UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

		EAU OF LAND MANAGEMENT	5LM
	Sundry	Notices and Reports on Me	PES 15 AMII: 32
1. Type of	. Well	0 70	FARMING FUNDEN 6. If Indian, All. or Tribe Name
2. Name of	Operator		7. Unit Agreement Name
MERI 3. Address	DIAN OIL 8 & Phone No. of O	perator , NM 87499 (505) 326-9700	_ 8. Well Name & Number Vaughn #31E 9. API Well No.
4. Location	on of Well, Footag		10. Field and Pool Blanco MV/Basin Dk 11. County and State Rio Arriba Co, NM
	APPROPRIATE BOX To Submission Notice of Intent Subsequent Report Final Abandonment	Casing Repair _	CE, REPORT, OTHER DATA ction Change of Plans New Construction Non-Routine Fracturing Water Shut off Conversion to Injectio
	anned to temporarily abando put on production af Blanco Mesa Verde Klein/Vaughn leases	In this well in the Basin Dakota formation, in this well in the Basin Dakota formation, it ter 30 days production. The well will be of formations. Application is ongoing for an is. This application will be submitted by Marea by Unocal and Caulkins Oil, Attached	commingled in the Basin Dakota and area commingle of the entire rch 15, 1994. Due to previous commingle
Signed (This spa	My Stathuels ace for Federal or BY	State Office use) Title	
CONDITION	OF APPROVAL, if		A DETRICT MANAGER
	(g) 4 27/2	NMOCD	

W MEXICO OIL CONSERVATION COM JOHN-HELL LOCATION AND ACREAGE DEDICATION PLA

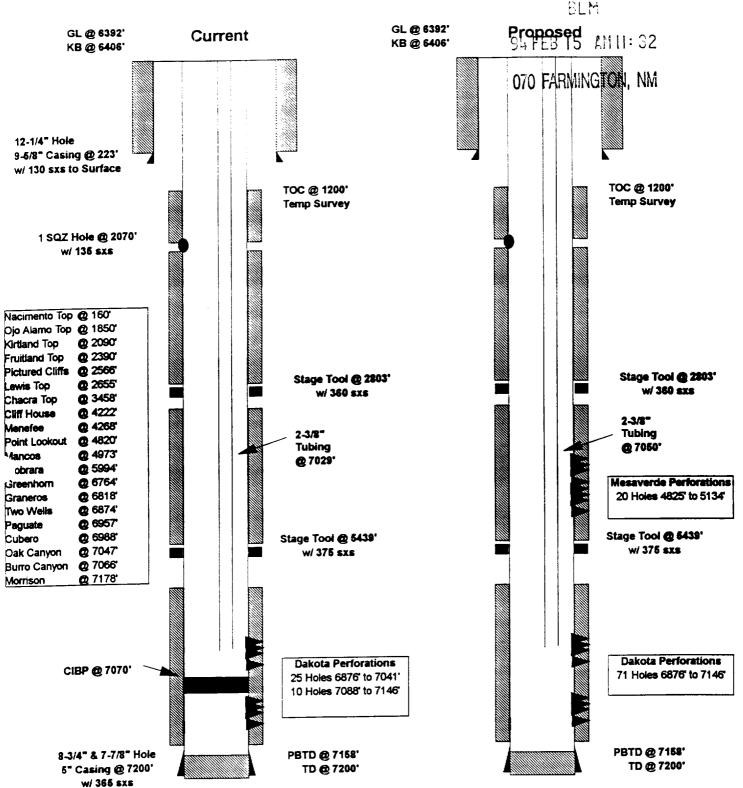
Form Cass Supersezes Ellactive

All distances must be from the outer boundaries of the Section Well No. dergtor Meridian Oil Inc. 312 STEB 15 AMIL: 32 Section 16NRio Arriba Actual Frotage Location of West: 070 FARMINGTON, NM Dedicated Acreage: tionary parausons Jours Laver Slev. Basin /Blanco 320/320 Dakota /Mesa Warde £389 Satishe the acreage dedicates to the subject well by colored pencil or nachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to work interest and royalty). If more than one lease of different sweership is dedicated to the well, have the interests of all owners been cons dated by communitization, unitization, force-pooling. etc? If answer is "ves." type of consolidation Yes If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side this form if necessary.). No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitizati forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Comm sion. **CERTIFICATION** i hereby certify that the information c tained herein is true and complete to knowledge and miles. alfield 0 Peggy Bradfield Regulatory mepresentative Company Meridian Oil Inc. Sec. I hereby certify that the well local shown on this plat was platted from fi 29 <u>860'</u> my supervision, and that the so s true and correct to the East of knowledge and bellef.

