

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. SF-078095A
2. Name of Operator Hallador Petroleum, LLP		6. If Indian, Allottee or Tribe Name N/A
3a. Address 1660 Lincoln St. Ste 2700 Denver, CO 80264	3b. Phone No. (include area code) 303/839-5504 ext. 317	7. If Unit or CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2370 fsl, 1750 fel Section 7 T31N, R11W		8. Well Name and No. Horton #1B
		9. API Well No. 30-045-30165
		10. Field and Pool, or Exploratory Area Blanco- Mesa Verde
		11. County or Parish, State San Juan County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Spud notice
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomplete 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 recompletion 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.)

See attached drilling history.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Timothy Lovseth

Signature

Title

Manager of Exploration & Geology

Date

5/5/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Title

Date MAY 26 2000

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

FARMINGTON FIELD OFFICE
BY

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.

(Instructions on reverse)

MMOCD

Drilling History

Horton #1B

San Juan County, New Mexico

NW SE Section 7-T31N-R11W

- 4/23/00 Move drilling equipment from Horton #2B to Horton #1B. Set up drill equipment on Horton #1B location. Replace crown. Rig up drilling equipment. Drill mouse and rat hole. Spud well – Drilling to 137 feet.
- 4/24/00 Drill from 137' to 220 feet – Surface hole TD. Circulate and condition hole for casing. POOH to run casing. Run 5 joints 9-5/8", 30#/ft, K-55 casing to 219 feet. Circulate casing contents – Conduct cement program safety meeting. Cement casing with 127 sks Class B + 2% Calcium Chloride – 100% excess - Bump plug at 1204 hours – 10 bbls cement to surface. Waiting on cement. Install 9-5/8"X11" Cameron cement head + Test to 1000 psi – Good test. Nipple up 11", 3000 psi BOPE. Test blind rams + pipe rams + all service equipment to 200 psi low – 2000 psi high. M/U new bit, bit sub, shock sub, BHA and RIH to top of cement at 136 feet. Drill cement and shoe track to 220 feet. Drill new formation from 220' to 295 feet.
- 4/25/00 Drill from 295' to 735 feet. Wire line survey at 695' (1/2°) + Rig service. Drill from 735' to 1264 feet. Wire line survey at 1224' (3/4°) + Rig service. Drill from 1224' to 1705 feet. Wire line survey at 1673' (3/4°). Drill from 1705' to 2171 feet. Wire line survey at 2131' (3/4°). Circulate to make short trip. POOH for 15 stand short trip to 1240 feet.
- 4/26/00 Short trip to 1240 feet – Tight the first three stands (20K overpull). Drill from 2171' to 2296 feet. Service Rig. Drill from 2296' to 2673 feet. Wire line survey at 2643' (3/4°). Drill from 2673' to 3165 feet.
- 4/27/00 Drill from 3165' to 3174' TD. Circulate bottoms up. Short trip of 15 stands to 2244 feet – Tight hole 25-30K over pull. Wash and ream from 3130' to 3174' – Tight spot from 3140' to 3150 feet. Circulate and condition mud for logging. Pump slug + Drop survey. Measure out of hole to log – (Survey 1-3/4°). R/U and log Open-Hole Logging Suite – Induction log/GR/SP – Density and Neutron from 220' to 3174 feet. R/D logging equipment. RIH to 3174 feet. Circulate and condition mud for casing. Pump slug + conduct safety meeting. POOH laying down DP + BHA. R/U casing running equipment + change rams. Run 10 joints 7", 23#/ft, N-80, LTC + 7", 20#/ft, K-55, LTC, casing.
- 4/28/00 Finish running 10 joints 7", 23#/ft, N-80 & 71 joints 7", 20#/ft, K-55 casing to 3173 feet. R/D casing running equipment & R/U cementing head. Circulate casing contents. Cement 7" casing with 391 sks Class G + 3% extender + 2% CaC12 + 5 pps Gilsonite + ¼ pps Cellophane + .2%

- Antifoam lead & 100 sks Class G + 2% CAC12 + .1% antifoam tail cement – Bump plug with 1108 psi – 1 bbl cement returns. N/D BOPE – Install 7” slips with 52K – cut off 17.94 feet 7” casing. N/U BOPE – change rams. Test BOPE – Pipe rams + Blind rams + service equipment: 250 psi low – 2000 psi high. Measure and caliper BHA and drill pipe. P/U and test air bit and hammer. P/U 3-1/2” drill pipe and RIH – Tag cement at 3125 feet. Displace hole with Air. Air drill cement and shoe track. Air dry hole. Drill from 3174’ to 3260 feet.
- 4/29/00 Drilling from 3260’ to 3400 feet. Service rig. Drilling from 3400’ to 4105 feet. Service rig. Drilling from 4105’ to 4935 feet.
- 4/30/00 Drilling from 4935’ to 6632 feet.
- 5/1/00 Drilling from 4935’ to 6632 feet. Circulate with air to clean hole. POOH laying down 4570’ drill pipe + BHA – Continue out of hole with 49 stands 3000’ DP in Derrick. R/U Halliburton logging equipment and log well with Open Hole Logging Suite, Induction log/GR/SP, Density and Neutron from 3174’ to 7490’.
- 5/2/00 Log well with Open Hole Logging Suite, Induction log/GR/SP, Density and Neutron. R/D logging equipment. R/U casing running equipment – conduct safety meeting. P/U and run 103 joints, 4583’, 4-1/2”, 11.6#/ft, J-55 liner. R/D casing running equipment. RIH with 4-1/2” liner on drill pipe – tag at 7354’. Attempt to circulate with air without success. POOH lay down one joint of drill pipe to 7331’ – Stuck pipe. Work stuck pipe – R/U wire line for free point. Run free point – 100% at 6500’. Discuss with Denver the location of perforation. RIH with perforating guns – make three attempts to pass Liner Hanger – Perforate at 6300’. Bleed down casing air pressure – pump 2 bbls water to kill well – R/U Weatherford Cement Manifold. Unset from hanger – Circulate with air through perforation – Good air returns. R/U cementing lines – conduct safety meeting. Drop plug – cement 4-1/2” liner with 20 bbls water + 10 bbls mud flush + 10 bbls water + 288 sks Class B 50/50 POZ + 2.75% Gel + 2% Calcium + 0.2% Fluid loss + .2% Antifoam. Displace with 75 bbs water – (No returns during cement program). Release from hanger with 75K overpull – Reverse out with 100 bbls water – No returns. L/D 3-1/2” drill pipe.
- 5/3/00 L/D 3-1/2” drill pipe + Kelly + subs. N/D BOPE + choke and kill lines + install wellhead. R/D air drilling equipment. Release rig at 1400 hours. Release rig + rig down drilling equipment + prepare to move off location.
- 5/4/00 Demobilizing rig equipment.