

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-045-30024
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name KRAUSE
8. Well No. #1
9. Pool name or Wildcat BASIN FRUITLAND COAL

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	
2. Name of Operator ROBERT L. BAYLESS, PRODUCER LLC	
3. Address of Operator P.O. BOX 168 FARMINGTON, NM 87499	
4. Well Location Unit Letter C : 1190 Feet from the NORTH Line and 1450 Feet from The WEST Line Section 2 Township 26N Range 11W NMPM SAN JUAN County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6376	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO :	SUBSEQUENT REPORT OF :
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: COMPLETION <input checked="" type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103.

SEE ATTACHED REPORT.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kevin H. McCord TITLE ENGINEER DATE 2/8/00

TYPE OR PRINT NAME KEVIN H. McCORD TELEPHONE NO. (505) 327-2659

(This space for State Use)
APPROVED BY Original Signed by FRANK T. CHAVEZ TITLE SUPERVISOR DISTRICT # 3 DATE FEB 10 2000

CONDITIONS OF APPROVAL, IF ANY:

ROBERT L. BAYLESS PRODUCER, LLC
KRAUSE #1
1190 FSL & 1065 FWL (SWSW)
SECTION 18, T27N, R8W

COMPLETION REPORT

2-2-00 Move in and rig up JC Well Service completion rig. Nipple up wellhead and BOP. Rigged up Blue Jet wireline and Dowell pump truck. Ran GR-CLL-CBL from 1953 ft RKB PBTB to 1400 ft. Good cement bond throughout completion intervals, top of cement at 165 ft. Pressure tested casing to 3000 psi, held OK. Perforated the Pictured Cliffs formation with a 3 1/8" casing gun at 4 JSPF as follows:

1874 - 1889 ft 15 ft 60 holes .34" diameter

Shut down for the night.

2-3-00 Rigged up Dowell. Broke down the Pictured Cliffs perforations at 1800 psi. Acidized and fracture stimulated the Pictured Cliffs formation with 500 gallons of 7 1/2% DI HCL acid and 32,500 gallons of 70 quality foam using 20# linear gelled fluid containing 65,000 lbs of 20-40 mesh Arizona sand as follows:

7,500 gals of 70 qual foam pad	25 BPM @ 1250 psi
5,000 gals of 70 qual foam with 1 ppg 20-40 sand	25 BPM @ 1300 psi
5,000 gals of 70 qual foam with 2 ppg 20-40 sand	25 BPM @ 1250 psi
10,000 gals of 70 qual foam with 3 ppg 20-40 sand	25 BPM @ 1250 psi
5,000 gals of 70 qual foam with 4 ppg 20-40 sand	25 BPM @ 1250 psi
1,250 gals of 20# linear gel	15 BPM @ 1000 psi

ISIP = 800 psi decreasing to 700 psi after 15 minutes. All water contained 2% KCL, 1/2 gal/1000 clay stabilization agent, and bacteriacide. Sand contained 21 mc of Sb-124 radioactive tracer material. Average rate 25 BPM, average pressure 1250 psi, maximum pressure 1300 psi, minimum pressure 1200 psi, average nitrogen rate 7,100 scfm, total nitrogen pumped 235,300 scf, total fluid to recover 280 bbls. Rigged up Blue Jet wireline. Ran 4 1/2" retrievable bridgeplug in hole and set at 1870 ft RKB. Pressure tested bridgeplug to 3000 psi, held OK. Ran dump bailer in hole on wireline and dumped 5 gallons of sand on top of bridgeplug. Perforated the Fruitland Coal formation with a 3 1/8" casing gun at 4 JSPF as follows:

1780 - 1788 ft	8 ft	32 holes	
<u>1818 - 1831 ft</u>	<u>13 ft</u>	<u>52 holes</u>	
Total	21 ft	84 holes	.34" diameter

