDMOSU.
14. Turn well over to production.

If problems are encountered, please contact:

Mark Rothenberg
(W) (303)830-5612
(H) (303)841-8503
(P) (303)553-6448

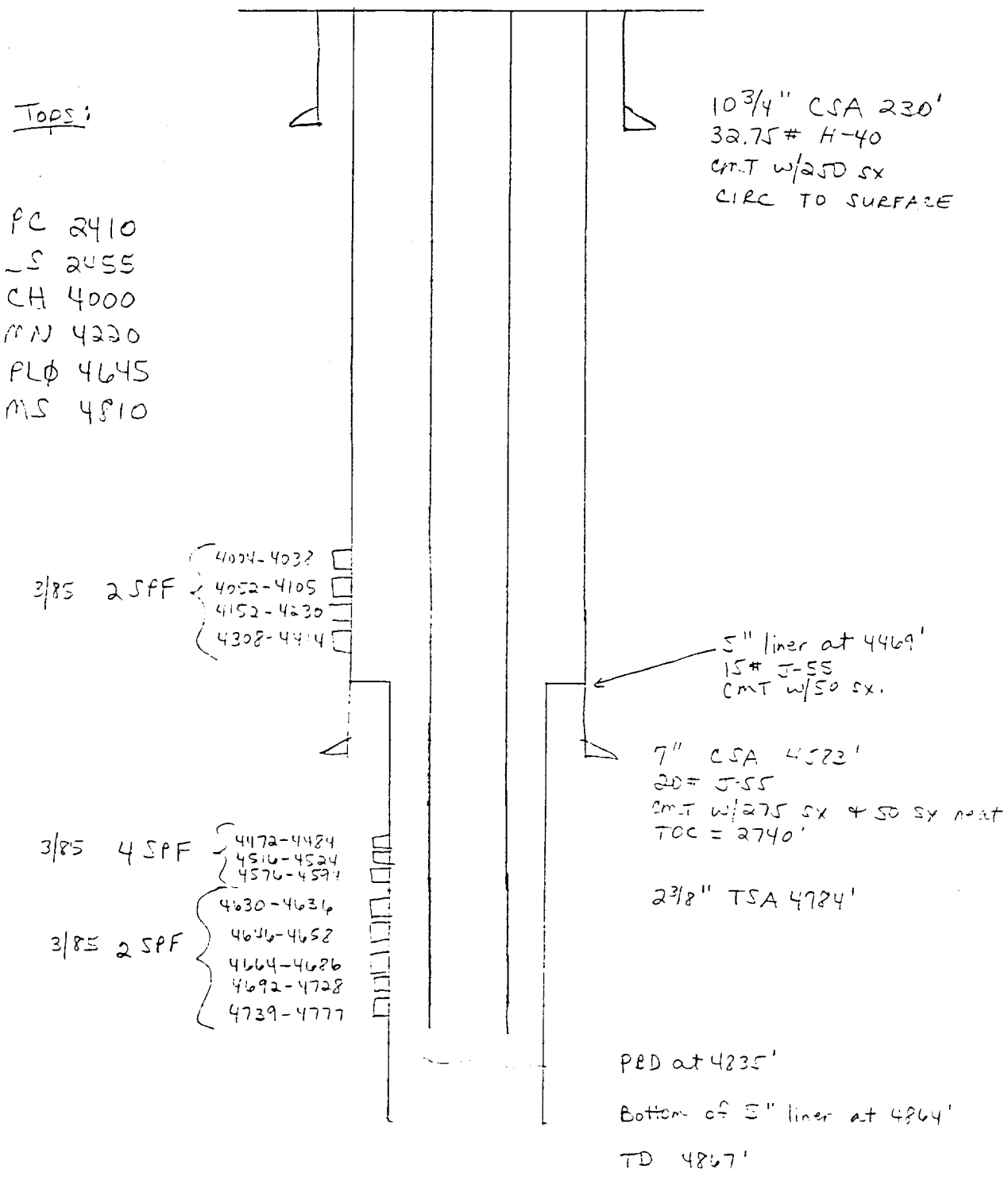
Amoco Production Company

ENGINEERING CHART

Sheet No ____ Of ____
File ____
Appn ____
Date ____
By ____

SUBJECT Wallace Hoss Com I (MV)

