(June 1990)

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Budget Bureau No. 1004-0135
Expires: March 31, 1993

c/sf

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

RECEIVED
Nov 3 11 27 AM '93
CARLSBAD AREA

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.
LC 029387-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No. SHUGART 'A' # 3

2. Name of Operator
SOUTHLAND ROYALTY COMPANY

9. API Well No.
30-0015-0563600

3. Address and Telephone No.
P.O. Box 51810 Midland, TX 79710 915-688-6943

10. Field and Pool, or Exploratory Area
SHUGART (Y,7R,Q)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
330' FSL & 1650' FEL
SEC. 29, T18S, R31E

11. County or Parish, State
EDDY CO. NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other ADD THE YATES	[ ] Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

1. MIRU service unit. POOH with: 123, 3/4" rods; 1, 5/8" rod and pump. ND wellhead. NU BOP. Unseat TAC (21,000# shear) and POOH with 96 joints of 2 1/16", 3.25#, J-55 tubing; tubing barrel, TAC and mud joint.

2. PU bit and scraper for 4", 11.0# casing on ±3,570' of 2 3/8", 4.7#, J-55 workstring. (Perforating gun and wireline fish at 3,570'.) POOH with tubing, LD bit and scraper.

3. MIRU electric wireline unit. RU pack off head on BOP. RIH with 2 5/8" expendable/ retrievable perforating gun and GR. Correlate GR to GR/ Compensated Neutron Log dated 9 Apr 87 and perforate the Lower Yates from 2,624' - 2,648' with 4 SPF, 180° phasing. POOH. RDMO electric wireline unit.

4. PU slim hole "Sonic Hammer," shear sleeve and tubing check valve on ±2,620' of 2 3/8", 4.7#, J-55 workstring. NU "BIW" stripping head on BOP.

5. MIRU stimulation company. RU stand pipe and bales as needed to allow ±60' of tubing movement during stimulation treatment. Pressure test surface lines to 5,800 psi.

6. Start pumping 2% KCl water at 2 BPM. Verify on surface monitor that Sonic Hammer is functioning. With annulus open, wash the following perforated intervals with 50 gallons per foot of 2% KCl while passing Sonic Hammer continuously across perforations.

Zone	Perforated Interval	2% KCl (gal)	Resi-Sol (gal)
Lower Yates	2,624' - 2,648'	1,200	1,600
Queen	3,259' - 3,295'	1,800	3,600
Penrose	3,512' - 3,520'	400	800
Permier	Below Fish	0	0
		3,400	6,000

7. Close annulus. Increase rate to 3 BPM. Treat the perforated intervals with 6,000 gallons of Resi-Sol acid as per the listed schedule while continuously moving the Sonic Hammer through the perforated interval(s).

14. I hereby certify that the foregoing is true and correct

Signed DONNA WILLIAMS Title PRODUCTION ASSISTANT Date 11/2/93

(This space for Federal or State office use)

Approved by Signed by Shannon J. Shaw Title PETROLEUM ENGINEER Date 11/29/93
Conditions of approval, if any:

Anticipated Pressure (tubing):	2,900 psi
Maximum Pressure (tubing):	6,160 psi
Maximum Pressure (casing): or Stripping Head rating	5,800 psi

NOTE: Pump ±100 gallons of 2% KCl between connections.

8. PU and LD tubing check valve. Drop ball. Lower tubing to ±3,525'. Open shear sleeve and annulus. Circulate hole clean with 2% KCl. Monitor returns.

9. POOH with tubing and Sonic Hammer. PU RBP and treating packer for 4", 11.0# casing, on ±2,680' of 2 3/8", 4.7#, J-55 tubing. Set RBP at ±2,680'. PU to ±2,670'. Set packer.

10. MIRU fracture stimulation company. NU on 2 3/8" tubing. Pressure test surface lines and RBP to 5,800 psi.

11. Release packer and POOH with tubing. NU frac valve on 4" casing. Pressure test frac valve and surface lines to 5,800 psi.

12. Fracture Lower Yates with 6,500 gallons of 35# cross-linked gel and 20,000 lbs of 12/20 Brady sand down 4" casing. See attached pump and breaker schedule.

Anticipated Rate:	20 BPM
Anticipated Pressure:	1,700 psi
Maximum Pressure:	5,800 psi

13. Record ISIP, 5, 10, 15 minute shut in pressures. SI for ±4 hours.

14. RDMO frac company.

15. PU RBP retrieving tool on 2 3/8", 4.7#, J-55 workstring. RU foamed air unit. Clean out to top of RBP at ±2,680'. Allow well to stabilize and foam clean again. Latch on to RBP and release. POOH laying down 2 3/8" workstring, retrieving tool and RBP.

16. PU 2 1/16" mud joint, 2 1/16" x 4" TAC and tubing barrel on ±2,580' of 2 1/16", 3.25#, J-55 production tubing. Set TAC with tubing above top perf at 2,624'. ND BOP. NU wellhead.

17. RIH with 2" x 1 1/2" x 12' pump, 1 - 5/8" rod, ±103 - 3/4" rods. Space out pump and hang on. RDMO service unit.

18. Turn over to production operations. Report well tests daily for 15 days via PDT.