5. LEASE

UNITED STATES DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR	NM-11578	
GEOLOGICAL SURVEY	6. IF INDIAN, ALLOTTEE OR TRIBE NAME NONE	
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 Form 9–331–C for such proposals.)	7. UNIT AGREEMENT NAME NONE 8. FARM OR LEASE NAME	
1 -:1	FEDERAL-6 JUL 9 1	
well KX weil L other	9. WELL NO. OIL CON. CO	
2. NAME OF OPERATOR	10. FIELD OR WILDCAT NAME DIST. 3	
Kenai Oil and Gas Inc. 3. ADDRESS OF OPERATOR	Nageezi-Gallup	
717 17th St., Ste. 2000, Denver, CO 80202 4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA	
below.)	Sec. 6, T23N-R8W	
AT SURFACE: 990' FNL - 830' FEL AT TOP PROD. INTERVAL:	12. COUNTY OR PARISH 13. STATE San Juan New Mexico	
AT TOTAL DEPTH:	14. API NO.	
	30-045-24213	
16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	15. ELEVATIONS (SHOW DF, KDB, AND WD)	
METONI, ON OTHER DIVIN	6937' KB; 6927' GL	
REQUEST FOR APPROVAL TO: TEST WATER SHUT-OFF FRACTURE TREAT SHOOT OR ACIDIZE REPAIR WELL PULL OR ALTER CASING MULTIPLE COMPLETE CHANGE ZONES ABANDON* (other) Perf. additional zones in Gallup To DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state including estimated date of starting any proposed work. If well is of measured and true vertical depths for all markers and zones pertine his well was completed in June, 1980 producing 8 B rom perforations at 5246-38' and 5137-28' from the ively. In April, 1981; production had declined to ay. Completions of wells subsequent to this well, in apparently higher initial completion producing rollows (see attached for detail):	te all pertinent details, and give pertinent dates, directionally drilled, give subsurface locations and nt to this work.)* 10 per day plus 60 MCF per day 12 Lower and Upper Gallup, respections 3 BO per day plus 50 MCF per using a Spectrolog, have resulted	
. Ran thru - casing Spectrolog.) -00.	
. Perforated 27 holes at selected intervals between		
. Acidized new perforations in 2 jobs of 1500 gal		
. Fracture treated new perforations with 180,000 gals Mini-Max III-40 fluid with 400 scf nitroge Subsurface Safety Valve: Manu. and Type	lbs. of 20/40 sand with 67,000 en per bbl. (OVER)Set @Ft.	
18. I hereby certify that the foregoing is true and correct Manager - Drilli	ing (17, 10)	
SIGNED LEAVE TITLE & Production	DATE 0/1//01	
(This space for Federal or State o		
APPROVED BY TITLE CONDITIONS OF APPROVAL, IF ANY:	JUL 8 1981	
DODAM	FARMINGTON DISTRICT	

MAINO

BY KYS

Instructions

General: This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions,

In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment. Item 17: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices.

A considerable volume of treatment fluid is left to recover, therefore, a final "after Will run bottom hole pump on rods and install Swabbed fracture fluid and ran tubing for production. workover" production test has not been taken. a pumping unit. 5.

Kenai Oil & Gas Inc. Federal #6-41 NENE Section 6, T23N, R8W San Juan County, New Mexico

5-8-81

5-11-81

WORKOVER HISTORY

MI & RU Action Rig #4. SICP 380 psi, SITP 260 psi. Bled both to 5-6-81 pit, no fluid recovery. Nipple down surface plunger lift equipment and nipple up BOP. Release anchor and lowered tubing 5 jts and tag at 5283' KB, indicated 17' of fill. POOH. Rig up Dresser Atlas and tag bottom at 5296' KB, CBL depth (ie 4' of fill). Will finish

logging 12 midnight.

Rig up Dresser Atlas and perforate Gallup 1 JSPF as follows: 4988-92, 5-7-81 5010-14, 5043-48, 5077-80, 5084-86, 5102-08, 5152-54, 5160-64, 5172-74,

5197-98, 5200-06. No reaction after perforating. SI for night.

