New Mexico Oil Conservation Division, District I 1625 N. French Drive

Form 3160-5 (August 2007)

DEPARTMENT OF THE INTERIOR

BURFALLOF LAND STATES

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BURFALLOF LAND STATES BUREAU OF LAND MANAGEMENT

HOBBS OCD

FORM APPROVED 010

| | Expires: July 31, 20 |
|----------------------------------|----------------------|
| 5. Lease Serial No. NM0145685 | |

SUNDRY NOTICES AND REPORTS ON WELLS 1 2011 Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

6. If Indian, Allottee or Tribe Name

| SUBMIT | IN TRIPLICATE - Other | instructions or | page RECEIV | ÆD | 7. If Unit of CA/Agreer | ment, Name and/or No. | |
|---|---|--|--|---|--|--|--|
| 1. Type of Well | | | | | Horton Federal | | |
| Oil Well Gas W | ell | | | | 8. Well Name and No. 38 WIW | | |
| Name of Operator EOR Operating Company Inc. | _ | | | | 9. API Well No. 30-041-20821 | • | |
| 3a. Address | | 3b. Phone No. | (include area code | e) | 10. Field and Pool or Ex | xploratory Area | |
| 200 N. Loraine, Suite 1440 Midland TX, 79701 | | 432.687.0303 | · } | | San Andres | | |
| 4. Location of Well (Footage, Sec., T.,T | R.,M., or Survey Description | L | | · | 11. Country or Parish, S | State | |
| H - 1700 FNL - 920 FEL / 30-08S-35E | | | | | Roosevelt Co. NM | | |
| 12. CHEC | K THE APPROPRIATE BO | X(ES) TO IND | ICATE NATURE | OF NOTIC | CE, REPORT OR OTHE | ER DATA | |
| TYPE OF SUBMISSION | - | | TYP | E OF ACT | TION | , | |
| Notice of Intent | Acidize | Deep | pen Production (Start/Resume) Water Shut-Off | | | | |
| Nonce of Intent | Alter Casing | Fract | ure Treat | Recla | amation | Well Integrity | |
| | Casing Repair | New | Construction | Reco | mplete | Other | |
| ✓ Subsequent Report | Change Plans | = | and Abandon | $\overline{}$ | porarily Abandon | | |
| Final Abandonment Notice | Convert to Injection | Plug | | | er Disposal | | |
| following completion of the involve testing has been completed. Final A determined that the site is ready for Repaired casing leak @ 2228 ft in 5 Perforated @ 2288'/pumped 50 sack Set new 2 3/8 X 5 1/2 Arrow Srt pkr Request BLM/RFO representative w (8-5/8 @ 412' / 5-1/2 @ 4805' / Perfs | Abandonment Notices must final inspection.) 1/2 " casing as of class C cement @ 1 @ 4560' / circulated pkr flitness MIT @ 10:00 AM controls. | be filed only after bpm @ 1600 puid / tested and on Monday, Ma | er all requirements osi / drilled out from nulus to 500 psi to y 9th | , including om 2208' t for 30 min | reclamation, have been of 2305' | | |
| SUBJECT APPE BY NMOCI | OVAL | Pi H Fi O C | oper Notification ours Prior To The or Wells In Chave r After Office Hot opy Of The Pres | Of The BL e Schedule es And Ro urs Call (5' sure Test (| No Approval Can Be G M Roswell Field Office ded Mechanical Integrity osevelt County, Call (5 75) 420-2832 An Orig Chart Must Also Be Su Get Any Approval | e At Least 24 / Test (MIT) 575) 627-0205 ginal Or Clear | |
| 14. I hereby certify that the foregoing is tr | ie and correct. Name (Printe | d/Typed) | a | | | · · · · · · · · · · · · · · · · · · · | |
| Andy Chalker | | | Title Operations Manager | | | | |
| Signature Andy Chold | lev | | Date 05/05/201 | 11 | | | |
| , ACCEPTED FO | R RECOUSISPACE | FOR FEDE | RAL OR STA | TE OF | FICE USE | | |
| Approved by Conditions of approval, if any, are attached that the applicant holds legal or equitable to entitle the applicant to conduct operations. Title 18 U.S.C. Section 1001 and Title 431 fictitious or fraudulent statements of representations. | fercory 7 - 6 - 6 Section 1212, make it a | Crime for any pe | ould Office | d willfully to | | oate t or agency of the United States any false, | |
| (Instructions on page 2) | ١ | | | | ` \$ | | |

| Co. Rep | Alex Smith | |
|---|----------------|-----------------|
| Well Name | Horton Federal | Well No. 38 WIW |
| Field | Milnesand SA | |
| County | Roosevelt | |
| State | NM | |
| Well Name Field County State Date | 3/30/2011 | |
| Date Comp | **** | |
| KB | 10.00 | |

| Description | O.D. | Grade | Weight | Depth | Cmt Sx | тос |
|-------------|-------|-------|--------|-------|--------|---------|
| Surface Csg | 8 5/8 | J-55 | 24 | 412 | 300 | Surface |
| Inter Csg | 0 | 0 | 0 | 0 | 0 | 0 |
| Prod Csg | 5 1/2 | K-55 | 15.5 | 4805 | 1400 | 0 |
| Liner O.D. | 0 | 0 | . 0 | 0.00 | 0 | 0 |

| | | Failure Analysis | | | | | | | |
|-----------------|---------|--------------------------------|------------------|---------|-------------------|-------------|-----------------|----------------|---------------|
| | | | ton Federal | | | 38 WIW | | Miln | esand SA |
| | | Well Test Data | | | BWPD | | MCF | <u> </u> | |
| | | Unit Name & Si Perforations | ize i | | | 4660-474 | 0 @ 4sr | of | |
| | | TBG Data 14 | 5 jts-2 3/8 IPC | | to 4557 t | ft. Pui | mp Size | | |
| | | Strokes Per. M | | Stroke | Length Taper 1 | 1. | Seat | Nipple Taper 2 | - |
| | | TAC | Rod Grade | | Taper 3 | | $\dashv \vdash$ | Taper 2 | - |
| | | Predicitive Loa | d | | Actua | I Load | | | |
| | • | LIST DATES, R FAILURES & N | | | | ASURES | TAKEN | TP PREVE | NT SAID |
| 41 11 | | Re-ran 2 3/8 ipc | | | | set packe | r | | |
| | _ | | | | | <u> </u> | | , | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | Csng leak @ 22 | 28' | | | | | | |
| | | Perforated @ 22 | 288' w/2 spf | | | | | * | |
| | | Squeezed leak v | w/50 sacks - 1 b | o/m @ 1 | 600 psi | | | | |
| | | Tagged TOC - 2 | 208 - arillea ot | 101 230 | 15 | | | | |
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| | | LIST ANY REC | OMMENDATIO | NS TO | PREVEN | T FUTUR | E FAIL | JRES OR A | NY |
| 1 1 | | COMMENTS OF | | | | | | | |
| Packer w/ 2 3/8 | 3x5 1/2 | | | | | | | | |
| | w Set | | | | | | | | |
| 4560' | | | | | | | | | · |
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| 1 1 | Perfor | ations | | | | | | | |
| i | | | | | | | | | |
| 1 1 | 4660-4 | 1740 | | | | | | | |
| 1 1 | 0 | , | | | | | | | • |
| | | | | | | | | | · |
| Open Perfs | PBTD | @ 4756 | | ETD @ | D | 0 | | | |
| | | | | @ | | | | | |
| | TD @ | 4805 | | | | | | | |
| | | | | | | | | | |