UNITED STATES								
DEPARTM	ENT	OF	TH	ΙE	INTERIOR			
BUREAU	OF	LAI	4D	M	NAGEMENT			

	Sundry Not	ices and Reports on Wells:	36	
	· · · · · · · · · · · · · · · · · · ·	Service of the servic	· · · · · 5 ·	Lease Number SF-077961
1. Type o GAS		5678970)	6.	If Indian, All. or Tribe Name
2. Name o	of Operator	RECEIVED	7.	Unit Agreement Name Huerfano Unit
	SOURCES" OIL	& GAS COMPANY DIST 3	1677	W-11 W 0 W
	ss & Phone No. of Opera ox 4289, Farmington, NM		9.	Well Name & Number Huerfano Unit #108 API Well No. 30-045-06064
	ion of Well, Footage, S FNL, 1040'FWL, Sec.1, T		Ange	Field and Pool els Peak GP/Basin DK County and State San Juan Co, NM
		DICATE NATURE OF NOTICE, R		DATA
Type o	of Submission Notice of Intent		n Change of Pla New Construct	
	_ Subsequent Report	Casing Repair	Non-Routine : Water Shut o	ff
	_ Final Abandonment	Altering Casing _X_ Other - Commingle; P	Conversion to ump Installa	_
13. Des	scribe Proposed or Comp	oleted Operations		
	is intended to install tached procedure.	La pump and commingle the	subject well	according to the
	_			
14. I Signed	hereby)certify that the	e foregoing is true and cor Title Regulatory Admin		e 12/29/99
APPROVED	ace for Federal or State BY /S/ Charle E		Date _	He book

alse

Huerfano Unit #108

Angels Peak Gallup / Basin Dakota
Unit E, Sec. 1, T-26-N, R-10-W
Latitude / Longitude: 36°31.1874' / 107°51.1416'
Recommended Commingle and Pump Installation Procedure 12/22/99

Project Justification: The Huerfano Unit #108 was completed in 1960 as a dual producer in the Gallup and Dakota formations. The Gallup was a strong producer until its rate dropped from approximately 400 MCF/D to less than 20 MCF/D in the years between 1973 and 1978 (about 250 MCF/D of this loss occurred in 1973). It is strongly suspected that liquid loading was the culprit, and that the installation of a pumping unit will restore Gallup production to near-1973 levels. Furthermore, the Dakota is showing signs of liquid loading, and will benefit from the commingle/pumping unit installation. Current production rates are 70 MCF/D from the Dakota and 13 MCF/D from the Gallup (3-month averages). Current remaining reserve estimates for the Dakota and Gallup are 450 MMCF and 60 MMCF respectively. It is anticipated that post-workover rates and reserves will be 131 MCF/D and 450 MMCF for the Dakota and 369 MCF/D and 1.26 BCF for the Gallup.

NOTE: ALL DEPTHS ARE MEASURED FROM KB. KB to GL was 10'

- 1. Install a used C-160-173-74 pumping unit, set to pump at no greater than 9 SPM with a 74" stroke.
- 2. Comply with all NMOCD, BLM and Burlington safety and environmental regulations. Prior to moving in rig, make one-call and then verify rig anchors and dig pit.
- 3. MIRU workover rig. NU relief-line and blow well down (kill with 2% KCL water only if necessary). ND WH and NU BOP with offset spool and stripping head. Test and record operation of BOP rams. Replace any WH valves that do not operate properly. Test secondary seal and install or replace if necessary. NOTE: Have WH serviced at machine shop as needed. A single-tubing donut and WH for 2-3/8" tubing will be needed.
- 4. Dakota 2-3/8" tubing set at 6848' (218 jts). Broach 2-3/8" tubing and set tubing plug in nipple at 6812'. Fill tubing with half of its volume of 2% KCL water to insure the tubing plug will be held in place. Gallup, 2-3/8", 4.7#, J-55 tubing set at 6215' (199 jts). The Gallup tubing is latched into a Baker Parallel String Anchor at 6215'. To release from the anchor, PU 2,000-5,000# over string weight and rotate 6-8 turns to the right at depth. TOOH and LD 2-3/8" tubing. Visually inspect tubing for corrosion and scale and notify Operations Engineer and Drilling Superintendent if either are present. ND offset spool.
- 5. PU 4,000# over Dakota 2-3/8" string weight and rotate 6-8 turns to the right at the packer to release Baker Model "E" seal assembly from 7" Baker Model "D" packer (set at 6280'). No manipulation is necessary to release the tubing anchor. TOOH and stand back 2-3/8" tubing. LD seal assembly and tubing anchor. Visually inspect tubing for corrosion, and replace any bad joints. Check tubing for scale and notify Operations Engineer and Drilling Superintendent if it is present.
- 6. PU and TIH with 6-1/8" rotary shoe and packer retrieval spear (PRS), bumper sub, and hydraulic jars on 2-3/8" tubing. Mill over packer's upper slips with air/mist and retrieve the packer. **NOTE:**When using air/mist, mist rate must not be less than 12 bph. TOOH and LD packer and retrieval assembly.

- 7. PU 6-1/8" bit and bit sub on 2-3/8" tubing and TIH to PBTD (6956'), cleaning out with air/mist. Speak with Operations Engineer and Drilling Superintendent, and if necessary, determine the best way to remove scale from the casing and perforations. PU above the Gallup perforations at 5899' and flow the well naturally, making short trips for clean-up when necessary. Discuss sand production with Operations Engineer and Drilling Superintendent to determine when clean-up is sufficient. TOOH with 2-3/8" tubing to LD bit and bit sub.
- 8. Rabbit all tubing prior to TIH. TIH with purge valve, one joint of 2-3/8", 4.7# tubing, 4' perforated sub, in-line check, 1.78" seating nipple, and then the remaining 2-3/8" tubing. Replace any bad joints.
- 9. Land tubing at +/- 6936'. NOTE: If excessive fill was encountered, discuss this landing depth with Operations Engineer and Drilling Superintendent. ND BOP and NU WH with stuffing box from Henry Production (contact Richard Lopez). Pump off check.
- 10. If excessive fill was encountered, discuss running a sand screen below the pump with the Operations Engineer and Drilling Superintendent. PU and TIH with 2" x 1.25" x 10' x 14' RHAC-Z insert pump, one 1-1/4" sinker bar (5/8" pin with 3/4" crossover), and 3/4" Grade D rods with spray metal couplings to surface. Test pump action and hang rods on pumping unit. RD and MOL. Return well to production.

Recommended: J. Yon Jord Approved: Bruce D. Born 12-29-99
Operations Engineer 12/22/99 Drilling Superintendent

Operations Engineer:

L. Tom Loveland

Office 326-9771 Pager 324-2568

Home 564-4418

Field Specialist:

R. Lopez

101116 304-4410

320-6573

Pager 324-4282

Cell