McElvain Oil & Gas Properties, Inc.

1050 17TH STREET, SUITE 1800 DENVER, COLORADO 80265

MONA L. BINION, CPL
LAND MANAGER
e-mail monab@mcetvainoilandgas.com

TELEPHONE 303-893-0933 EXT.306 FAX 303-893-0914 Cellular 303-809-2058

November 20, 2000

D. J. Simmons Co. LP 1009 Ridgeway Pl Farmington, NM 87401

Benson-Montin-Greer Drilling Corporation 501 Airport Drive Farmington, New Mexico 87401-2466

3TEC Energy Corp. Two Shell Plaza, 777 Walker, Suite 2400 Houston, Texas 77002

Re:

Recompletion Procedure

Re-Entry Proposal (f/k/a Wynona #1)

Naomi Com #1

Township 25 North, Range 3 West

Section 25: SW/4

Rio Arriba County, New Mexico

Gentlemen:

By letter dated November 10, 2000, McElvain Oil & Gas Properties, Inc., proposed the re-entry of the Wyonana #1 Well located SE/4SW/4 of Section 25, Township 25 North, Range 3 West, Rio Arriba County, New Mexico, to be named the Naomi Com #1 in order to attempt a completion of the Mesaverde formation. Submitted with that proposal was a detailed Authorization for Expenditure that represented cost estimates but did not give any specific detail regarding operational procedures for the proposal.

For your information and review to help in evaluating this proposal, and at the request of 3Tec Energy, we have enclosed herewith a Recompletion Procedure outline for the subject re-entry and re-completion.

As previously explained, this re-completion operation is scheduled for early December, therefore, your review and response at your earliest convenience would be greatly appreciated.

We thank you for your consideration to this request and ask that if you have any questions concerning the above or enclosed, please feel free to contact the undersigned.

Very truly yours,

McElvain Oil & Gas Properties, Inc.

Mona L. Binion, CPL

Land Manager

MLB/idi Encls

McE. AIN OIL & GAS PROPERTIE. INC.

Naomi Com #1 Recompletion Procedure November, 2000

LOCATION: SE/SW 25-T25N-R3W

API#: 30-039-24222

Rio Arriba County

TD: 8113'

PBTD: 8071'

KB: 13'

Purpose of Work: To recomplete in Point Lookout and Menefee sections

CASING:

9 5/8" 36# limited service @ 319' in 12 1/4" hole Cemented with 200 sacks Class B +2% CaCl + 1/4#/sk flocel Circulated to surface

5 1/2" 17# N-80/J-55 @ 8120' in 8 3/4" hole..DV Tool @ 5910' & 3569'
1st stage cemented with 462 sxs(660 cu ft) 50/50 POZ +2% gel +6 1/4 #/sk Gilsonite +6#/sk NaCl
TOC @ 6642' (bond log)

2nd stage 367 sxs (777 cu ft) 65/35 POZ +6% Gel +12 1/4#/sk Gilsonite..Tailed with 50 sxs (59 cu ft) Class B neat TOC 3924' (Calculated @ 60%)

3rd stage 525 sxs (1114 cu ft) 65/35 POZ +6% Gel +12 1/4#/sk Gilsonite..Tailed with 50 sxs (59 cu ft) Class B neat Circulated to surface.

PERFORATIONS:

GALLUP:

Upper: 6760'- 6904' 1 shot per 2 feet Lower: 6950' - 7056' 1 shot per 2 feet

DAKOTA:

7824' 27' 7895'-98' 7901'-05' 7987.5'-96.5'

PLUGGING INFORMATION:

Plug 1: Surface - 50'

Plug 6: 5010' - 5180'

Plug 2: 220' - 370' Plug 3: 1640' - 1794' Plug 7: 5970'- 6070' (retainer)

Plug 4: 2950' - 3126'

Plug 8: 6640' - 6735' (CIBP)

Plug 4: 2930 - 3126 Plug 5: 3280' - 3349' McElvain Oil and Gas Naomi #1 Mesaverde Recompletion Page 2 of 3

PROCEDURE:

- 1. MI & RUSU
- 2. Remove dry hole marker and install well head
- 3. RU power swivel, pump and tank for drilling
- 4. Drill out six cement plugs down to TOC at 5970'
- 5. Circulate hole clean with 2% KCl water
- 6. Pressure test to 3000 psig for 30 minutes
- 7. POOH with tubing and BHA
- 8. RUWL
- 9. Log GR/CBL/CCL/VDL from PBTD at 5970' to 100' above cement top
- 10. RIH with perforating guns
- 11. Perforate with decentralized guns(minimum standoff) the following CNL depths:

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5603', 5605', 5608'

5627', 5629', 5631', 5633', 5635', 5637', 5639', 5641', 5643'

5665', 5667', 5669', 5671'

5678', 5680', 5682', 5684', 5686', 5688', 5690', 5692', 5694', 5696', 5698'

5770', 5672', 5674'

5802'

(31 shots..70' net pay)
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- 12. RIH with tubing and packer
- 13. Set packer at ±5550'
- 14. Establish injection rate with 2% KCl water
- 15. Break down perforations with 1500 gallons 15% HCl and 48 ball sealers
- 16. Release packer and run past perforations
- 17. POOH to ±5550' and reset packer
- 18. Establish final injection rate with 2% KCl water and monitor falloff pressures
- 19. POOH with tubing and packer
- 20. Frac well as per separate procedure
- 21. RUWL
- 22. RIH and set RBP at ±5540'
- 23. Fill hole and pressure test to 1000 psig
- 24. RIH with dump bailer and cap RBP with sand
- 25. RIH with perforating guns
- 26. Perforate with decentralized guns(minimum standoff) the following CNL depths:

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5325', 5328', 5331', 5334', 5337', 5340', 5343'

5403', 5406', 5409', 5412', 5415', 5418', 5421', 5424', 5427', 5430', 5433', 5436',

5439', 5442', 5445', 5448'

5462', 5465', 5468', 5471', 5474', 5477', 5480', 5483', 5486', 5489', 5492', 5495' &

5498'

(36 holes ..112'net pay)
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- 27. RIH with tubing and packer
- 28. Set packer at ±5275'
- 29. Establish injection rate with 2% KCl water
- 30. Break down perforations with 2500 gallons 15% HCl and 45 ball sealers
- 31. Release packer and run past perforations
- 32. POOH and reset packer at ±5275'
- 33. Establish final injection rate with 2% KCl water and monitor falloff pressures
- 34. POOH with tubing and packer
- 35. Frac well as per separate procedure
- 36. Flow well back until well dies
- 37. Depending on well bore conditions either circulate sand or bail sand off of RBP
- 38. Retrieve RBP
- 39. RIH with tubing and hydrostatic bailer and bail sand to PBTD
- 40. RIH with notched collar, seating nipple and tubing to ± 5650'
- 41. ND BOP & NUWH
- 42. Swab well in if necessary
- 43. RDSU & MOL

NOTE:
DO NOT USE LIQUID KCl SUBSTITUTE in COMPLETION FLUIDS