UNITED STATES **DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT**

1600'	hnical and to 43 CFR FR 3165. -6 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM & 7499 NOV 2001 (505) 326-9700 4. Location of Well 1975' FSL, 1975' FEL Latitude 36° 37.8, Longitude 107° 24.8 Distance in Miles from Nearest Town 8 miles from Gobernador 12. County 13. Rice Assigned to Nature 1975' 14. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 1600' 19. Proposed Depth San Juan 28 San	-6 Unit
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21. Elevations (DF, FT, GR, Etc.) 22. Approx. Date Work 6605' GR	will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: Regulatory/Compliance Supervisor Date	00
PERMIT NO. APPROVAL DATE 11/14/00	

Archaeological Report to be submitted
Threatened and Endangered Species Report to be submitted
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or presentations as to any matter within its jurisdiction.

District I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

AMENDED REPORT

6857

District IV PO Box 2088, S	Santa Fe,	NM 87504-	2088					-		A	MENUE	U REPORT
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7462				SAN JUAN 28-6 UNIT					}		114M	
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OPERATIONS PLAN

San Juan 28-6 Unit #114M Well Name:

Location: 1975'FSL, 1975'FEL, Sec 25, T-28-N, R-6-W

Rio Arriba County, NM Latitude 36° 37.8, Longitude 107° 24.8

Blanco Mesaverde/Basin Dakota Formation:

Elevation: 6605' GL

Formation Tops:	Top	Bottom	<u>Contents</u>
Surface	San Jose	2707 '	
Ojo Alamo	2707 '	2837 ′	aquifer
Kirtland	2837 ′	3042 ′	gas
Fruitland	3042'	3417'	gas
Pictured Cliffs	3417 '	3517 '	gas
Lewis	3517 '	4012'	gas
Intermediate TD	3617'		
Mesa Verde	4012'	4377 '	gas
Chacra	4377 ′	5147 '	gas
Massive Cliff House	5147 '	5242'	gas
Menefee	5242 '	5577 '	gas
Massive Point Lookout	5577 '	6097 '	gas
Mancos	6097 '	6777 '	gas
Gallup	6777 '	7532 '	gas
Greenhorn	7532 '	7582 '	gas
Graneros	7582 '	7627'	gas
Dakota	7627 '		gas
TD	7862'		_

Logging Program:

Cased hole - CBL-CCL-GR - TD to surface Cores - none

Mud Program:

				
Interval	Type	Weight	Vis.	Fluid Loss
0- 200'	Spud	8.4-9.0	40-50	no control
200- 3617'	LSND	8.4-9.0	30-60	no control
3617- 7862'	Gas	n/a	n/a	n/a

Pit levels will be visually monitored to detect gain or loss of fluid control.

Casing Program (as listed, the equivalent, or better):

Hole Size	Depth Interval	Csg.Size	Wt.	Grade
12 1/4"	0' - 200'	9 5/8"	32.3#	
8 3/4"	0' - 3617'	7"	20.0#	
6 1/4"	3517' - 7862'	4 1/2"	10.5#	K-55

Tubing Program:

0' - 7763' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 3000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

Intermediate TD to Total Depth -

11" 3000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, rams and casing will be tested to 1500 psi for 30 minutes.

Surface to Total Depth -

2" nominal, 3000 psi minimum choke manifold (Reference Figure #2).

Completion Operations -

7 1/16" 3000 psi double gate BOP stack (Reference Figure #3). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Wellhead -

9 5/8" x 7" x 2 3/8" x 3000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- · BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

9 5/8" surface casing - cement with 159 sx Class "G" cement with 1/4# flocele/sx and 3% calcium chloride (188 cu.ft. of slurry, 200% excess to circulate to surface). WOC 8 hrs. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing -

Lead w/377 sx 50/50 Class "G" TXI Liteweight cement with 2.5% sodium metasilicate, 2% calcium chloride, 10 pps Gilsonite and 0.5 pps flocele. Tail w/90 sx Class "G" 50/50 poz w/2% gel, 2% calcium chloride, 5 pps Gilsonite, 0.5 pps Flocele (1088 cu.ft. of slurry, 100% excess to circulate to surface.) WOC minimum of 8 hours before drilling out intermediate casing. If cement does not circulate to surface, a CBL will be run during completion operations to determine TOC. Test casing to 1500 psi for 30 minutes.

See attached alternative intermediate lead slurry.

7" intermediate casing alternative two stage: Stage collar 2942'. First stage: cement with w/159 sx Class "G" 50/50 poz w/2% gel, 2% calcium chloride, 5 pps gilsonite, 0.5 pps Flocele. Second stage: 343 sx 50/50 Class "G"/TXI Liteweight with 2.5% sodium metasilicate, 2% calcium chloride, 10 pps Gilsonite, 0.5 pps Flocele (1088 cu.ft., 100% excess to circulate to surface).

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Bowspring centralizers spaced every other joint off bottom, to the base of the Ojo Alamo at 2837'. Two turbolating centralizers at the base of the Ojo Alamo at 2837'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Liner -

Cement to cover minimum of 100' of 4 1/2" x 7" overlap. Lead with 434 sx 50/50 Class "G" Poz with 5% gel, 0.25 pps flocele, 5 pps Gilsonite (624 cu.ft.), 40% excess to cement 4 1/2" x 7" overlap). WOC a minimum of 18 hrs prior to completing.

Cement float shoe on bottom with float collar spaced on top of shoe joint.

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

Note: To facilitate higher hydraulic stimulation completion work, no liner hanger will be used. In its place, a long string of 4 1/2" casing will be run and cemented with a minimum of 100' of cement overlap between the 4 1/2" x 7" casing strings. After completion of the well, a 4 1/2" retrievable bridge plug will be set below the top of cement in the 4 1/2" x 7" overlap. The 4 1/2" casing will then be backed off above the top of cement in the 4 1/2" x 7" overlap and laid down. The 4 1/2" bridge plug will then be retrieved and the production tubing will be run to produce the well.

• If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.

Special Drilling Operations (Gas/Mist Drilling):

The following equipment will be operational while gas/mist drilling:

- An anchored blooie line will be utilized to discharge all cuttings and circulating medium to the blow pit a minimum of 100' from the wellhead.
- The blooie line will be equipped with an automatic igniter or pilot light.
- Compressors will be located a minimum of 100' from the wellhead in the opposite direction from the blooie line.
- Engines will have spark arresters or water cooled exhaust.
- Deduster equipment will be utilized.
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.
- Mud circulating equipment, water, and mud materials will be sufficient to maintain control of the well.

Additional Information:

- The Mesaverde and Dakota formations will be completed and commingled.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

Fruitland Coal 300 psi Pictured Cliffs 600 psi Mesa Verde 700 psi Dakota 2500 psi

- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- The east half of Section 25 is dedicated to the Mesaverde and Dakota in this well.
- This gas is dedicated.

Drilling Engineer

12/19/00 Date

