UNITED STATES

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. Lease Number SF-078388 1. Type of Well GAS CAS CAS CAS CAS CAS COMPANY 3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700 4. Location of Well, Pootage, Sec., T. R. M 10. Field and Pool 1650'FNL, 800'FEL, Sec.11, T-26-N, R-9-W, NMPM 10. Ballard PC 11. County and State San Juan Co, NM 12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA Type of Submission Type of Action Recompletion Non-Routine Fracturing Recompletion Non-Routine Fracturing Non-Routine Fracturing Altering Casing Repair Water Shut off Conversion to Injection It is intended to clean out the casing in the subject well according to the attace procedure. Title Regulatory Administrator Date 10/19/99	Sundry Not:	ices and Reports on Well	5		
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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.

Huerfanito Unit #63R **Ballard Pictured Cliffs** Unit H, Sec. 11, T-26-N, R-09-W

Latitude / Longitude: 36° 30.3195' / 107° 45.11262' Recommended Casing Cleanout Procedure 10/14/99

Project Justification: The Huerfanito Unit #63R was completed in 1980 in the Pictured Cliffs formation. Initial production rates were very high, slightly below 1 MMCF/D, and declined by an estimated 5% per year. In 1997, production dropped from approximately 400 MCF/D to 200 MCF/D, and continued this steep decrease into 1998, when additional line pressure effects from Global Compression prevented the well from producing. Slickline tools were run in the well in October 1998, and discovered that an obstruction existed at 1977', a depth above 7 out of the well's 10 perforations. Currently, the well is producing 236 MCF/D (9/7/99-10/11/99 average) with the aid of a wellsite compressor. It is believed that by cleaning out the casing, production can be increased to 350 MCF/D. An estimated 2.5 BCF of gas remains to be recovered.

NOTE: ALL DEPTHS ARE MEASURED FROM KB. KB to GL was 11'.

- 1. 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.
- 2. MIRU workover rig. NU relief line and blow well down (kill with 2% KCL water only if necessary). ND WH and NU BOP. 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: This well has 2-7/8" casing and no tubing. PU 2-1/2" bit and bit sub on 1-1/4" 3. 4.16# Homco Slimline workstring and clean out to PBTD (2197') with air/mist. NOTE: When using air/mist, mist rate must not be less than 12 bph. If scale is encountered. speak with Operations Engineer and Drilling Superintendent to determine the best way to remove scale from the casing and perforations.
- 4. PU above the top Pictured Cliffs perforation at 1957' 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. LD bit, bit sub, and workstring.
- 5. ND BOP and NU WH. If well will not flow on its own, make swab run to 1900'. RD and MOL. Return well to production.

Recommended: 4 Jonn Jovel Approved: Druce D. Boyge 10 18 99

Operations Engineer 10/14/99

Approved: Drilling Superinter Ident

Operations Engineer: L. Tom Loveland

Office 326-9771

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