1989: December 1989:

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Burgge No. 1004-0135
Express September 30, 1990

5. Lease Designation and Serial No. NM-013688

SUNDRY NOTICES AND REPORTS ON WELLS

Co not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT—" for such proposals

6. A lagran. Ailottee or Trice Name

SUBMIT	7. If Unit or CA, Agreement Designation	
1. Type of Weil Oil Weil Weil Other 2. Name of Operator ARCO 0il & Gas Company 3. Address and Telephone No. P. O. Box 1610, Midland, TX 79	702 915 688-5672	8. Well Name and So. Atlantiand 24 Com #1 9. API Well No. NA
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 948 FNL & 1925 FEL (Unit Letter_B) 24-31N-10W 2. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, F		IO. Fizza and Pool or Enginery Area Basin Fruitland Coal Gas Pool II. County or Farm. State San Juan, NM ICE. REPORT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
Notice of intent Subsequent Report Final Abandonment Notice		Change of Plans Change of Plans New Construction Non-Routine Fractioning Water Shut-Off Conversion to Injection E: Report results of multiple completion on Well Completion or simpletion Report and Log form.)

Propose to change casing program from a cased hole completion to a open hole completion. Revised Drilling Plan attached.

JULI 9 1990
OIL CON. DIV.

	*See instruction on Reverse Side	FARMERS CALLED 1-1 STA
ille 18 U.S.C. Section 1001, makes it a crime for any person in r representations as to any matter within its rursidiction.	nowingly and willfully to make so any department or agency of the U	10/14/11/11/11
ch		JUL 1 8 1920
Approval by	Tide	Date
(Thus space for Federal or Scale office use)		2/7.
5 igned	Tide Regulatory Coordinator	△ □○○○6/22-(90

DRILLING PLAN

Attach to Form 3160-3
ARCO Oil and Gas Company
Well: Atlantic Fruitland 24 #1
Section 24-T31N-R10W
948' FNL & 1925' FEL
San Juan County, New Mexico

1. Estimated Tops of Geological Markers

Ojo Alamo	1965'
Kirtland	2056'
Fruitland	3053'
Pictured Cliffs	3415'

2. Estimated Tops of Possible Water, Oil, Gas or Minerals:

Sands above 2056'-Water Fruitland 3053'-Gas

3. Minimum Specifications for Pressure Control

Interval 500'-3103'	Pressure Control Equipment 11", 3000 psi double ram preventer
300 -3103	with Rotating Head (Exhibit 1 &2).
3103'-3395'	2 - 7 1/16" double ram preventers with Stripping Head (Exhibit 1A & 2A).

Shown in Exhibits #1-3 are the BOP stack arrangements, choke manifold arrangements and the BOP specifications, respectively. This BOP stack conforms to API RP-53 (Figure 2.C.2) for a 2000 psi system. Maximum anticipated Fruitland pore pressure is 1500 psi. All ram type preventers and related control equipment will be hydraulically tested at nipple-up, after any use under pressure, and every 30 days, to 2000 psi. In addition, the blind ram will be operationally checked each time pipe is pulled out of the hole. All checks of BOPE will be noted on Daily Drilling Reports. Accessories to BOP equipment will include a kelly cock, floor safety valve, and choke manifold with pressure rating equivalent to the BOP stack.

4. Proposed Casing Program

	Hole		Casing	Weight &
	<u>Size</u>	Interval	Size	<u>Grade</u>
Surface	12-1/4"	0-250'	9-5/8"	36.0# K-55
Production	8-3/4"	0-3103'	7"	23# N-80
Open-Hole	6-1/4"	3103- 3395	NA	NA

Surface Casing cemented to surface with 200 sx (236 ft³) of Cl "B" containing 2% CaCl₂. Production casing cemented to surface with \pm 400 sx (720 ft³) 65/35/6 Cl "B"/Poz/Gel w/ 1/4# CF lead and 100 sx (118 ft³) Cl "B" tail.

If hole stability is a problem, a 5-1/2" liner will be set uncemented across the open-hole section. The liner will overlap the 7" casing 100' and it will be perforated across the coal.