Picked up Arrow Completion Tools packer and 2 3/8" tubing. Tripped packer in hole. Well started unloading through the tubing, suggesting communication from Pictured Cliffs perforations and lower Fruitland Coal perforations. Set packer at 1803 ft RKB. Broke down the lower set of Fruitland Coal perforations (1818 - 1831) down the tubing at 1400 psi. Acidized this interval with 500 gallons of 7 1/2% DI HCL acid at 3 1/2 BPM @ 1600 psi. The treating pressure rose to 3 1/2 BPM @ 1950 psi, and then decreased back to 3 1/2 BPM @ 1650 psi, ISIP of 1000 psi. Broke down the upper set of Fruitland Coal perforations (1780 - 1788) down the annulus at 1900 psi. Acidized this interval with 750 gallons of 7 1/2% DI HCL acid at 3 1/2 BPM @ 1750 psi. The treating pressure rose to 3 1/2 BPM @ 1900 psi, and then decreased back to 3 1/2 BPM @ 1600 psi, ISIP of 1000 psi. Released packer and tripped tubing and packer out of hole. Fracture stimulated the Fruitland Coal formation with 40,000 gallons of 70 quality foam using 30# X-linked gelled fluid containing 90,000 lbs of 20-40 mesh Arizona sand as follows:

10,000 gals of 70 qual foam pad	25 BPM @ 1950 psi
5,000 gals of 70 qual foam with 1 ppg 20-40 sand	25 BPM @ 1950 psi
5,000 gals of 70 qual foam with 2 ppg 20-40 sand	25 BPM @ 1950 psi
10,000 gals of 70 qual foam with 3 ppg 20-40 sand	25 BPM @ 1950 psi
5,000 gals of 70 qual foam with 4 ppg 20-40 sand	25 BPM @ 1950 psi
5,000 gals of 70 qual foam with 5 ppg 20-40 sand	25 BPM @ 1900 psi
1,100 gals of 70 qual foam flush	25 BPM @ 1950 psi

ISIP = 1450 psi decreasing to 1100 psi after 15 minutes. All water contained 2% KCL, 1/2 gal/1000 clay stabilization agent, and bactericide. Sand contained 20 mc of IR-192 radioactive tracer material in 1 to 3 ppg sand stages and 15 mc of SC-46 radioactive tracer material in 4 and 5 ppg sand stages. Average rate 25 BPM, average pressure 1950 psi, maximum pressure 2050 psi, minimum pressure 1850 psi, average nitrogen rate 9,500 scfm, total nitrogen pumped 489,200 scf. Shut in well for 3 hours. Opened well to flow to pit through a 1/4" tapped bullplug. Well flowing to pit to cleanup. Shut down for the night.

2-4-00 Well still flowing to the pit this morning. Kill well. Trip in hole with retrieving head on tubing. Tag sand fill on top of bridgeplug at 1840 ft. Circulated 30 ft of sand from hole and retrieved bridgeplug at 1870 ft. Trip tubing and bridgeplug out of hole. Trip in hole with tubing. Tag sand fill from Pictured

Cliffs frac at 1879 ft (in perforations). Circulated 74 ft of sand from hole to PBTD of 1953 ft. Moved tubing up hole and landed as follows:

<u>Description</u>	<u>Length</u>	<u>Depth</u>
KB to landing point	3.00	0-3
57 jts of 2 3/8" 4.7#/ft J55 EUE new tubing	1846.94	3-1850
1 seating nipple	1.10	1850-1851
1 jt of 2 3/8" new tubing	<u>32.40</u>	1851-1883
	1883.44	

Nipple down BOP and nipple up wellhead. Shut in well. Shut down for the weekend.

- 2-5-00 Shut down for the weekend.
- 2-6-00 Shut down for the weekend.
- 2-7-00 Shut-in pressures: tubing dead, annulus 280 psi. Rigged to swab. Initial fluid level was 900 ft from surface. Made a total of 20 swab runs. Well kicked off flowing several times. Maximum pressure buildup on annulus was 345 psi. Shut in well. Rig down and release rig. Job complete.