SICP 150 psi, bled off in 2 min. Ran Baker $4\frac{1}{2}$ " Model "C" BP, ret. head, & Baker Retrievamatic packer all measuring (20.56') and 162 jts tubing (5235.18') and set BP at 5222' KB. Set packer at 5214' and test BP 2500 psi, held OK. Loaded casing with 30 bbls KCL water to help equalize packer. Pull 2 jts and set packer at 5139' KB. Rig up Western and acidize with 1000 gal 15% HCL with NE agent and clay stabilizer and 30 balls. BDP 2900 psi at 2.9 bpm to 2400 psi at 4.7 bpm.

Very little ball action, no ball off. With 18 BA in treating pressure broke from 2600 psi to 1700 psi with blow on casing. Suspected communication above packer. Aug trt pressure 2200 psi. AIR $3\frac{1}{2}$ bpm. ISIP zero. Released packer and latch onto BP. Pull 4 jts and set BP at 5123' KB. Pull 6 jts and set packer at 4918' KB. Pressured casing above packer to 2000 psi, 10 min, OK. Readey to acidize in the

a.m.

SICP 1800 psi (with 3 gauges)-tubing on vacuum. Bled casing to 5-9-81 tanks-4 BO-died in $\frac{1}{2}$ hr. With Western, pressure casing 2000 psi-5 min-OK. Acidized with 1500 gal 15% HCL, NE Agent, & Clay stabilizer and 40 balls. BDP 2800 psi at 4 bpm to 2400 psi at 5.6 bpm. No ball action. Aug trt pressure 2350 psi, AIR 4.8 bpm. 85 BLW to recover. ISIP 650, 15 min SIP 350. Flow back 10 min and died. Lowered BP to 5286 and set packer at 4918' KB. Ran swab IFL 300'. Swabbed down in 3 hrs, 11 runs and recovered 54 BLW. Oil

> cut 5% and good show of gas. SI 1 hr. Made run, recovered 1 BF, 5% oil. Release packer, latch onto BP and POOH with packer and BP.

> SICP 15 psi. Bled off instantly. Ran $4\frac{1}{2}$ " casing scraper to bottom

SI for night.

5-10-81 Sunday-Crew off.

at 5283' KB. POOH. Left scraper in hole. Trip in and screw into scraper. POOH with scraper. Rig up Dresser Atlas and set retrievable BP at 5230' KB. RIH with SCAB liner consisting of Baker type 43-A cut type packer, x-over, 1 jt 2 7/8" tubing, x-over, Lokset packer and

on-off tool and collar locator (39.50'), and 158 jts tubing (5104.85') and set Lokset packer at 5113' KB. (33.50' of tools left in hole.)

POOH 16 jts and SD for night.

CP zero, TP zero. Finish POOH with on-off tool and collar locator. 5-12-81

Ready to frack in the a.m.

Kenai Oil & Gas Inc.
Federal #6-41
NENE Section 6, T23N, R8W
San Juan County, New Mexico

Elledge Consulting & coduction Company

JUL 9 1981 OIL CON. COM. DIST. 3

WORKOVER HISTORY CONTINUED

5-13-81

SICP zero. Rig up Western and frack with 67,200 gallons Mini Max III-40, 180,000 lbs 20/40 sand, and 400 SCFPB nitrogen. All water 2% KCL. Flushed with 1500 gel 2% HCL and 1428 gal 2% KCL all with nitrogen. AIR 42 bpm at Avg trt pressure 2300 psi. ISIP 1550 psi 15 min SIP 1500 psi. 1670 BLW to be recovered. SI 2 hrs for gel to break. Open up thru 2" at 1450 psi and thru 7" after $\frac{1}{4}$ hr. Unloading good. Left open thru 7" overnight.

5-14-81

Well dead on arrival. RIH with on-off tool receptacle and string float and 158 jts tubing and latch ibto on-off tool. Attempt to release for 7 hrs. Pumped total of 100 bbls 2% KCL water for day. Come off of tool and POOH. SI for night.

