Form 3160-5 June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| FORM APPROVED |
|-----------------------------|
| Budget Bureau No. 1004-0135 |
| Expires: March 31, 1993 |

| Expures: | March | 31, 573 | |
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6. If Indian, Allottee or Tribe Name

| 5 | Lease | Designation | Scree | N |
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| SUNDRY NOT | ICES AND | REPORTS | ON | WELLS | |
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Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals

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| - : | 7. | 1 | f | Unit or CA. Agreement Designation |

| SUBMIT IN TRIPLICATE | 7. II Cuit of CA. Agreement Care |
|---|--|
| Type of Well Oth Well Other Name of Operator Union Oil Company of California, dba Unocal Address and Telephone No. 3300 North Butler, Suite 200, Farmington, NM 87401 (505) 326-7600 Location of Well (Footage, Sec., T., R., M., or Survey Description) 1700' FSL & 1616' FWL Sec., 7, T27N, R8W | 8. Well Name and No. Day B #4 9. API Well No. 30-045-20338 10. Field and Pool, or Exploratory Area Basin Dakota 11. County or Parish, State San Juan Co., NM |
| TYPE OF SUBMISSION TYPE OF Notice of Intent Subsequent Report OCT 3 991 Final Abandonment CON DIV Altering Casing Repair Other Other Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated dates.) | ACTION Change of Plans New Construction Non-Routine Fracturing Water Shut-Off Conversion to Injection Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form 1 |

give subsurface locations and measured and true vertical depths for all markers and zones perti-

A pressure test on the casing of the Day B No. 4 indicated a casing leak in June 1991. BLM approval was obtained to land the tubing in a cement retainer to isolate the casing annulus and test the well to determine the economics of repairing the well and returning to production.

Due to current market conditions and gas price, testing has indicated marginal economics associated with squeeze cement casing repair because of the high cost to adequately and effectively seal off a casing leak. However, a more effective and economical casing leak seal can be obtained utilizing the Guiberson Retrievable Casing Patch. A schematic of this type system is attached.

The system utilizes two cup type packers with a scab liner between the sealing packers. The casing leak is isolated from above and below, and continuity of the casing annulus is maintained by creating a new annulus between the 3-5" scab liner and the 2-3/8" tubing. This annulus in conjunction with the cement retainer allows for casing pressure monitoring to insure the integrity of the casing seal from above and below the casing patch.

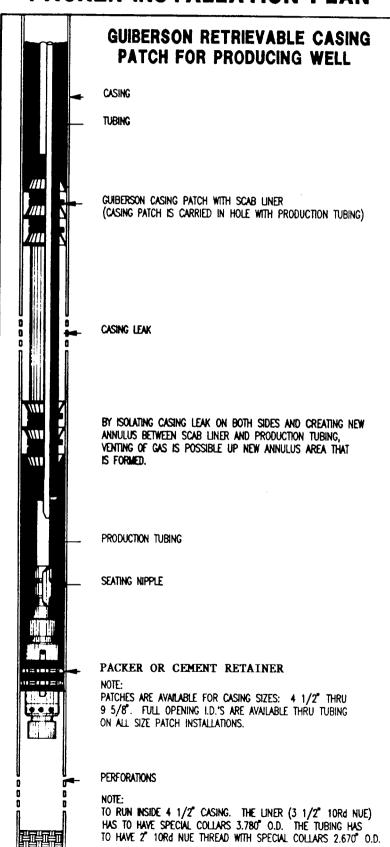
Attached is a wellbore schematic of the current status of the well and a proposed schematic following installation of the casing patch.

This proposal will provide an effective casing leak seal, a method to insure integrity of the seal from both above This proposal will provide an effective casing leak sear, a method to repair the well and return it to propose and below, and an economic alternative in current market conditions to repair the well and return it to propose and below, and an economic alternative in current market conditions to repair the well and return it to propose an effective casing leak sear, a method to repair the well and return it to propose an effective casing leak sear, a method to repair the well and return it to propose an effective casing leak sear, a method to repair the well and return it to propose an effective casing leak sear, a method to repair the well and return it to propose an effective casing leak sear, a method to repair the well and return it to propose an effective casing leak sear, a method to repair the well and return it to propose an effective casing leak sear, a method to repair the well and return it to propose an effective casing leak sear, and the search of the return it to propose an effective casing leak search of the return it to propose an effective casing leak search of the return it to propose a search of the return it to be a search of the return it to propose an effective case and the return it to propose a search of the return it to propose If additional information is necessary, please contact Craig Van Horn at (505) 326-7600. CONDITIONS OF APPROVAL

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|--|---|--|--|--|
| THIS APPROVI | AL ELYRES <u>AUG 01</u> 1993 | APPRONED | | |
| Signed Si | TuleField_Superinterdent | Date 4/18/41 SEP 2, 7, 1991 | | |
| (This space for Federal or State office use) Approved by Conditions of approval, if any: | Tide | Date AND TOWNS OF THE PARTY OF THE SOUTH AND | | |
| Title 18 U.S.C. Section 1001, makes it a crime for any person knowin | gly and willfully to make to any department or agency of the Ut | nited States any false fictitious or fraudulent statemen | | |



PACKER INSTALLATION PLAN



Calculation Record

UNOCAL

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| DAY B # 4 | PK | <u> </u> | <u>7 - 4 FGT</u> | RENT S | TATUS | |
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| Cont Sty Tool 5373' | Calc To 6483 | HOWCO | sub 23 stinger compre | @ 7194' | -55 tbq + , set in | SN+ |
| | Cmt | retainer @ 7 5; 7262-78' | 191' | | - 31 ' | |
| POT 6 7445 | 4 1/2 | " 10.5# J-55 Float collar 1 ⁵⁷ Stq 210 | 5 @ 7460 @ 7445' | o' cmt'd | س/ 565 5* | 3 ['] & 30' |
| | | 2" Stq 175 | | | | |
| | | 3 RS Sta 180 | | | | |

Calculation Record

UNOCAL

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| # Terrs: 1262-18 , | 1212-81 | , 1425-31 | | |
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| Float collar (| | Stage tools | . € 5373′ | 8 3019 |
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| 2 ^{nb} 5tq 175 5 | | | | ; |
| 3 369 18D 3 | • | | | |

FORM 1-2050 (REV. 2-87) PRINTED IN U.S.A.

The subject approval is temporary (until August 1, 1993). You are required to Conduct and submit results of pressure tests every six months to insure casing integraty. You are also required to submit your plans to permently repair the casing by the above date.