Sec H35-T31N-R11W 3004510150



Original completion 3/57
Perf'd add'l zones 3/85

ENGINEERING CHART

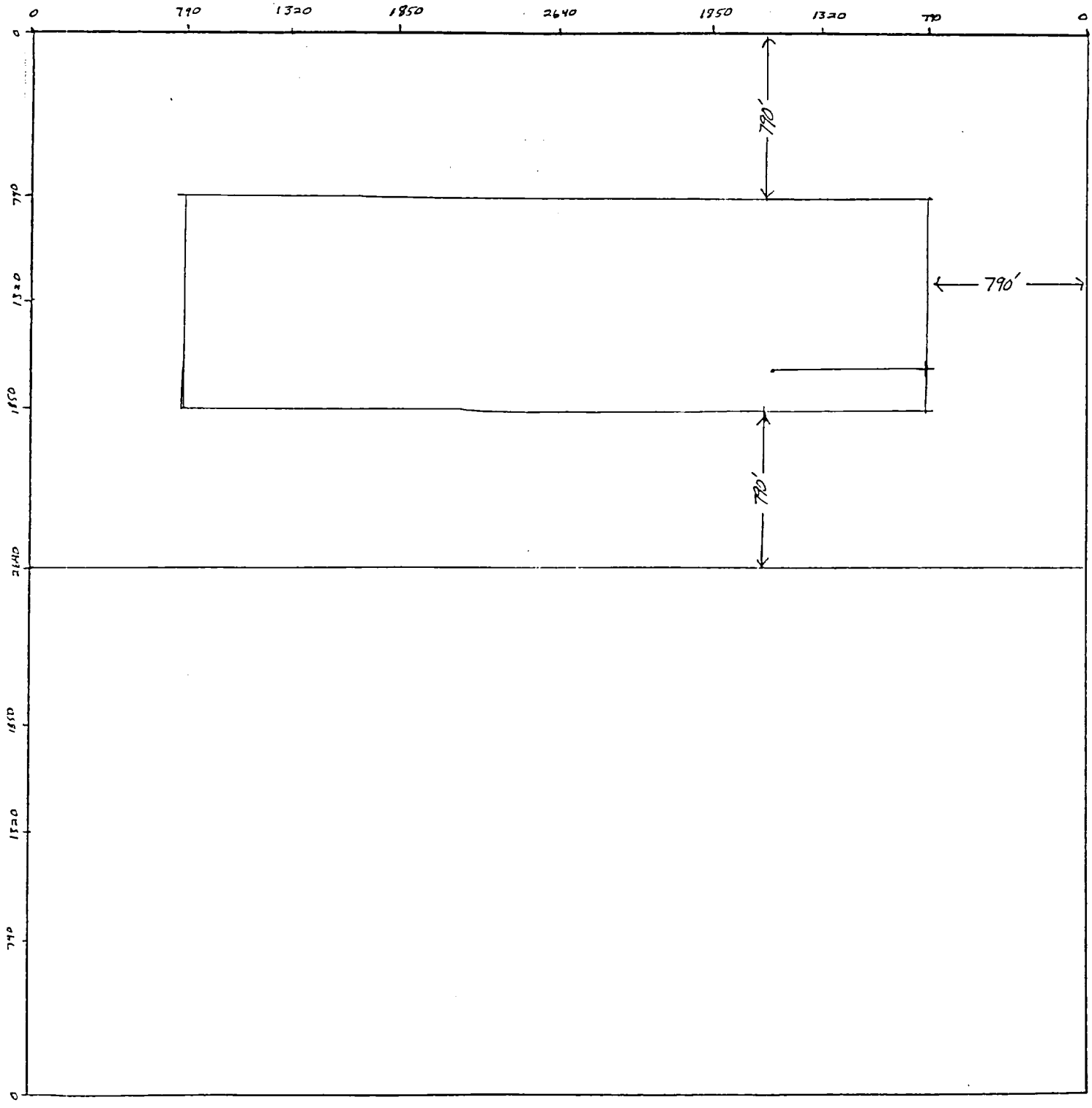
Appn _____

Date _____

By _____

SUBJECT Wallace Gas Com 1 - 3004516150

1640' FNL x 790' FEL SECTION 35 - 31N - 11W



Form 371 1-86

sperry-sun
DRILLING SERVICES
A DRESSER INDUSTRIES, INC. COMPANY

Amoco Production Co.
New Mexico
Re-Entry Wells
Sec 35-T31N-R11W
Wallace Gas Com 1 - Re-Entry Well