5-15-81

SICP zero. RIH 158 jts, and attempt to latch onto on-off tool-washed 2' sand and latched onto tool. Rig up HOMCO and ran 1 11/16" jet cutter and cut at 5142' in 2 7/8" tubing. Could not go down past 5142'. Work to release packer $3\frac{1}{2}$ hrs no success. Perf 2 7/8" tubing at 5119' and could not go down past 5112'. Work to release Lokset $2\frac{1}{2}$ hrs. Ran 70 grain string shot across Lokset, with 10 rounds in, fired shot, got 5 rounds back. Work to release packer and failed. Ran 70 gr. string shot across Lokset, with 12 rounds in, fired shot, got 8 rounds back. Work tubing-no success. Wash down tubing to release from on-off tool-come off tool and POOH 20 stands. End of tubing at 3821' KB. Pumped in 72 bbls 2% KCL water today. SI for night.

5-16-81

CP&TP zero. POOH. RIH with 157 jts tubing (5072') with SN 1 jt up and set end of tubing at 5075' KB. Made 3 swab runs and well flowed 1 hr and 35 min with FTP max of 250 psi. Ran swab IFL 300', made 12 runs in 5 hrs and recovered 85 BLW. FFL 4200', final CP 200 psi. SI for weekend.

<u>5-17-81</u>

Sunday-Crew off

5-18-81

SICF 300 psi. TF 375 psi. Bled tubing to pit in 1 min-would not burn. Ran swab. IFL 1800', Kicked off after 3 runs and recoving 28 BLW. High FTP 25 psi, making 8' spray of water, died in 15 min. In $8\frac{1}{2}$ hrs, made 30 swab runs and recovered 200 BLW. Last grind out 5% oil. Flowed $\frac{1}{4}$ hr after last 3 runs. FFL 4600'. Final CP 425 psi. Dropped 3 soap sticks. SI.

5-19-81

SICP 425 psi, SITP 210 psi. Bled tubing down in 1 min, no liquid flow. Ran swab IFL 3000'. Made 5 runs in $1\frac{1}{2}$ hrs and well started kicking after each run. Max FTP 25 psi. In 7 hrs, made 18 runs and recovered 147 BLW (347 swabbed back to date) 5% oil cut at end of day. FFL 5000'. Max CP 525, at end of day 250 psi. Drop 3 soap sticks. SI for night.

5-20-81

SICP 325 psi, SITP 150 psi. Bled down in 1 min, no fluid to surface. Initial grind out 10% oil. IFL 3000'. Swabbed dry in 1 hr after 5 runs and recovered 15 BLW. In 6 hrs, made 18 runs and recovered 38 BLW. Last 2 runs well would kick for $\frac{1}{4}$ hr. Max FTP 20 psi. CP 400 psi. FFL 4800', Final CP 300 psi. Recovered total of 53 BLW today. (450 to date). Last oil cut 10%.

Elledge Consul (g & Production Company

JUL 9 1981 OIL CON. COM. DIST. 3

WORKOVER HISTORY CONTINUED

5-21-81

SICP 350 psi, SITP 175 psi. Bled both down in 3 min, no fluid flow. Lowered tubing $21\frac{1}{2}$ ' and tag with 158 jts (5104.85') at 5098' KB. POOH, RIH with Bowen overshot 3 3/4" X 2 3/8" (1.93'), bumper sub (4.45'), jars (5.95'), x-over)1.30'), 6-3 1/8" D.C. (177.92'), x-over (1.0'), accelerator (8.61'), x-over (.73'), 8' sub (8.0') for total BHA of 209.89' and 151 jts tubing (4876.42') and latch onto on-off tool at 5099' KB tubing depth. No sand on on-off tool. Jarred to 50,000 lb, up and down for 5 hrs. No results. Circulated some while jarring with partial returns. No progress. Release overshot and POOH. SI for night.

