UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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				5.	Lease Number SF-078945
1. Type of Well GAS				6.	If Indian, All. or Tribe Name
				7.	Unit Agreement Name
2. Name of Operator					
RESOURCES OF	& GAS COMPANY				San Juan 29-7 Unit
	& GAS COMPANI			8.	Well Name & Number
3. Address & Phone No. of Operator			9. 10.		San Juan 29-7 U #40 API Well No. 30-039-21918 Field and Pool
PO Box 4289, Farmington, NM 87499 (505) 326-9700					
4. Location of Well, Footage, Sec., T, R, M					
1540'FSL, 1180'FEL, Sec.28, T-29-N, R-7-W, NMPM					Blanco MV/Basin DK
				11.	County and State Rio Arriba Co, NM
12. CHECK APPROPRIATE BOX TO INT Type of Submission		OF NOTICE, ype of Act:		HER	DATA
X Notice of Intent	Abandonme	ent	Change of	E Pla	ans
	Recomplet	tion	New Const	ruct	ion
Subsequent Report	Plugging Casing Re	Back	Non-Routi Water Shu	ine I	Fracturing
Final Abandonment	Altering	Casing	_ Water Sho Conversion	on to	o Injection
	X Other -	Commingle	_		-
	leted Operation				
It is intended to comming DHC-1854 has been	le the subject	well acco	nservation	ne a	ttached procedure.

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.

San Juan 29-7 Unit #40A Blanco Mesaverde / Basin Dakota 1540' FSL, 1180' FEL Unit I, Sec. 28, T-29-N, R-7-W

Latitude / Longitude: 36° 41.62812' / 107° 34.24806' AIN: 6934301 MV / 6934302 DK

AIN: 0934301 M v / 0934302 D r Commingle Procedure 5/30/01

Summary/Recommendation:

San Juan 29-7 Unit #40A was drilled and completed as a MV/DK dual producer in 1980. While the Mesaverde has produced steadily since its completion, the Dakota has had liquid loading problems. Repeated swabbing attempts over the years have had little success maintaining flow on the Dakota. In 1993, both strings of tubing along with the packer were pulled. After acidizing the Dakota, both strings of tubing and the packer were rerun. In August 1993, a swabbing unit recovered heavy sand in the Dakota string and stacked out the swabbing cups. The Dakota continued to produce sporadically and has remained shut-in since December 1994. In 2000, the packer-leakage test showed a failure. It is recommended to remove the packer, produce both zones up the DK 2-3/8" tubing string, and install a plunger lift system. Current production is 229 MCFD (3-month avg) from the Mesaverde formation and the Dakota is shut-in. Anticipated uplift is 50 Mcfd for the Mesaverde and 48 Mcfd for the Dakota.

- 1. Comply with all NMOCD. BLM and Burlington safety and environmental regulations. Test rig anchors and build blow pit prior to moving in rig. Notify BROG Regulatory (Peggy Cole 326-9727) and the appropriate Regulatory Agency prior to pumping <u>anv</u> cement job. If an unplanned cement job is required, <u>approval is required before the job can be pumped</u>. <u>If verbal approval is obtained, document approval in DIMS/WIMS</u>. Allow as much time as possible prior to pump time in case the Agency decides to witness the cement.
- 2. Haul to location ~5 joints of 1-1/2", 2.9#, EUE tubing. MOL and RU workover rig. Obtain and record all wellhead pressures. NU relief line. Blow well down and kill with 2% KCL water if necessary. ND WH and NU BOP with stripping head. Test and record operation of BOP rams. Have wellhead and valves serviced as necessary. (A single-tubing donut and WH for 2-3/8" tubing will be needed.) Test secondary seal and replace/install as necessary.
- Mesaverde, 1-1/2", 2.9#, J-55 tubing set at 6136' (190 jts. SN @ 6103'; perf'd jt on btm). PU additional joints of 1-1/2" tubing and tag for fill on top of packer at 6240'. If fill is present. TOOH with 1-1/2" tubing and LD perf'd joint, and then round-trip 1-1/2" tubing to CO on top of packer with air/mist. NOTE: When using air/mist, minimum mist rate is 12 bph. TOOH and LD 1-1/2" tubing. Send tubing to yard for inspection and salvage. Dakota, 2-3/8", 4.7#, J-55 tubing set at 8050' (Blast jts. from 5784'-5927'). Pick straight up on 2-3/8" tubing to release Baker Model "G-22" seal assembly from 7" Baker Model "D" packer. TOOH and stand back 2-3/8" tubing. LD seal assembly. Visually inspect tubing for corrosion, and replace any bad joints. Check tubing for scale and notify Operations Engineer if it is present.
- 4. PU and TlH with 2-3/8" tubing and Baker Model "CJ" packer milling tool to recover the 7" Baker Model "D" packer at 6240'. Mill on packer with air/mist using a minimum mist mist rate of 12 bph. TOOH and lay down packer.
- 5. PU 3-7/8" bit and bit sub on 2-3/8" tubing string and round trip to PBTD (8095'), cleaning out with air/mist. **NOTE: When using air/mist, minimum mist rate is 12 bph.** If scale is present, contact Operations Engineer to determine methodology for removing scale from casing and perforations.
- 6. TIH with an expendable check, a seating nipple, one joint of 2-3/8", 4.7#, J-55, EUE tubing, a 2'x2-3/8" sub and ½ of the 2-3/8" tubing. Run a broach on sandline to insure the tubing is clear. TIH with remaining 2-3/8" tubing and then broach this tubing. Replace bad joints as necessary. CO to PBTD with air/mist using a minimum mist rate of 12 bph. Alternate blow and flow periods at PBTD to check water and sand production rates.
- 1. Land tubing at 7970'. ND BOP and NU single-tubing hanger WH. Pump off expendable check. Obtain final pitot gauge up the tubing. Connect to casing and circulate air to assure that the expendable check has pumped off. If well will not flow on its own, make swab run to seating nipple. During cleanout operations the reservoir may be charged with air. As a result of excess oxygen levels that may be in the reservoir and/or wellbore, contact the Lease Operator to discuss the need for determining oxygen levels prior to returning the well to production. RD and MOL. Return well to production.

San Juan 29-7 Unit #40A Blanco Mesaverde / Basin Dakota Commingle Procedure 5/30/01

Recommended:

Approved:

Approved:

Tim Friesenhahn

Office - (326-9539)

Pager - (326-8113)

Sundry Required: YES

Lease Operator:

Cariss Martinez

Cell: 320-5824 Cell: 320-2478 Pager: 327-8437

Specialist: Foreman:

Gabe Archibeque Ken Johnson

Cell: 320-2567

Pager: 326-8256 Pager: 324-7676