5. Type and Characteristics of Proposed Drilling Fluids

		Weight	Funnel	Water
<u>Depth</u>	Mud Type	ppg	Viscosity	Loss
0-250'	Spud Mud	9.0	35-45	NC
250'-3103'	Low Solids	8.7-9.5	32-45	<10
3103-3395'	Water/Air	8.4-1.0	28	NC

6. Testing, Coring and Logging Program

- A. Drill Stem Testing None Anticipated
- B. Coring None Anticipated
- C. Logging-

Open Hole	Cased Hole
Mud Logger from 7" casing point	Temperature Survey if cement does not circulate
to TD.	

D. The well is planned to be completed Open-Hole style. The Fruitland will be drilled out from under 7" Casing using a Completion Rig and utilizing water as the drill fluid. After reaching TD, air will be added to the water to induce gas/water flow from the coal. Should wellbore stability be a problem, a 5-1/2" liner will be run to TD with 100' overlap across the 7" casing. The liner will not be cemented but will be perforated.

7. Anticipated Abnormal Temperature, Pressure, or Hazards

The maximum anticipated Fruitland pore pressure is 1500 psi. The Fruitland will be drilled out under balanced approximately 300 psi. A completion rig will be utilized for this operation using the BOP equipment specified in Exhibit #1A & #2A. There are no other abnormal pressures, temperatures or potential hazards in the area.

8. Anticipated Starting Date and Duration of Operations

Pending favorable weather and permit approval, construction work for this location is planned to begin in July 1990. Construction work will require 5-7 days, moving-in and rigging-up rotary tools, 1 day, drilling and completion, 14 days. It is planned to spud the well in July 1990.

