

MA
1-2-00

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
R. TRACY SPROULS, LL.M. (TAX)
OF COUNSEL
A. J. LOSEE

311 WEST QUAY AVENUE
P. O. BOX 1720
ARTESIA, NEW MEXICO 88211-1720
PHONE (505) 746-3505
FAX (505) 746-6316

ROSWELL OFFICE
400 N. PENN., SUITE 870
ROSWELL, NM 88201
PHONE (505) 623-5154

PLEASE DIRECT ALL CORRESPONDENCE
TO OUR ARTESIA OFFICE

19 June 2000

Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504

Case 12236

Attention: Mr. Mark Ashley

Re: Commencement of operations - Laguna Grande
Federal No. 1, Section 28, T-23-S, R-29-E,
N.M.P.M., Eddy County, New Mexico.
Oil Conservation Division Order No. R-11292

Gentlemen:

Please find enclosed Daily Reports of Prairie Sun, Inc., operator of the captioned well and captioned pooling order. You will note that the report indicates that operations commenced prior to the expiration date of the extension of the above-described pooling order. We provide these reports to you for your information as the hearing officer in this case.

If you have any questions, please advise.

Respectfully yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll by James E. Haas
Ernest L. Carroll

JEH:scp
Enclosures

xc: Prairie Sun, Inc.

PRAIRIE SUN, INC.
P.O. Box 8280
Roswell, NM 88202-88280
505-622-7355
505-624-2911 Fax

DAILY REPORT

Laguna Grande Fed. #1
Sec. 28-T23S-R29E
Eddy County, New Mexico

6-9-00

Move in Key Energy Services completion rig. Test anchors and rig up pulling unit. Shut in pressure—50 psi. Open up to tank and flow 3 bbls oil and died. Nipple up BOP. Unload and tally 180 joints 2 7/8" N80 8rd work string. Make up 6 1/4" bit and casing scraper and go in hole picking up tubing. Tag at 6245'. Pull out of hole with bit and scraper. SION.

6-10-00

Shut in pressure—35#. Bleed off pressure. Make up 2 7/8 X 7 5/8 TST packer on tubing and go in hole. Set packer at 5025'. Test tubing-casing annulus to 2500# for 30 minutes. Lost 150 psi in 12 minutes and maintained 2350 psi for next 18 minutes. Release pressure. Rig up swab. Initial fluid level at 100' from surface. Swab back total of 2 bbls oil and 167 bbls salty water in 22 swab runs. Final fluid level was 3800' from surface. Had fair gas during each swab run. Final 4 swab runs had 2% oil cut. Shut well in.

6-11-00

Shut down for Sunday.

6-12-00

Shut in tubing pressure—35#. Bleed off gas pressure and go in hole with swab. Initial fluid level at 500' from surface. First run had 100' oil on top. Swab back 90 bbls salt water with slight trace oil. Rig down swab. Final fluid level was 1800' from surface. Zone appears to be non-commercial. Pull out of hole laying down rental tubing. Break off and lay down packer. Nipple down BOP and flange up wellhead. **Confirmed casing integrity of 7 5/8" casing to Delaware perforations. No problems with casing encountered that would cause problems for re-entry from 5025' to surface. Rig down and release pulling unit. Prepare to work over well as soon as larger completion rig comes available.**