Form 3160-3 (May 1999)

SUBMIT IN TRIPLICATE® (Other instructions on reverse side)

FORM APPROVED OMB 1004-0136

UNITED STATES

Expires: May 31, 2000

BUREAU OF LAND MANAGEMENT NM-4455	DEPAR	TMENT OF THE	INTERIOR	5	LEASE DESIGNATION AN	SERIAL NO			
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*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime fer any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations 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

Oistrict IV PO Box 2088, Santa Fe, NM 87504-2088

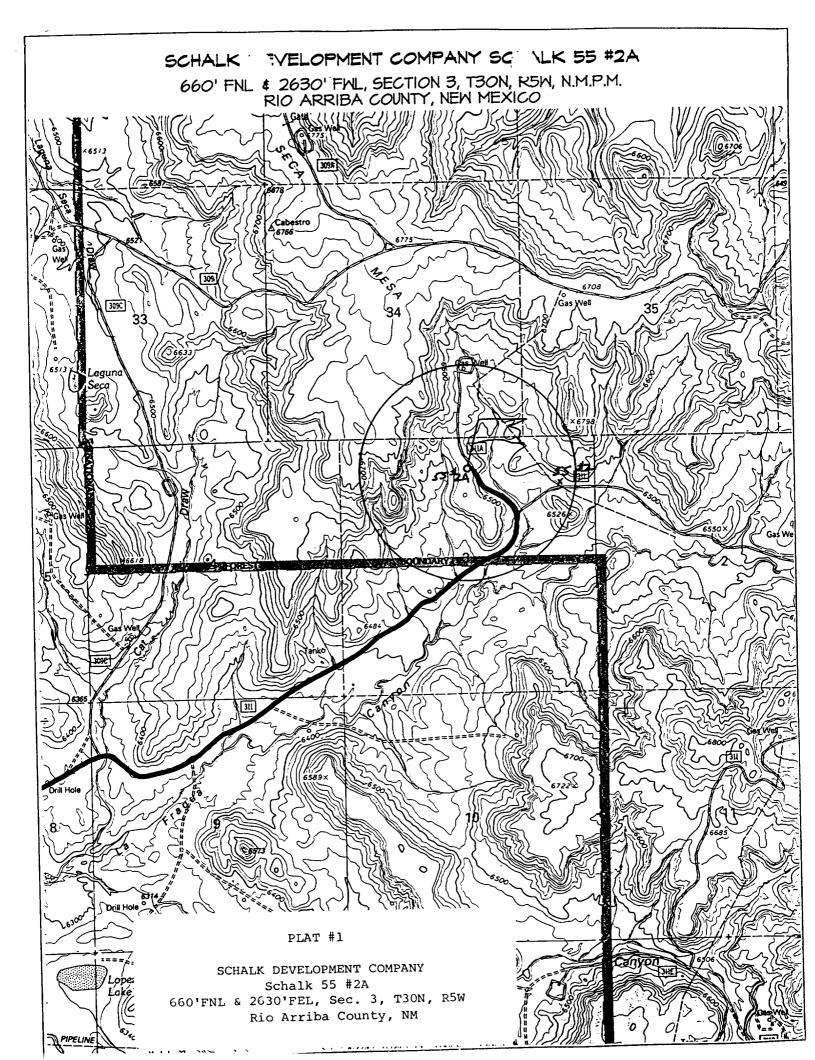
State of New Mexico Energy, Minerals & Natural Resources Depart.

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
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Schalk 55 #2A Operations Plan Pg. #2

C. Minimum Blowout Control Specifications:

Double ram type 2000 psi working pressure BOP with a rotating head. See the attached exhibits (#1 and #2) for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1500 psi.

The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size 12-1/4"	Depth 200'	Casing Size 9-5/8" 7"	Wt. & Grade 36# J-55 20# J-55
8-3/4" 6-1/4"	3775′ 5950′	4-1/2"	10.5# J-55

- B. Float Equipment:
- a) Surface Casing: Notched collar and 3 centralizers on the bottom 3 collars.
- b) Intermediate Casing: Cement-nosed guide shoe and insert float collar on top of the bottom joint. Place 5 centralizer on every other collar starting at the float, and turbolizers on every third collar starting at 2900' to the surface.
- c) Production Casing: 4-1/2" whirler type cement-nosed guide shoe and a latch collar on top of the shoe joint.

Schalk 55 #2A Operations Plan Pg. #3

V. Cementing:

Surface casing: 9-5/8" - Use 110 sx (130 cu. ft.) of Cl "B" with 3% CaCl₂, and % #/sk. celloflake. (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG).100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 1500 psi for 30 min.

Intermediate casing: 7" - Lead with 380 sx (783 cu. ft.) of Cl "B" 65/35 poz with 10% gel, 2% CaCl₂, and ½ #/sk. celloflake. Yield = 2.06 cu. ft./sk; slurry weight = 12.3 PPG). Tail with 215 sx (312 cu. ft.) of Cl "B" 50/50 poz with 4% gel, 0.4% fluid loss, 2% CaCl₂, and ½ #/sk. celloflake. (Yield = 1.45 cu. ft./sk; slurry weight = 13.2 PPG). Total volume = 1095 cu.ft. Use 100% excess in lead and 75% excess in tail to circulate cement to surface. WOC 12 hours. Pressure test casing to 1500 psi for 30 min.

Production Casing: 4-1/2" - Before cementing circulate hole clean with air. Precede cement with 20 bbls of gel water and 10 bbls of water.

1st Stage: Lead with 140 sx (203 cu.ft) of Cl "B" 50/50 poz with 4% gel 0.4% fluid loss, and 2% CaCl₂. (Yield = 1.45 cu. ft./sk; slurry weight = 13.2 PPG); Tail with 140 sx (203 cu.ft.) of Cl "B" 50/50 poz with 4% gel, 0.4% fluid loss, 2% CaCl₂, 4% phenoseal, and % #/sx celloflake (Yield = 1.45 cu. ft./sk; slurry weight = 13.2 PPG). Total cement volume is 406 cu.ft. 70% excess to circulate the liner top. Run temperature survey after 8 hours if cement is not circulated.

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