

ROBERT L. BAYLESS

OIL CONSERVATION DIVISION BOX 168
RECEIVED FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

'94 FEB 11 AM 8 35

OFFICE NO.
(505) 326-2659

February 8, 1993

Return Receipt Requested

Mr. William J. LeMay
N.M. Oil Conservation Division
PO Box 2088
Santa Fe, N.M. 87504

cc: Meridian Oil, Inc. P 309 779 703
Texaco USA, Inc. P 309 779 704
D.J. Simmons, Co. P 309 779 705
Breck Operating Corp. P 309 779 706

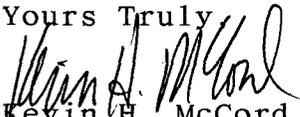
RE: Request for Administrative Approval
of an Unorthodox Basin Fruitland Coal Location
Robert L. Bayless
Empire #1
990' FSL & 1650' FEL
Section 16, T28N, R10W
San Juan County, New Mexico

Gentlemen:

Robert L. Bayless requests administrative approval of the above referenced well as an unorthodox Basin Fruitland Coal formation gas well. This well has produced 366,117 MCF from the Pictured Cliffs formation, and is currently producing at a marginally economic rate. This re-entry candidate is an unorthodox Fruitland Coal location in that it is located in the SE $\frac{1}{4}$ of Section 16 rather than the SW $\frac{1}{4}$. The proration unit to be assigned to this well will be the S $\frac{1}{2}$.

You will find enclosed with this request a map showing the ownership of the leases around the Empire #1 well. This map also shows the wells offsetting this proposed re-entry. Also enclosed you will find an acreage dedication plat for this well and copies of this letter which were sent to offset leaseholders. As per NMOCD Regulations, by copy of this letter to offset leaseholders, Robert L. Bayless is asking offset leaseholders that they waive any objection to this Basin Fruitland Coal unorthodox location.

I believe this request provides all the information required by NMOCD Regulations for an unorthodox location. If any other information is needed, please call. Your prompt response to this request is appreciated.

Yours Truly

Kevin H. McCord, P.E.
Petroleum Engineer

enc.

ROBERT L. BAYLESS

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Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1960, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.
30-045-07427

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
NM 1061

7. Lease Name or Unit Agreement Name

Empire

8. Well No.
1

9. Pool name or Wildcat
Fulcher Kutz Pictured Cliff

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL GAS WELL OTHER

2. Name of Operator
Robert L. Bayless

3. Address of Operator
P O Box 168 Farmington NM 87499

4. Well Location
Unit Letter 0 : 990 Feet From The South Line and 1650 Feet From The East Line

Section 16 Township 28N Range 10W NMPM San Juan County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

5960' GL

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON
TEMPORARILY ABANDON CHANGE PLANS
PULL OR ALTER CASING
OTHER: Recompletion in Fruitland Coal

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
CASING TEST AND CEMENT JOB
OTHER:

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

As per attached procedures.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kevin H. McCord TITLE Petroleum Engineer DATE 2/9/94

TYPE OR PRINT NAME: Kevin McCord TELEPHONE NO. 326-2659

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ROBERT L. BAYLESS
EMPIRE #1

990 FSL & 1650 FEL
SWSE, SECTION 16, T28N R10W
SAN JUAN COUNTY, NEW MEXICO

FRUITLAND COAL RECOMPLETION PROCEDURE

CURRENT STATUS:

TOTAL DEPTH: 2069 ft (Openhole)

CASING:

Surface - 8 5/8" 28.0 #/ft @ 100 ft
Longstring - 4 1/2" 9.5 #/ft @ 2039 ft

TUBING:

Production - 1" 1.8 #/ft J55 8RD EUE @ 2045 ft

EXISTING PERFORATIONS: None, Openhole

Pictured Cliffs 2039 - 2069 30 ft

=====

1. Move in and rig up service unit. Nipple down wellhead. Nipple up BOP. Trip 1" tubing out of hole.
2. Rig up wireline. Run GR-CLL-CNL logs from TD to 1500 ft RKB. Set CIBP just above Pictured Cliffs zone (+/- 2035 ft).
3. Pick up 2 7/8" 6.4 #/ft J55 NUE tubing for work string. Tag CIBP with tubing for depth correlation. Move tubing to 2028 ft RKB (bottom Fruitland Coal perforation).
4. Rig up pump truck. Pressure test CIBP and casing to 1000 psi. Circulate hole clean with fresh water. Spot 150 gallons of 7 1/2% DI HCL acid across the Fruitland Coal interval. Trip tubing out of hole.
5. Rig up wireline. Perforate the Fruitland Coal Interval with 4 JSPF using 3 1/8" casing guns as follows:

1944 - 1954	10 ft	40 holes
2016 - 2028	12 ft	48 holes

Total	22 ft	88 holes

NOTE: Perforations may change after cased hole log analysis.