Vaughn # 31 E T26NR06W29I

Mesaverde & Lower Dakota Work

RECEIVED



This well will be commingled in the Mesaverde and Dakota. An allocation Formula wil be finalized after a 3 month online sales testing period. MOI will work with the NMOCD in developing this allocation formula. Prior to commingle, the Dakota will be Temporarily Abandoned under a Retreivable bridge plug, while the Mesaverde will be produced separately to help determine commingled production.

Dakota & Mesaverde Workover Procedure BLA

Vaughn # 31E

T26NR06WSec29l Basin Dakota Producer

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Prior to Moving on Workover Rig, Inspect Location, Verify All Appropriate High No. Dig work pit for water/cement recovery/flare pit, fence pits. Comply with all BLM, NMOCD, & MOI rules & regulations. Always Hold Safety Meetings.

- ALL CASING IS 5" 23# CASING (5.094" OD, 4.044" ID)
- Ensure all approvals for Commingle work necessary have been approved.
- . Utilize EPNG Drill Gas.
- Spot and fill Seven (7)-400 bbl tanks with risers to pre-gel if necessary.
- Use Only True 1% KCl water, (No substitutes!) Filter Frac & Acid water to 25 microns.
- Two-hundred-Sixty (260) joints 2-3/8" 4.7# EUE N-80 tubing on location.
- Eighty-Joints (80) joints 2-7/8" 8.7# N-80 Buttress Thread, for MV Frac.
- Four (4) 3-1/2" Drill Collars on location.
- Will utilize trucked Nitrogen after intial work in place of drill gas.
- Will utilize Three (3) 4-1/2" RBP, 4-1/2" Fullbore PKR, & 4-1/2" Tension PKR.
- 900 series BOP, 7" blooie line, manifold, & 1/4", 1/2", & 3/4" chokes as appropriate.
- 1. Move In workover rig. Record and report SI pressures on tubing, casing, & bradenhead. Lay blowdown line. Blow down casing & tubing. Pump 30 bbls 1% KCI down tubing. ND WH, NU BOP & stripping head.
- 2. TOOH, rabbit, & strap 2-3/8" tubing (216 jts from 7029', SN @ 6982'). Flow well out blooie line. Visually inspect tubing. Note any scale in tubing. Stand production string back in demick. Lay down approximately 2100' of this pipe on float.
- 3. PU 3-7/8" bit, float, drill collars, & TIH on 2-3/8" N-80 workstring. Clean out well to drillable BP @ 7070'. Note: Pressure beneath Plug. Drill CIBP and clean well out to bottom w/gas @ 7158', drill additional hole through Float Collar @ 7158', if unable to go deeper. TOOH.
- 4. RU wireline. Run gage ring to PBTD @ 7158'. Run GR-CCL from PBTD to 6800'. (This will be utilized for correlation.) Run 5" CIBP on wireline. Set Plug @ 6800' +/- above current Dakota perfs.
- 5. PU 5" tension set PKR on 2-3/8" N-80 workstring. Load hole from bottom with 1% KCI water approximately 100 bbls. Set PKR above CIBP. Test tubing & CIBP to 6500 psi. Test annulus to 500 psi maximum at this time. Release pressure & TOOH.
- 6. RU wireline. Run GR-CCL-CBL from 6800' to surface. No gaps. Run with 500-1000 psi over entire interval. Note and report all cement tops and quality of bond over Mesaverde Interval. Run GR-dual spaced neutron log across 5800' to 6800', 4100' to 5000', & 2000' to 2700'. Actual Perforations will be verified by Engineering prior to shooting!!
- 7. PU Fullbore PKR & TiH to 2250'. Fill hole if during logging (19 bbls rough pipe displacement) fluid is not to surface. Set PKR and test Casing from 2250' to 6800' to 6000 psi. Hold and record for 15 minutes on chart. Pull above if casing integrity is not sound, identify leaks, & Engineering will recommend squeeze procedure & modify stimulation work.
- 8. PU 3-7/8" bit, drill collars and stage in hole unloading. Drill CIBP @ 6800' with gas & clean out to PBTD of 7158'. Pull up and gauge well through manifold 1 hr. Check for fill. Spot 50 bbls 1% KCI water on bottom and TOOH.

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9. RU wireline. Run RBP (Pressure Bomb below in sub, ensure pressure will communicate past plug from internal element removal). Set plug @ 7150' (Below all perforations!!, Note). Prepare to perforate under full lubricator. Run one 3-1/8" HSC gun. Perforate following intervals with 2 SPF 490 degree phasing Owen-306 12 gr 0.38" holes, 18' gun, 36 holes), Bottom-Up.

7140', 7124', 7116', 7107', 7103', 7095', 7092', 7089', 7034970 FARMINGTON, NMi 7031', 7007', 6991', 6965', 6962', 6925', 6884', 6878'

- 10. RU Frac Crew at this time. (All frac water must be filtered and at approximately 80 degrees Fahrenheit). PU tension set PKR, profile nipple, & TlH on 2-3/8" N-80 tubing string. Set PKR below Perfs and test frac string to 6500 psi. Load/Kill Backside with 1% KCl water. Utilize full opening valve tested to minimum of 6500 psi. Hold and record pressure for 30 minutes. Pull up and reset PKR @ 7065'. PREPARE to HYDRAULICALLY FRACTURE DOWN 2-3/8" TUBING! MAX PRESSURE 6500 PSI. Frac w/ 50,000# 20/40 econoprop in 35# delayed borate crosslink gel on the fly. (See attached schedule).
- 11. SI well for minimum of 6 hrs for fracture to close. Flow well back on 1/4" choke. Minimize liquid returns to 20 BPH. When possible, Release PKR & TOOH with tubing.
- 12. PU notched collar, Two (2) string floats, & TIH and clean well out to PBTD with gas. When zone has cleaned up (24 hrs), TOOH. Call on Nitrogen Truck if necessary to Clean out to PBTD.
- 13. RU wireline and Full Lubricator. Run AFTER FRAC GAMMA RAY # 1. Run standard RBP. Set RBP @ 7065'. Kill well from surface with 30 bbls 1% KCL once RBP has been set. w/ dump bailer place 5 gals on top of RBP.
- 14. RU acid & nitrogen crew. PU tension set PKR, profile nipple, & TIH on 2-3/8" N-80 tubing. Pump 30 bbls 1% KCl down tubing. Set PKR below perfs and test tubing & BP to 4000 psi with 1% KCl water. Test all surface lines to 5000 psi. Pull up and reset PKR @ 6800', load annulus and hold 500 psi on annulus throughout acid job. Acidize Traditional Dakota Interval. MAX PRESSURE 4000 PSI. Pump Acid & Nitrogen per attached recommendation. Total open holes are 25 old + 20 New = 45 holes.
- 15. SI well. RU to flow well back through choke manifold. Flow well back through manifold limiting fluid to 10 BPH for first 2 hours, then on 1/2" choke. When possible release PKR & TOOH.
- 16. PU notched collar, float, & TIH cleaning well and unloading spent acid with gas. Gauge well through manifold on choke for minimum 1 hour and TOOH, Laying down unneeded 2-3/8" N-80.
- 17. RU wireline. Run standard 4-1/2" RBP & set RBP @ 5350'. w/ dump bailer place 2 sxs sand on top of RBP prior to testing.
- 18. Perforate Mesaverde Interval with 3-1/8" HSC gun select fire 0 degree phasing 1 SPF Owen-302 10 gr charge 0.28" holes as follows: (20 holes):

5134', 5027', 5015', 4996', 4967', 4961', 4953', 4945', 4913', 4908', 4893', 4882', 4860', 4857', 4855', 4852', 4850', 4848', 4837', 4825'

