UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Type of Well GAS		5. Lease Number SF-079491 6. If Indian, All. or Tribe Name
Name of Operator	D ECE!	Unit Agreement Name
RESOURCES OIL & GAS COMPANY	y 1111 JUN 1 0 199	San Juan 27-5 Unit 8. Well Name & Number
Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505)	326-9700L CON. [Dist. 3	San Juan 27-5 U #10 API Well No. 30-039-26036
Location of Well, Footage, Sec., T, R, M 930'FNL, 1605'FWL, Sec.1, T-27-N, R-5-W,	NMPM	10. Field and Pool Blanco MV/Basin DK 11. County and State
DHC-2212		Rio Arriba Co, NM
Casing Final Abandonment Alterin	Repair Water Sh ng Casing Conversi - Sidetrack	on to Injection
(Verbal approval to sidetrack from Er	rol Becher, BLM on 6-2	- 154) 1 - 3 F1112: 45

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



APPROVED BY CONDITION OF APPROVAL, if any:

San Juan 27-5 Unit #106M

Mesa Verde / Dakota Section 1, T-27-N, R-05-W

Plug-Back and Sidetrack Procedure

Plug Back Procedure

- 1. TIH with 3-1/2" drillpipe and open-ended 600' 2 7/8" stinger to Top of Fish @ 5848' and circulate and condition hole with mud.
- 2. Check all cement volumes with service company. Recommend 300' plug with 80% excess. Hold a pre-job safety meeting with all personnel on location.
- 3. Spot balanced cement plug as follows:

115 sacks Class "H" Premium cement with 3% KCI

BH Temperature: 160 deg F
Density: 16.5 ppg
Yield: 1.0 cu ft/sx
Mix Water: 4.30 gal/sx
Free Water: Trace
Pump Time: 1:30 Hours
Compressive Strength: < 2400 psi (24 hours)

Halliburton: 325-3575

- 4. Precede cement with 15 bbls of fresh water, mix and pump cement, 20.5 bbls of slurry, displace cement with 5 bbls of fresh water, and remaining displacement with drilling mud. Pump cement and displacement at 7 BPM.
- 5. Under-displace so that cement is left in drillpipe prior to tripping out of hole, displacement of drillpipe allows a balanced kick-off plug left in the 6-1/4" hole. Estimated length of kick-off plug: 300 ft (80% excess, 539' gauge hole).
- 6. TOOH slowly for 1000 ft to minimize contamination of cement plug then TOOH.

Sidetrack Procedure

7. PU Sidetrack Kick-Off Assembly and TIH. Caliper all tools. Kick-off should begin after 24 hours of Wait on Cement time of Kick-off Plug. No azimuth information is required. **Be prepared to drill to TD** with motor.

Sidetrack Kick-Off Assembly

6-1/4" STR-50 Bit Bit Sub with float

4-3/4" Baker Hughes AKO Motor (1.25 deg bend)

(26) 4-3/4" Drill Collars (for 30K WOB w/ 0.862 Bouyancy Factor w/ 15% Safety Factor)

3-1/2" drill pipe to surface

Recommended Geometric Build Rate: 10 - 11 deg / 100 ft

Actual build rate will be less during initial kick-off. Planned 90 ft of new hole with motor should result in 4-8 degrees of deviation.

Establish circulation with mud at Kick-Off Point. Time drill as follows:

0-1': 1" per 5 minutes 1-5': 1" per 2 minutes 5-15': 1" per 1 minute 15-30': Keep WOB = 2K 30'+: Keep WOB = 4 to 6 K

Actual kick-off parameters will be set on location by directional representative.

8. Drill 3 joints down (approximately 90' total). Circulate and survey. Deviation should be between 4-8 degrees at this depth. If less, drill an additional 30' and re-survey. If angle is sufficient, attempt to drill with motor. Discuss penetration rate with drilling superintendent and drilling engineer. If penetration is acceptable continue drilling with motor to TD at 7861'. Otherwise POOH and lay down motor.

Hydraulics Program:

Interval	Bit Size	Bit Type	Jet Size	Pump (PSI)	Flow Rate	HSI		
KOP to 8430'	6-1/4"	STR-09	14-14-B	1891	+/- 240 GPM	2.41		
Pull STR-09 at top of the Dakota formation								
8430' - 8744'	6-1/4"	STR-50	14-14-B	18 91	+/- 240 GPM	2.41		
(Add 50' to original TD to allow for 40' shoe joint with mud drilled hole).								
(There is a possibility that a PDC bit will be substituted for the STR-09 bit. This bit will be also be pulled								
at 8430').								

9. RU to run 4-1/2" casing. Run and cement 4-1/2" casing as per original prognosis with 40 foot shoe joint.

Contact Inteq in Casper, Wyoming at least 14 hrs in advance to call out directional tools and directional driller. Mark Boyes, Mike Robbins and Fred Garcia are the duty personnel. (307) 472-0001.

Contact Ron Emde at Halliburton to co-ordinate the cement job. (505) 327-4751

Kurt A. Shipley Pat W. Bent