6. Trip in hole with fullbore packer on 2 7/8" tubing. Set packer at 1985 ft RKB. Breakdown Upper Fruitland Coal perforations down the annulus and Basal Fruitland Coal perforations down the tubing. Record all rates and pressures.
7. Move tubing and packer uphole and set at +/- 1850 ft RKB.

8. Fracture stimulate the entire Fruitland Coal interval down the 2 7/8" tubing with 54,000 gallons of 70 quality nitrogen foam (fluid is 20# guar gel) containing 5,000 lbs of 40/70 mesh sand fluid loss additive and 80,000 lbs 20/40 mesh sand proppant as follows:

- 10,000 gals of 70 quality foam pad
- 5,000 gals of 1 ppg 40/70 sand
- 5,000 gals of 70 quality foam spacer
- 10,000 gals of 1 ppg 20/40 sand
- 10,000 gals of 2 ppg 20/40 sand
- 8,000 gals of 3 ppg 20/40 sand
- 4,000 gals of 4 ppg 20/40 sand
- 2,000 gals of 5 ppg 20/40 sand
- 460 gals of nitrogen flush

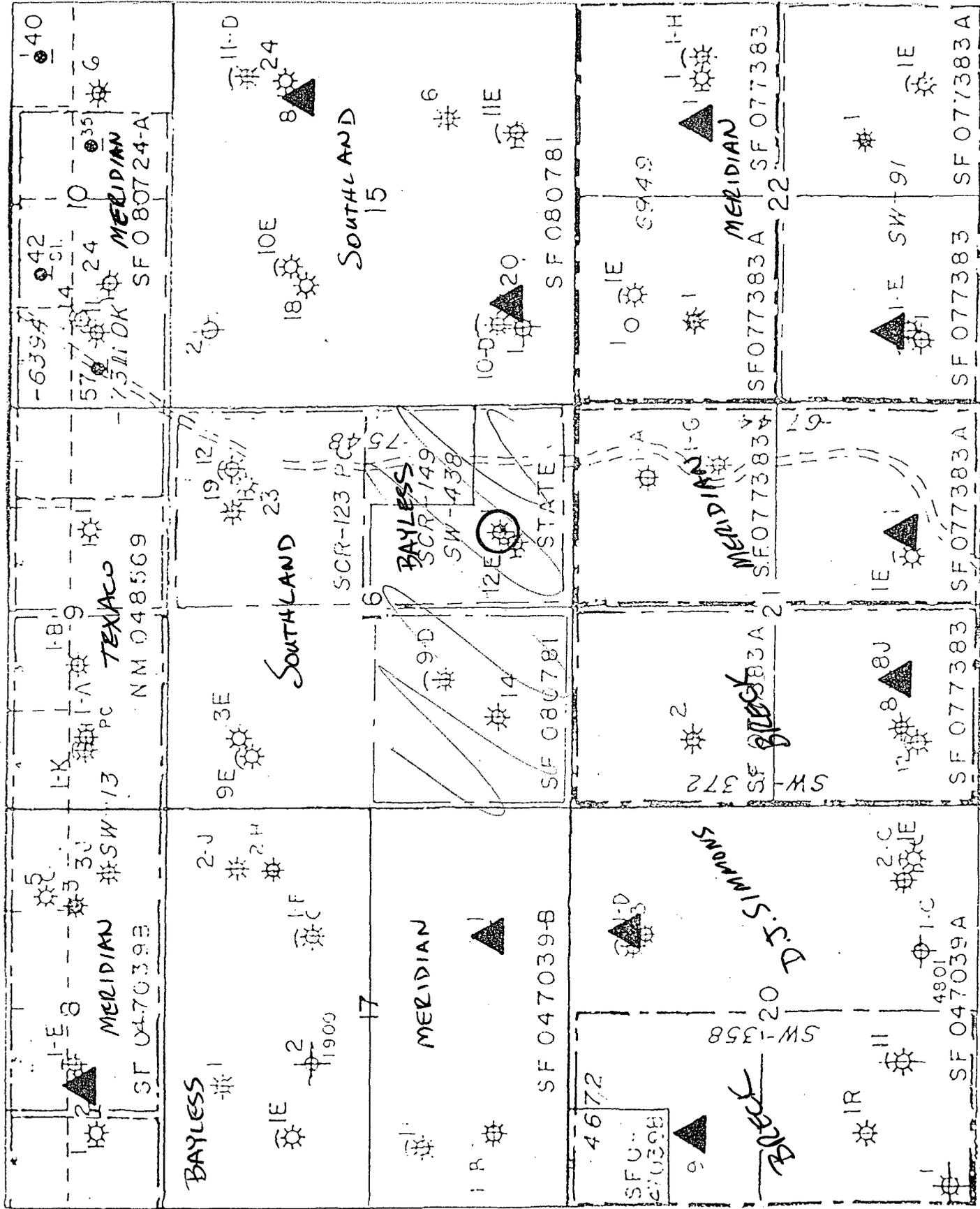
Desired rate: 20 BPM

Expected treating pressure: 2600 psi

NOTE: All water to contain 1% KCL and 1/2 gal/1000 clay stabilization agent.