PROPOSAL REPORT

3 May, 1997

Proposal Ref: pro1667

Sperry-Sun Drilling Services

Proposal Report for Wallace Gas Com 1 - Re-Entry Well

Amoco Production Co.
New Mexico

Re-Entry Wells
Sec 35-T31N-R11W

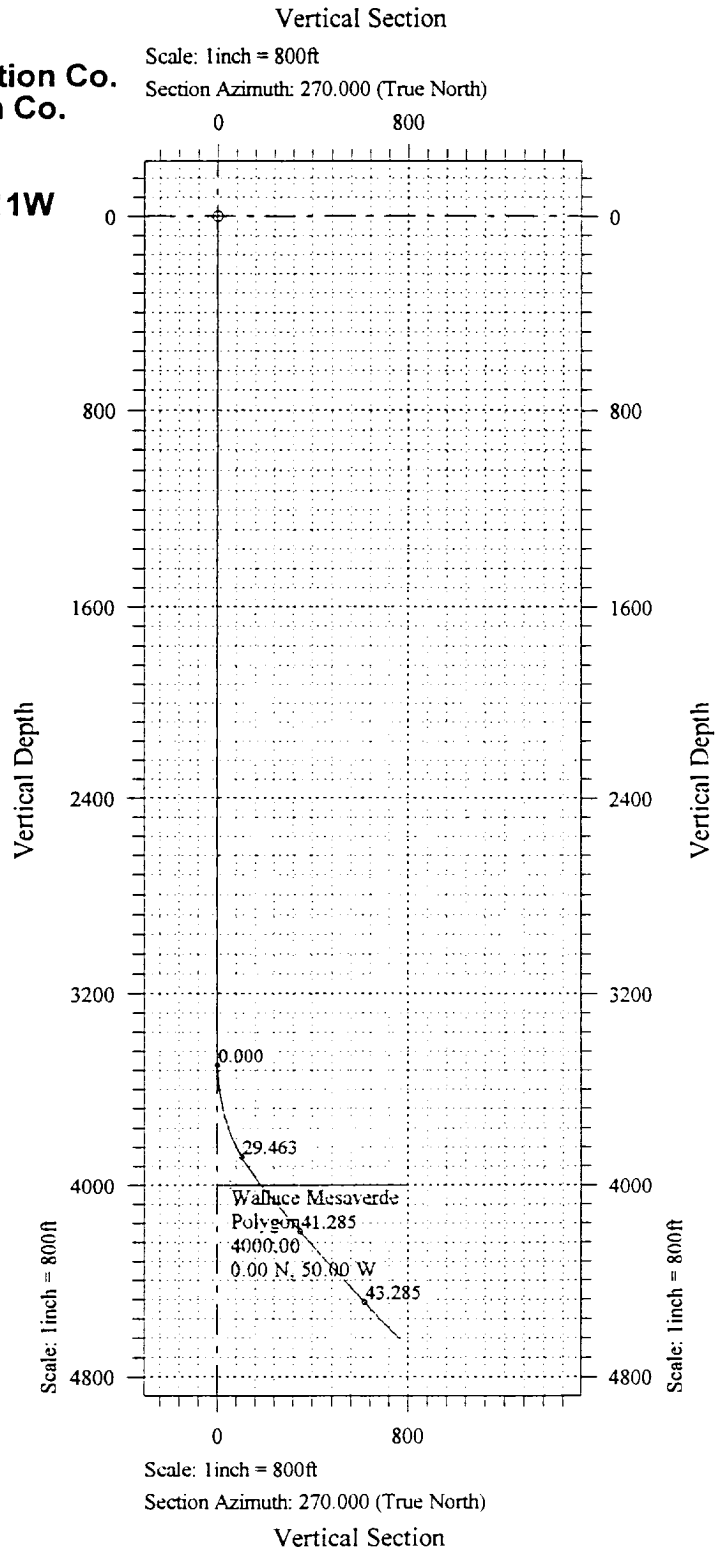
Measured Depth (ft)	Incl.	Azim.	Vertical Depth (ft)	Northings (ft)	Eastings (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)
0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00	
3500.00	0.000	0.000	3500.00	0.00 N	0.00 E	0.00	0.000
4043.05	40.000	270.000	4000.00	0.00 N	181.99 W	181.99	7.366
4913.61	44.353	270.000	4645.00	0.00 N	766.35 W	766.35	0.500

All data is in feet unless otherwise stated. Directions and coordinates are relative to True North.
Vertical depths are relative to Structure. Northings and Eastings are relative to Structure.

The Dogleg Severity is in Degrees per 100ft.
Vertical Section is from Well and calculated along an Azimuth of 270.000° (True).
Coordinate System is NM-W. Grid Convergence at Surface is -0.822°.

