Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

**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***

JAN 2000
RECEIVED
OCD - ARTESIA

5. Lease Serial No. NM-87187

6. If Indian, Allottee or Tribe Name N/A

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

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

8. Well Name and No. Indian Creek Federal #1

2. Name of Operator
Presco, Inc.

9. API Well No. 30-015-

3a. Address c/o J. O. Easley, Inc.
P. O. Box 2691, Roswell, NM 88202-2691

3b. Phone No. *(include area code)*
(505) 625-8807

10. Field and Pool, or Exploratory Area Abo Wildcat

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1800' FSL, 2283' FEL, Unit J, Sec. 14, T23S-R20E, N.M.P.M.

11. County or Parish, State
Otero County, NM

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.)

Upon further evaluation of the drilling program for this well, Presco, Inc., requests your approval of the following changes to the APD for this well:

1. Change the total depth from 5,000' **to 5,500'.**

2. Drill the first 1600' of this well using a closed loop air drilling system. Please refer to the attached proposal, marked "Attachment 1".

3. Modify the casing and cement program as indicated on the attached, marked "Attachment 2", which modifies parts **III, IV. A.** "Proposed Casing Program" and **IV.B.**, "Proposed Cement Program" of Exhibit "A" to the original APD.

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* Bonita L. Limpus Jones

Title Consulting Landman for J. O. Easley, Inc., Agent for Presco, Inc.

Signature Bonita L. Limpus Jones

Date December 22, 1999

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title AFM

Date 1/11/2000

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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

ATTACHMENT "1"

**WELL NO.1 INDIAN CREEK FEDERAL**
**SECTION 14, T23S, R20E**
**OTERO COUNTY, NEW MEXICO**

**PROPOSAL TO DRILL THE WELL WITH CLOSED LOOP AIR DRILLING SYSTEM FROM 0' - 1,600' WITH CLOSED LOOP MUD DRILLING SYSTEM FROM 1,600' TO TOTAL DEPTH**

The above captioned well will be drilled with air from the depth of 0 feet (surface) to 1,600 feet because of the high probability that the formation pressures to be drilled in that interval will be very low. The anticipated low formation pressures will result in lost circulation, in lost cuttings, and in very poor hole integrity if the well is drilled with a water based mud system. It is possible that the lost circulation water based mud could reach the cliff face and result in spillage onto the surface of the cliff face. Drilling with a closed loop air drilling system (see attached diagram) will mitigate the low formation pressures, and insure that the well can be safely drilled without contaminating the low pressured formations.

Low formation pressures are anticipated because 1,600 feet of the Permian San Andres and Yeso formations that will be drilled in the well cropout and are exposed to the atmosphere approximately 13,000 feet to the southwest (see attached topographic map). The formations are exposed along the cliff face of the Big Dog Canyon. With the formations exposed, the formation pressures are in balance with the atmospheric pressure, resulting in low formation pressures.

Once 1,600 feet has been reached by drilling with the closed loop air drilling system, 1,600 feet of surface casing will be set and cemented. With the well being below the exposed formations in the Big Dog Canyon cliff, the closed loop air drilling system will be converted to a closed loop mud drilling system (see attached diagram) to finish drilling the drill hole.

# Closed Loop Air Drilling System