5-22-81

SICF 20 psi. Bled off. RIH with 157 jts tubing and SN and 10' pump and placed EOT at 5086' KB. Rig up HALCO. Spotted 500 gal V-plug (80 visc) 4330 to 5111. Pull 40 jts to 3787 and pump 155 bbls 2% KCL water, no circulation. Set tubing on fish at 5111' (log depth) and spot 500 gal V-plug. Pump in 78 bbls 2% KCL water, full returns at surface. Lowered tubing and pushed fish 21' downhole. POOH. RIH with Bowen overshot, jars, bumper sub, 6-3 1/8" D.C., accelerator and 155 jts tubing and latch onto fish at 5132' KB. Work fish out of hole. Recovered entire-scab liner. SD for night.

5**-**23-81

SICP zero. RIH with 6-3 1/8" D.C. and laid down same. Ran Baker hydrostatic bailer and 161 jts tubing (5170.20') and tag sand fill at 5169' KB. CO to 5196' KB. Bailer quit. Pump in 30 bbls 2% KCL water. Bailer still would not work. POOH. Lower 20' of tubing was plugged with hard V plug material. SD for weekend.

5**-**24-81

Sunday-Crew off

5-25-81

Monday-Holiday

5-26-81

Well on vacuum. RIH with hydrostatic bailer and tag at 5196' KB. CO to BP at 5230' KB, latch onto same and lowered and tagged at 5252' KB. POOH with BP. RIH with bailer and CO 5252' to 5290' KB. POOH. RIH with production tubing as follows:

1	jt	2 3/8" tubing	<i>3</i> 2.18′	
		Standard seating nipple	1.08'	
<u> 161</u>	jts	2 3/8" tubing	<i>5203.00'</i>	
162	jts		5236.26'	
		landed below KB	9.00'	
		tubing landed at	5245.26' KE	3

Nipple down BOP and nipple up tree. Rig up to swab. SI for night

5-27-81

SICP & TP zero. Ran swab, IFL 900'. In $8\frac{1}{2}$ hrs and 34 runs, rec 173 BLW, with trace of sand. FFL 5000'. SI for night. No shoul or gas.

5-28-81

SICP & TP zero. IFL 2500'. Swabbed 8 hrs with 25 runs and 100 BLW, trace of sn all day. Final CP zero. FFL 5000'. Action Rig #4.

WORKOVER HISTORY

6-1-81	MI Swabbing unit. SICP 195, SITP 0. Swb w/IFL @ 3200'. Made 32 swb
	runs in 11 hrs. & rec 110 BLW. First show of oil @ 11 a.m. (trace). FCP 425. FFL @ 4100'. Final oil cut 1%. Slight show of gas ahead of each swb run last 3 hrs. SIFN.

- SICP 475, SITP 0. IFL @ 3600'. Made 26 swb runs in $9\frac{1}{2}$ hrs with FCP 275 psi. Flowed a total of $1\frac{1}{2}$ hrs during day. Oil cut varied from 5-10%. Total fluid rec 65 BLW. Longest flow period 1/2 hrs & during last 3 hrs wells would flow 2 to 3 min after ea. swb run. FFL 4000'. FCP 275 psi. SIFN.
- SICP 340, SITP 40. IFL @ 4000'. Made 22 swb runs in 9 hrs & swb to flow 60 BF. Oil cut 10% throughout day. Flowed for 1 hr. @ noon & flowed a total of 1 hr for rest of day. Gas is increasing. FFL @ 4000'. FCP 250. All runs were very gassy. SIFN.
- SICP 325, SITP 50. IFL @ 4200'. Made 20 swb runs in 9 hrs & rec 50 BLW, 5% oil cut all day. Well flowed a total of 2 hrs---mostly gas. FFL @ 4300'. FCP 175. SIFN.
- SICP 275, SITP 20. FFL @ 4000° . Made 22 swb runs in $8\frac{1}{2}$ hrs & rec 50 BLW, 10% oil cut. Flowed a total of $2\frac{1}{2}$ hrs. FCP 175, FTP 0. SIFN.
- SICP 240, SITP 15. IFL @ 4400'. Made 16 swb runs & rec 24 BLW. Flowed $1\frac{1}{2}$ hrs, 5% oil cut. FCP 175, FTP slight blow. FFL @ 4400'. Rigged down.

