Form 3160-5
(November 1994)

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.

MAY 2000

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

5. Lease Serial No.
SF078146A

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Horton #12

2. Name of Operator
Hallador Petroleum, LLP

9. API Well No.
30-045-24518-00S1

3a. Address
1660 Lincoln St, Ste 2700
Denver, CO 80264

3b. Phone No. *(include area code)*
303/839-5504 ext 317

10. Field and Pool, or Exploratory Area
Blanco-Pictured Cliffs

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1120 fsl & 1120 fwl SWSW
Sec 27 T32N-R12W

11. County or Parish, State
San Juan, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☒ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.)

Seal off the Ojo Alamo water zone by performing a cement squeeze according to the attached procedure.

Hallador Petroleum requests an extension until June 1, 2000 to complete this work.

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

Title
Manager of Exploration & Geology

Signature

Date
5/2/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
/s/ Charlie Beecham

Title
Team Lead, Petroleum Management

Date
5/4

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

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)

HALLADOR PETROLEUM COMPANY

HORTON #12
SWSW SEC. 27-T32N-R12W
SAN JUAN COUNTY, NEW MEXICO

REMEDIATION PROCEDURE
MAY 1, 2000

1. Prepare location for workover rig. Test anchors.

2. MIRU workover rig. Flow well and bleed down wellhead pressure. Slug tbg w/ 5 Bbls 2% KCL water if necessary to kill. Otherwise, ND wellhead, NU BOP's and POOH w/ 2 3/8" tbg.

3. RU wireline unit. PU gauge ring and RIH to 1100' KB. POOH and LD gauge ring. PU 4 1/2" wireline set/tbg retrievable bridge plug (RBP). RIH on WL and set @ 1100' KB. POOH and LD setting tool. RIH and dump bail 2 sx sand on BP. POOH and LD dump bailer. RIH w/ perf gun. Perf squeeze holes @ 1000' KB. POOH and LD perf gun. RD WL unit.

4. Fill hole w/ water and open bradenhead valve. Establish pump rate and circulation down csg through perf holes to surface. If circulation to surface is established, go to Step No. 5. Otherwise, go to Step No. 11.

5. PU 4 1/2" squeeze pkr and RIH w/ 2 3/8" tbg. Set pkr @ 950' KB.

6. RU cementers. Establish circulation to surface and pump 150 sx lite cmt. Displace cmt to 980'. Shut well in with pressure over night.

7. Bleed off pressure. Check for flow. Release pkr and POOH. LD pkr.

8. PU 3 7/8" bit and 6 - 3" collars. RIH to cmt. Drill out cmt and circulate hole clean. Pressure test squeeze to 500 psi.

9. PU RBP retrieving tool. RIH and circ sand off RBP. RU swab and swab fluid level down to 500'. Retrieve RBP and POOH. LD RBP. RU wireline unit and run temperature survey to determine cmt top. RD WL unit.

10. RIH w/ 2 3/8" tbg. ND BOP's. NU wellhead. RDMO workover rig. Put well on production.

11. RIH w/ 4 1/2" cast iron cement retainer (CICR) on tbg. Set CICR @ 950' KB. Establish injection rate and squeeze perfs w/ 150 sx lite cmt. Sting out of CICR and reverse out cmt. POOH w/ tbg and LD stinger. SWIFN.

12. PU 4 1/2" bit and 10 - 3" collars. RIH and drill up CICR and cmt. Pressure test squeeze to 500 psi.

13. RU wireline unit and run temperature survey. If cmt is above 210', RD WL unit, retrieve BP, RIH / tbg, ND BOP's, NU tree, RDMO workover rig and put well on production. If not, perf above cmt top and squeeze under CICR until cmt is circ or displaced to surface.

Note: The BLM and NMOCD requires that the annular space between csg and hole be filled w/ cmt from 1000' to surface csg; therefore, multiple squeezes may be required to accomplish same.

HALLADOR PETROLEUM COMPANY

HORTON #12
SWSW SEC. 27-T32N-R12W
SAN JUAN COUNTY, NEW MEXICO

WELL DATA SHEET
May 1, 2000

Date Drilled: January 1981

Total Depth: 2800'

PBTD: 2789'

Casing Program: 8 5/8" 24# @ 210' Cement to surface
4 1/2" 10.5# @ 2790' Cement top @ 1890'

Tubing: 2 3/8" 4.7# @ 2501'

Perforations and Stimulation: 2556' - 2592', 2533' -38', 2520' - 24', 2514' - 16, 2502' - 08', 2496 - 2500' Frac with 70,000 # 10/20 sand and 70 quality foam

Initial Potential: 1182 MCFD

Cumulative Production: 1420 MMCF

Current Production Rate: 35 MCFD