



# BC & D OPERATING, INC.

RECEIVED  
JUL 11 1994

OIL CON. DIV.  
DIST. 3

DATE: JUNE 14, 1994

BUREAU OF LAND MANAGEMENT  
MR. KEN TOWNSEND  
1235 LA PLATA HIGHWAY  
FARMINGTON, NM 87401

RE: HANSON WELL NO. 16  
630 FT. FSL & 2060 FT. FWL  
SEC. 6, T17N, R8W  
NMNM-052931  
MCKINLEY COUNTY, NM

MINERALS DIVISION	
ADM	_____
I & E SVCS	_____
SOLIDS	_____
FLUIDS DIV	<u>2</u>
REG. MGMT.	_____
FLUIDS I & E	_____
GPS	_____
ALL CUPV.	_____
FILES	_____

MR. KEN TOWNSEND

We have received your letter dated June 9, 1994 concerning the above mentioned well. BC&D is currently conducting a feasibility study on a co-generation facility which will provide electrical power for the Hospah Field. Also the co-generation process will generate heat which will be recovered and introduced to the water injection system.

A feasibility study was conducted by Tenneco Oil Company in 1978 which indicated very positive results in the Lower Hospah sand pay. The Lower Hospah sand is a clean, fine-grained, well-sorted sand that displays excellent rock characteristics. Permeability averages 1100 md. and the average porosity is 27.5 %. A mobility ratio of 18.2 has been calculated for the 55 cp. viscosity crude at bottom hole temperature. Ideally, a waterflood prospect should have an M value of 1.0 therefore by injecting the hot water and increasing the bottom hole temperature the viscosity could be reduced and work toward an M value of much less than the current 18.2.

*A mechanical integrity test is not necessary at this time. Well was pressure tested 3/10/92. Submit results of the production test by 12/31/94.*

THIS APPROVAL EXPIRES JUL 01 1995.

APPROVED

JUL 06 1994

P.O. BOX 5926

HOBBS, NM 88241

TELEPHONE NO.: (505) 392-2047

NMOCD

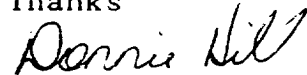
NOT APPROVED

The Hanson no. 16 will be stimulated in the Dakota zone which it is currently completed. The gas will be used for field usage to operate the co-generation project therefore this well is very important to our future operations. The well was completed as indicated on the attachment. This type completion certainly provides a very positive mechanical integrity.

We would like to delay the production test until late 1994 with your concurrence. However, we would conduct a mechanical integrity test immediately at your request.

Please review and share with me your findings at your earliest convenience.

Thanks

A handwritten signature in cursive script that reads "Donnie Hill".

Donnie Hill  
President

## ATTACHMENT

Present Completion: \*

- \* 8 5/8 in. csg. @ 74 ft. w/cement circulated
- \* 5 1/2 in. csg. @ 1515 ft. & cemented w/100 sxs.
- \* 3 1/2 in. csg. @ 2800 ft. w/ cement circulated to surface
- \* Perf. @ 2496 ft. to 2511 ft. (no stimulation)



# BC & D OPERATING, INC.

**RECEIVED**  
JUL 11 1994

**OIL CON. DIV.**  
**DIST. 3**

DATE: JUNE 14, 1994

RECEIVED  
MINERAL ROOM  
JUL 11 1994 11:27  
OIL CON. DIV., NM

BUREAU OF LAND MANAGEMENT  
MR. KEN TOWNSEND  
1235 LA PLATA HIGHWAY  
FARMINGTON, NM 87401

MINERAL SERVICES
ADM _____
I & E _____
SOLIDS _____
FLUIDS _____ <u>2</u>
REG. MGMT. _____
FLUIDS T & E _____
GPS _____
ALL SUPV. _____
FILE _____

RE: HANSON WELL NO. 16  
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NMNM-052931  
MCKINLEY COUNTY, NM

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**THIS APPROVAL EXPIRES JUL 01 1995**

**APPROVED**

**JUL 06 1994**

P.O. BOX 5926

HOBBS, NM 88241

TELEPHONE NO.: (505) 392-2041

**NOT REPRODUCED**

The Hanson no. 16 will be stimulated in the Dakota zone which it is currently completed. The gas will be used for field usage to operate the co-generation project therefore this well is very important to our future operations. The well was completed as indicated on the attachment. This type completion certainly provides a very positive mechanical integrity.

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