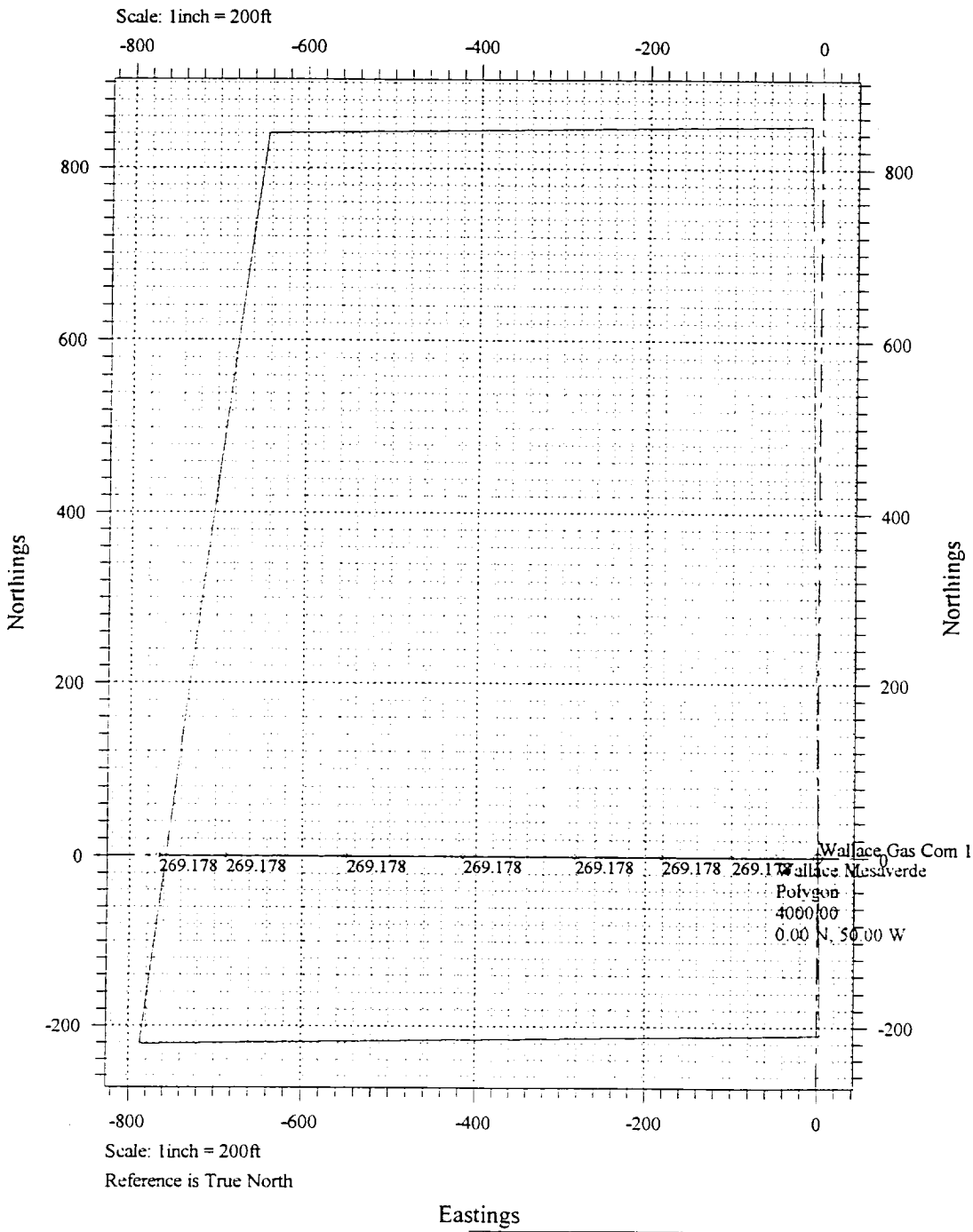
Based Upon Minimum Curvature type calculations, at a Measured Depth of 4913.61ft.,
The Bottom Hole Displacement is 766.35ft., in the Direction of 270.000° (True).

Customer: Amoco Production Co.
Folder: Amoco Production Co.
Field: New Mexico
Project: Re-Entry Wells
Structure: Sec 35-T31N-R11W
Well: Wallace Gas Com 1



Prepared:	Checked:	Approved:

Customer: Amoco Production Co.
Folder: Amoco Production Co.
Field: New Mexico
Project: Re-Entry Wells
Structure: Sec 35-T31N-R11W
Well: Wallace Gas Com 1



Prepared:	Checked:	Approved: