

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

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. I - I, - I %, - II

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Herman L. Loeb

3a. Address

P O Box 524, Lawrenceville, IL 62439

3b. Phone No. (include area code)

(618) 943-2227

4. Location of Well (Footage, Sec., T, R., M. or Survey Description)

1980' FNL 660' FWL Section 4-T25S-R37E

5. Lease Serial No.

LC-052956

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

El Paso Wells Federal #1

9. API Well No.

30-025-26951

10. Field and Pool, or Exploratory Area

Jalmat (Tansil, Yates, Seven Rivers)

11. County or Parish, State

Lea County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recompleate 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 recompleation 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.)

The purpose of this workover is to add perforations in the Yates and upper Seven Rivers formations. The new perforations will be acidized and possibly sand fractured. See the attached proposed workover procedure for complete details. The proposed starting date is October 15, 2003 with a duration of 1 week.

BLM Bond # NM-2839

New upper Seven Rivers Perforations: 3174-3178' & 3219-3221' 1 shot/ft acidize w/ 750 gal 15% MCA

New Yates Perforations: 2919-2921', 2950-2964', 2973-2976' & 2995-3010' 1 shot/ft acidize w/ 3250 gal 15% MCA

Possible fracture treatment w/ CO2 foam & 46000 to 69000# of 10/20 sand depending on extent of gas shows & depletion.

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

G. A. Payne

Title Petroleum Engineer

Signature

Date 9/30/03

APPROVED THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) DAVID R. GLASS

Title

Date

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 1712, make it a crime for anyone 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 the jurisdiction of such department or agency.

(Instructions on reverse)

GW

GEORGE A. PAYNE

Petroleum Engineer

P. O. Box 743

Mobile: (812) 453-0385

Newburgh, IN 47629-0743

Office: (812) 853-3813

Loeb Oil Company

El Paso Wells Federal #1

Proposed Workover Procedure

Day 1-2

MIRU derrick well service rig. Pressure test tubing to 500# w/ downhole pump if possible or call a tank truck to load the tubing and test to 500#. POH w/ rods & pump, tag bottom w/ tubing, POH w/ tubing, tally coming out. I expect there to be a significant amount of sand fillup from the original frac job. Clean out as necessary w/ bulldog bailer or sand pump to 3278'. POH w/ tubing. SION.

Day 2-3

RIH w/ 4 3/4" bit, casing scraper on production tubing. Tag bottom. Hydrotest tubing going in the hole. POH w/ tubing string. NU BOP. RU wireline truck, run a gamma ray, collar locator over bottom 1000'. Make sure log is on depth w/ open-hole porosity log. Perforate w/ select fire carrier gun 1 shot/ft as follows: 3219-21', 3174-78', 2995-3010', 2973-76', 2950-64', 2919-21'. Total of 46 holes. RIH w/ RBP, PPI packer, SN & tubing. Set RBP in rathole, land tubing w/ packer 5-10' below lowest perforation. Swab test if time permits. SION.

Day 3

RU acid pumper, pickle tubing w/ 2 bbl 15% MCA, follow acid w/ Kcl water, set packer as soon as acid clears the tubing. Drop dart & control valve. Establish circulation through control valve, spot acid, locate bottom perforation, wash all new perforations w/ 1 bbl/ft 15% MCA. Fish control valve & dart. Set packer @ 3150', acidize Seven Rivers w/ 500 gal 15% MCA, over flush by 500 gal w/ Kcl water. Watch for communication through old Yates perforations.

Fish RBP, set RBP @ 3025', packer @ 2900', acidize new Yates perfs w/ 1500 gal 15% acid. Total acid needed for job 4000 gal 15% MCA. Swab treatment back as time permits. SION.

Day 4

Swab test new Seven Rivers perfs & new Yates perfs separately. Measure any gas flow from either zone. Also, I would like to get

a shut-in pressure (overnight) if possible for each zone. Call me with the results so we can decide if we want to frac one or both zones. If we decide to do a frac job, then we will probably need to rent or buy a 3 1/2" work string.

Day 5.

If test results are encouraging, frac well w/ CO2 foam & 10/20 Brady sand as per Halliburton using 1000-1500#/ft of perforations.

Note: If we attempt to frac the Seven Rivers, we run the risk of communicating with the old Yates perfs. Since we have to set the packer between the Yates and the Seven Rivers there is a significant risk that the fracture will communicate with old Yates perfs and pump sand in on top of the packer. The most practical way to do this would be to isolate the old Yates perforations with a frac liner and frac the new Yates perfs and the new Seven Rivers perfs together. If we decide to frac both the new Yates perfs and the new Seven Rivers perfs, I recommend we use a frac liner to isolate the old Yates perfs.

If we decide to frac just the new Yates perfs we can set a retrievable bridge plug above the old Yates perfs. In either situation, we should probably frac through 3 1/2" tubing. An alternative would be to pressure test the casing before we frac, if it tests ok, then we could frac down the casing. The risk here is that we might cause a casing leak. I think this is unlikely since this well was drilled in 1980, has 17# casing and is cemented to the surface. The original frac job in 1980 treated at 20 BPM & 1500 psi. This was also a CO2 foam frac. If we decide to pressure test the casing, then we could frac down the production tubing and the annulus. We would need to buy a blast joint and a possibly a flanged head.

Sept 25, 2003

G. A. Payne

Lease: El Paso Wells Federal
Well #: 1

Diagram: 08/20/2003
Elev KB: 3231
TD: 3304

Comp Date: 09/15/1980
Elev GL: 3220
PBD: 3278

Permit: 30-025-26951
Location: 1980 FNL 660 FWL 4-25S-37E
County: Lea
State: New Mexico
Field: Jalmat
Operator: Herman Loeb

