

# VETERAN EXPLORATION, INC

7535 East Hampden Ave., Suite 506, Denver, CO 80231, (303) 755-2900  
1 (800) 279-2783 FAX (303) 755-3959

July 16, 1992

Mr. Ernie Busch  
Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

**RECEIVED**

JUL 17 1992

**OIL CON. DIV.**  
**DIST. 3**

Dear Ernie,

Concerning the casing and BOP testing, on the Johnson 7-3 well, a test was performed as follows:

Testing Procedure - BOP and choke manifold will be installed and pressure tested utilizing test plug after, plug back and before starting kickoff of horizontal drilling operation, then checked daily for mechanical operating condition. Ram-type preventers and related pressure tested to the pressure of the stack assembly, or 70% of the internal yield of the surface casing, whichever is less. Annular preventer will be pressure tested to the pressure of the stack assembly, or 70% of the internal yield of the surface casing, whichever is less. Annular preventer will be pressure tested to 50% of rated working pressure upon installation. BOP and choke manifold pressure rating will exceed the maximum anticipated surface pressure. The choke manifold and BOP extension rods with handwheels will be located outside of the sub-structure. The hydraulic BOP closing unit will be located at least 25 feet from the wellhead. Exact locations and configurations will depend upon the particular rig contracted to drill this well.

Yours truly,



Robert P. Jacobsen  
President/Operator

RPJ:sb



# Quadco Inc.

ENTD AUG 3 1991

PLEASE REMIT TO

P.O. BOX 5340  
FARMINGTON, NEW MEXICO 87499

TELEPHONE (505) 327-0486

FAX (505) 327-0480

TERMS: 1% 10 - NET 30. NO DISCOUNT ON FREIGHT. ITEMS UNPAID 30 DAYS AFTER 1st BILLING ARE SUBJECT TO AN INTEREST CHARGE OF 1½% MONTHLY (50 CENTS MINIMUM) OR AN ANNUAL PERCENTAGE RATE OF 18%.

CUSTOMER NO.	TAX EXEMPT NUMBER	CUST. P.O. NO.	SHIP VIA	PAY	SOLD BY	INVOICE DATE	INVOICE NO.
1970	303-755-2900	01703	CHARGE	STEVE CASAVS	08/27/91	5122F	ZLR

**RECEIVED**  
JUL 17 1992  
OIL CON. DIV.)  
DIST. 3

SHIP TO

ORDERED BY: KEN HUBBARD  
JOHNSON 7-2

BILL TO  
VETERAN EXPLORATION  
7535 E. HAMPTON SUITE 506  
DENVER, CO 80231  
FIELD DELIVERY TICKET #797

QUANTITY		PART NUMBER / DESCRIPTION	BIN	LIST	NET	AMOUNT
SHIP	B.O.					
109	0	NS-BIN	1.00	1.00	109.00	
1	0	NS-BIN	500.00	500.00	500.00	
1	0	8 HOURS AT THE HOURLY RATE	0.00	0.00	0.00	
1	0	DP-475.00 PER HOUR	0.00	0.00	0.00	
8	0	RT-LABOR	NS-BIN	75.00	75.00	600.00
1	0		0.00	0.00	0.00	
1	0	THE ABOVE CHARGES TO TEST BOP	0.00	0.00	0.00	
1	0	AS PER ATTACHED F.D.T. #797	0.00	0.00	0.00	

700-40

ORIGINAL INVOICE

Seller represents that with respect to the production of the articles and/or the performance of the services covered by this invoice it has fully complied with Section 12(A) of the Fair Labor Standards Act of 1938 as amended.

X

SOLD TO

SUB-TOTAL 1209.00

TAX 70.28  
MISC 0.00  
FREIGHT 0.00

PAY THIS AMOUNT 1279.28



P. O. Box 2060 • Farmington, New Mexico  
Phone: (505) 327-0486

Field Delivery Ticket No.

B.O.P. TESTING

797

RENTED TO VETERANS EXPLORATION NO. 22-22  
P.O. #01703 DATE 8-22-71  
ORDERED BY KEN HUBBARD LEASE JOHNSON WELL NO. 7-3

Rental begins when tools leave our warehouse and continues until returned thereto. Rental day starts at midnight and part day shall be charged at full day.

TRANSPORTATION - ROUNDTRIP TO AND FROM JOBSITE 109 MILES @ \$ 1.00 PER MILE \$ 109.00

Portable BLOWOUT PREVENTER PRESSURE TESTING SERVICE:

SETUP CHARGE \$500.00 FOR THE FIRST 4 HRS ON LOCATION \$ 500.00

HOURLY RATE - TOTAL TIME ON LOCATION 5 HRS HRS @ \$75.00/HR \$ 600.00

Items Tested:

PIPE rams to <u>3000/250</u> #	Csg. to <u>1500</u> #	Choke Manifold <u>3000</u> #
BLSD rams to <u>2000/250</u> #	Hydril B O P to <u>1500</u> #	Kelly Cock <u>—</u> #
rams to <u>—</u> #	Choke Line <u>3000</u> #	Safety Valve <u>—</u> #
rams to <u>—</u> #	<u>—</u> #	<u>—</u> #

TEST SUBS: — @ \$ — each \$ —

PLUGS: TYPE — SIZE — @ — \$ —

PACKER: SIZE — @ — \$ —

CHEMICALS: — \$ —

OTHER: ALL TESTS GOOD FOR 15 MIN.

SECTION: 700-40

TOWNSHIP: —

RANGE: —

COUNTY: SANDOVAL N.M.

CHARGE TO: OPERATOR VETERANS CORPORATION SUB TOTAL \$ 129.00

( ) CONTRACTOR BIG A RIG # 23 % TAX —

BILLING ADDRESS: — TOTAL \$ —

WE APPRECIATE YOUR BUSINESS

DELIVERED BY CASAS

RECEIVED BY Wanda K. Kirk

VETERAN EXPLORATION Inc  
 7535 E. Hampden Suite 506  
 DENVER CO 80231

PURCHASE ORDER

01703

TO <b>QUADCO Inc</b>			SHIP TO <b>JOHNSON 7-3</b>		
ADDRESS			ADDRESS <b>RIO PUERTO FIELD</b>		
CITY <b>FARMINGTON NM</b>	STATE <b>NM</b>	ZIP <b>87401</b>	CITY <b>SANDOVAL CO NM</b>	STATE	ZIP

FOR		REQ. NO.	DATE REQUIRED	HOW SHIP	TERMS	DATE	
QUANTITY		PLEASE SUPPLY ITEMS LISTED BELOW				PRICE	UNIT
ORDERED	RECEIVED						
1		BOP TESTING FOR SUBJECT WELL PER BLM TEST REQUIREMENTS -					
2							
3							
4							
5		FIELD TICKET # 797				1209 <sup>00</sup>	
6							
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17							

INVOICES PASSED FOR PAYMENT			PLEASE SEND	COPIES OF YOUR INVOICE WITH ORIGINAL BILL OF LADING.
				