District I PO Box 1980, Hoobs, NM 88241-1980 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazes Rd., Aztec, NM 87410

District IV

State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-101 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 6 Copies Fee Lease - 5 Copies

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

AMENDED REPORT

2040 South Pacheco, Santa Fe, NM 87505 Santa Fe, NM 87505 AMENDED REPORT												
APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE												
Operator Name and Address GREAT WESTERN DRILLING COMPANY P.O. BOX 1659 MIDLAND, TEXAS 79702						JUL 2 2 1999 30 - 0 45-23102				09338 Pl Number		
4Property Code 5Pro												
J.E. DECKER						perty Name VIII (CON DIV					7	
Surface Location												
UL or lot no.	Section	Township	1 1	Lot Idn	Feet from the	North/South	ı	Feet from the		Nest Line	County	
J	12	32N	12W		1480	SOUTH		1580	<u> </u>	ÉÁŚT SAN JUAN		
Proposed Bottom Hole Location If Different From Surface												
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South I	line	Feet from the	East/\	Nest Line	County	
∘Proposed Pool 1 BASIN FRUITLAND COAL						oProposed Pool 2						
<u> </u>												
⊞Work Type Code			₁₂Well Type Code G		₁₃Cable/Rotary R			иLease Type Code Р		₁₅Ground Level Elevation 6369		
16Multiple			17Proposed Depth		18Formation		19Contractor			20Spud Date		
No	0					ND COAL						
			21 F	ropose	d Casing a	and Ceme	nt P	rogram			- · · ·	
Hole Size		Casin			weight/foot		Setting Depth		Sacks of Cement		Estimated TOC	
12 1/4			8 5/8 4 1/2		10.5		104 3033		90		CIRCULATED	
7 7/8			4 1/2		10.5	303.3			023	0.1100	, LATED	
23								<u> </u>		<u></u>		
					N or PLUG BACK sheets if necessar		n the pi	resent productive z	one and	proposed ne	w productive zone.	
This well is	currently p	roducing	g from the F	Pictured Cli	iffs Zone (289)	2-2946); Plu	g bac	k zone is the Fi	ruitland	Coal (264	8-2816).	
Set CIBP @ 2,882' and cover with 35' cement. Mill out 4 1/2" casing from 2,648-2,816'. Under ream open hole from 2,648'-2,816'. Complete coal zone using cavitation technique.												
											·	
231 hereby certify	plete to the	OIL CONSERVATION DIVISION										
best of my knowledge and belief. Signature:						Approved By: Paris						
Printed name: BERRY D. SIMPSON						Title: CAS INSPECTOR, DIST. 48						
Title: PETROLEUM ENGINEER						Approval Date: Expiration Date:						
L						UUL		1000	<u></u>		- 11	

District I PO Box 1980, Hobbs, NM 88241-1980

811 South First, Artesia, NM 88210

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

District IV 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-102 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