9. Shut well in long enough to observe fracture closure.
10. Flow back well to the atmosphere through a 1/2" tapped bullplug until the well cleans up or dies.
11. Release packer and trip the 2 7/8" workstring out of the hole, laying down.
12. Trip 2 3/8" 4.7 #/ft J55 EUE tubing in hole with a notched collar on the end and a seating nipple 1 joint up. Circulate sand fill from well as necessary.
13. Land end of tubing at +/- 2020 ft RKB. Nipple down BOP and nipple up wellhead.
14. Swab well as necessary. Flow well to cleanup for AOF.

T28N R10W



▲ - EXISTING FRUITLAND COAL WELL

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

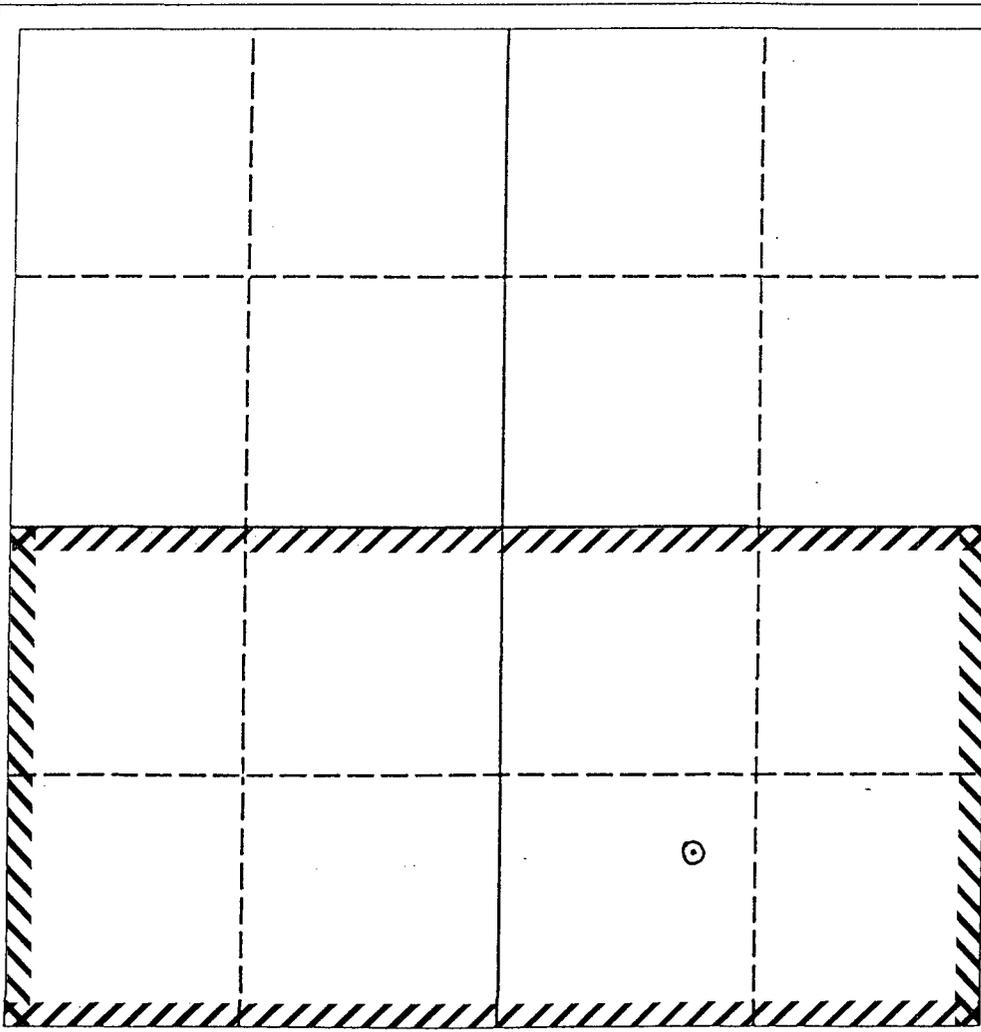
All Distances must be from the outer boundaries of the section

Operator Robert L. Bayless			Lease Empire			Well No. 1
Unit Letter O	Section 16	Township 28N	Range 10W	County San Juan		

Actual Footage Location of Well:
 990 feet from the South line and 1650 feet from the East line

Ground level Elev. 5960	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 - If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____
 - If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
- No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Kevin McCord*

Printed Name: Kevin McCord

Position: Petroleum Engineer

Company: Robert L. Bayless

Date: 2/9/94

SURVEYOR CERTIFICATION

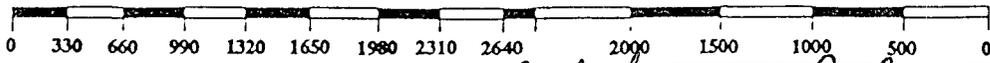
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: _____

Signature & Seal of Professional Surveyor: _____

Original plat on file

Certificate No. _____



Standard 640 acre Section