19. PU 4-1/2" SAP/SPIT tool (2' spacing & No isolation flapper!) on 2-3/8" N-80 tubing. Strap pipe in hole verififying previous tally. TiH below perfs on clean pipe and test RBP and SAP tool to 3500 psi. MAX PRESSURE 4000 PSI. Will utilize 2500 gallons acid. Pull up and treat each perforation with 100 gallons 10 % HCl acid w/ 1 gal/1000 clay stabilizer, 2 gal/1000 inhibitor, & 2 gal/1000 iron control. Ensure each perforation is open. Use excess acid on last 2 settings (Previous workovers have not broken down these perforations). TOOH when complete.

- 20. RU Frac Crew. Change out rams. PU fullbore PKR & 2250' of 2-7/8" N-80 buttress tubing. Install 5000 psi working pressure full opening surface valve. Set PKR @ 2250' (Below squeeze hole) MAXIMUM SURFACE TREATING PRESSURE WILL BE 6500 PSI. Stimulate Messaverde per attached schedule w/ 200,000# 20/40 brady in 30# X-Link Gel @ 35 BPM down 2-7/8" tubing & 5" casing. I Secalculate friction numbers based upon actual pipe length's and ID's encountered.
- 21. SI well for 4 hrs. Flow well back through choke manifold limiting fluid production to 20 BLPH, when possible, release PKR & TOOH, LD 2-7/8" N-80. Change out Rams. TIH w/ notched collar, float, & 2-3/8" and clean well out to RBP with gas. Clean well up approximately 48 hrs and TOOH laying down remaining 2-3/8" N-80 workstring.
- 22. RU wireline. Run AFTER FRAC GAMMA RAY # 2.
- 23. Prepare to run production tubing string as follows for Mesaverde: expendable check, one joint 2-3/8" tubing, 'F' nipple, and remaining tubing. Land tubing @ 5200'. ND BOP, NU WH. Pump off expendable check and flow well up tubing obtain Mesaverde production gauge. RD & Release Rig to next location.
- 24. Operations will remanifold wellhead, and produce well for 30 days into EPNG pipeline. At end of 30 days, Run pressure bomb in SN and SI well. Leave well SI 7 days. Pull Bomb, and return Mesaverde to production until workover rig returns.
- 25. Move In, RU workover rig. Lay all lines and manifolds. Record flowing casing & tubing pressures. Blow casing and tubing down. Kill tubing with 20 bbls 1% KCI water. ND WH, NU BOP. TOOH with 2-3/8". TIH w/ retreiving head, float, & clean well out with Nitrogen. Spot 15 bbls fluid on top of RBP. Engage & release RBP. TOOH & LD RBP.
- 26. TIH w/ same and retreive RBP above Lower Dakota. Spot 25 bbls 1% KCI on top of RBP. Engage & release RBP. TOOH & LD RBP.
- 27. TIH w/ same and retreive RBP w/ pressure bomb on beneath. Engage & release RBP. TOOH with RBP and bombs.
- 28. TIH with final production tubing string for commingled production as follows: expendable check, one joint 2-3/8", F nipple, and remaining 2-3/8" tubing, PU from float. Land tubing @ 7050'. ND BOP, NU WH. Pump off check w/ water & Nitrogen. Flow well up tubing verifying check pumped. RD release rig to next location.
- 29. Notify Marketing & government agencies that commingled production will occur in order to finalize allocation formula. At end of 90 days, the allocation formula will be submitted to NMOCD for approval, production will commence prior to actual allocation approval.

Approved:

Drilling Superintendent

JOST

TDS

Recommended Vendors:
Stimulation(Acid,Fracturing,Nitrogen)
Radioactive Tagging
Cased Hole Services (Perforating, Logging)
Bridge Plugs, Packers
Pressure Bombs
2-3/8" N-80 (NEW PIPE!!) workstring
Engineering

BJ Services 327-6288
Protechnics, Intl 326-7133
Blue Jet Perforating 325-5584
Baker Services 325-0216
Tefteller 325-1731
District Tools 326-9853
T. E. Mullins 326-9546-W
325-9361-H