Exhibit #1 BOP Stack Arrangement Drilling Rig Operations

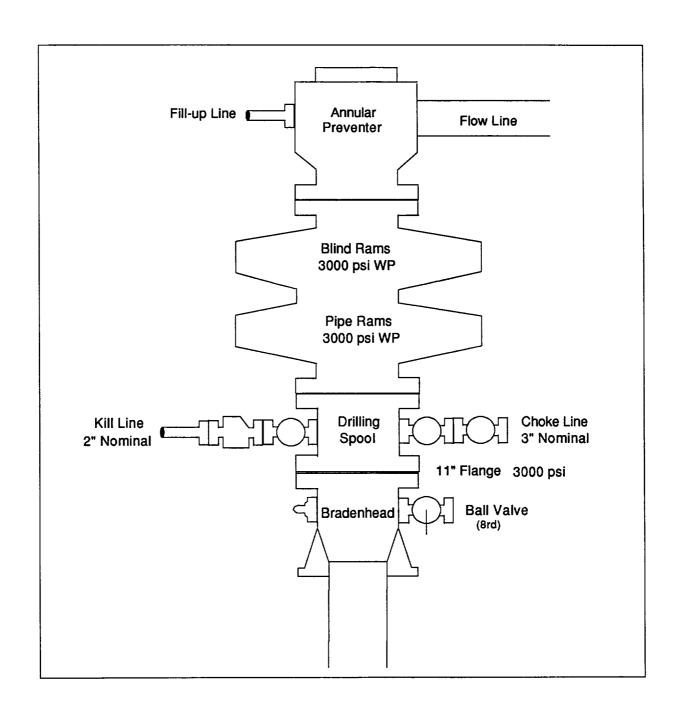


Exhibit #1A BOP Stack Arrangement Open-Hole Completion Rig Operations

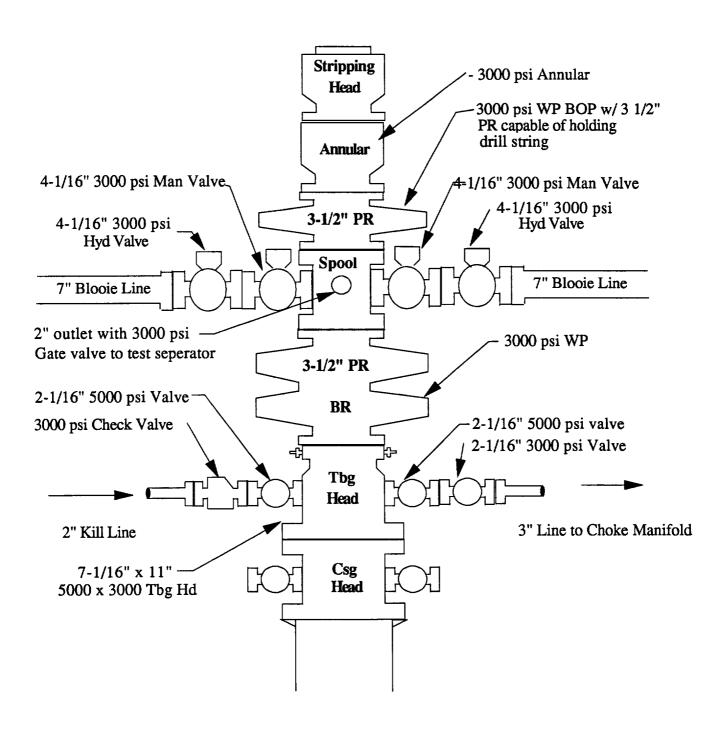
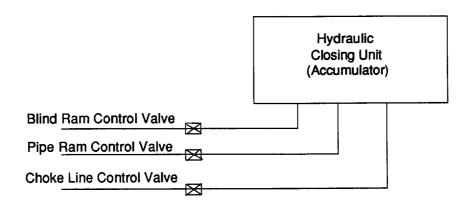
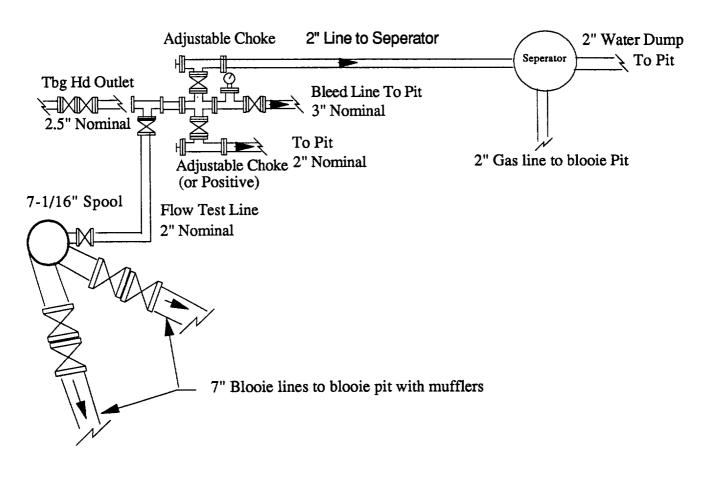


Exhibit #2 Choke Manifold & Accumulator Schematic Drilling Rig Operations



Adjustable or Positive choke Choke Line from BOP stack 3" Nominal Bleed Line To Pit Adjustable or Positive choke

Exhibit #2A Surface Manifold Schematic Completion Rig Operations



All manifold valves to be rated for 3000 psi WP

Exhibit #3 Blowout Prevention Equipment Specifications

- 1. All BOP equipment shall be fluid and/or mechanically operated.
- 2. BOP's and all fittings will be in good working condition.
- 3. Equipment through which the bit must pass shall be at least as large as the casing size being drilled
- 4. The nipple above the BOP shall be at least the same size as the last casing set.
- 5. The upper kelly cock with handle and lower kelly cock shall be rated at the BOP working pressure.
- 6. A floor safety valve (full opening) or drill string BOP with appropriate pressure ratings shall be available on the rig floor with connections or subs to fit any tool joint in the string.
- 7. The minimum size choke line shall be 3 inches nominal diameter, with a minimum size for vent lines downstream of chokes of 2 inches nominal, and vent lines which by-pass shall be a minimum of 3 inches nominal and as straight as possible.
- 8. All valves, fittings and lines between the closing unit and the blowout preventer stack should be of steel construction with rated working pressure at least equal to working pressure rating of the stack. Lines shall be bundled and protected from damage.
- 9. Minimum size for kill line is 2 inches nominal.
- 10. Ram type preventers shall be equipped with extension hand wheels or hydraulic locks.