State Lease - 4 Copies Fee Lease - 3 Copies

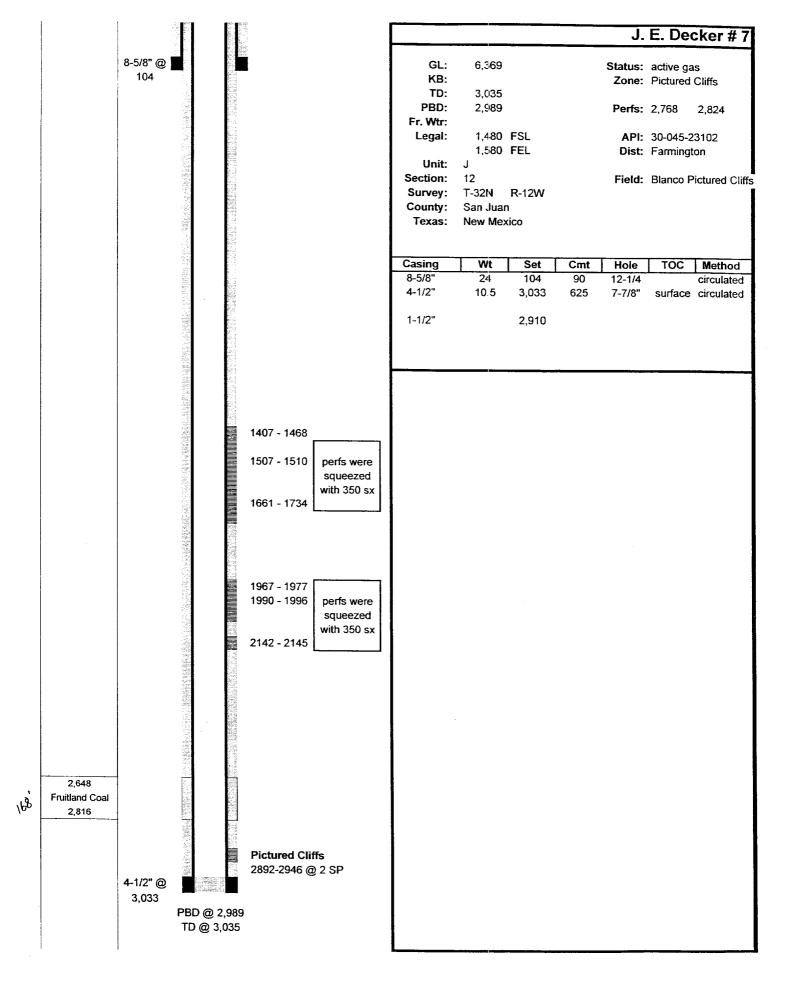
AMENDED REPORT

		WF	ELL LO	CATION	AND A	\CR!	EAGE DEDICA	ATION PLA	(T) =		
	1API Number 0-045-231(₂Pool Code 71629				3Pool Nar	me		
4Property (Code	J.E. DEC	CKER		5 Pro j	operty N	1	NEGE	IVEN:	₅Well Number 7	
70GRID 00933		GREAT	WESTER	8Operator Name ESTERN DRILLING COMPANY				JUL 2	2 1999	₃Elevation 6369	
					₀Surfa	ce L	_ocation	MIL GOIN	J. DIV.		
UL or lot no. J	Section 12	Township 32N	Range 12W	Lot Idn	Feet from		North/South line SOUTH	Feet free 1580	EAST	County SAN JUAN	
Bottom Hole Location If Different From Surface											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	n the	North/South line	Feet from the	East/West Line	County	
12Dedicated A		pint or Infill 1	14Consolidati	ion Code	15Order No.	No.		L			
	NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION										
¹⁶ D		С		В			A	17 OPERA I hereby certify	ATOR CERT of that the information of the best of my k	contained herein is	
Е		F SECTION	12, 3	G 2 N, 12W	ı,		Н	Signature GINA KING Printed Name PRODUC Title Date		AN	
L		K		J		I	I	I hereby certify was plotted from or under my su	EYOR CERT of that the well location so orn field notes of actual upervision, and that the best of my belief.	shown on this plat I surveys made by me	
М		N		0	#7 •	1	/580 ' P	Date of Surve	ey d Seal of Professional :	Surveyer:	
					08 11			Certificate Nu	umber		

0 K (2)

Proposed procedure for recompletion of J. E. Decker #7 John Keeling & Berry Simpson July 14, 1999

- MIRU workover rig.
- 2. Kill well, install BOPs, HCR valves, and blooie lines
- 3. Pull production tubing and lay down.
- 4. Run CIBP and set at 2,882' (10 feet above top perforation)
- 5. Dump 3 cu. ft. of cement on top of CIBP (35').
- 6. Test casing and all connections to 1,500 psi.
- 7. If necessary, run GR/CCL correlation log to determine top of coal and milling point (may be able to use existing log).
- **8.** Mill out 4-1/2" casing from 2,648' to 2,816' (168') using air or air-mist drilling equipment.
- 9. Test gas using a pitot tube to determine flow rate.
- **10.** Under-ream open hole section (2,648' 2,816') using air or air-mist.
- **11.**Test gas using a pitot tube to determine flow rate. Acidize wellbore if necessary (to remove any lingering cement from the primary cement job).
- **12.** Shut in well for at least 4 hours to establish a pressure base for cavitation.
- 13. Pull drill pipe and bit up hole and begin cavitation.
 - (a) Pressure-up coal section with compressed air.
 - (b) Open well and allow it to blow down.
 - (c) Run drill pipe and bit to clean out coal debris.
 - (d) Repeat this sequence until the well stops blowing coal dust.
- **14.** During cavitation process, record flow rate and pressure (after overnight buildup) on a daily basis.
- **15.**POH with drill string and all tools and lay down. Run production string and install wellhead.
- **16.** Make battery modifications as required.
- 17. Return well to production.



OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

June 17, 1999

Great Western Drilling Company P. O. Box 1659 Midland, Texas 79702 Attention: Berry D. Simpson

Administrative Order NSL-4313

Dear Mr. Simpson:

Reference is made to the following: (i) your application dated May 24, 1999; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe: all concerning Great Western Drilling Company's ("Great Western") request for an off-pattern non-standard Basin-Fruitland coal gas well location for the existing J. E. Decker Well No. 7 (API No. 30-045-23102), located 1480 feet from the South line and 1580 feet from the East line (Lot 2/Unit J) of irregular Section 12, Township 32 North, Range 12 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico.

All of irregular Section 12, being a standard 336.00-acre lay-down gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool, is to be dedicated to this well.

It is our understanding that the J. E. Decker Well No. 7 was initially drilled in 1978 and completed at a standard gas well location in the Blanco-Pictured Cliffs Pool within a standard 168.00-acre gas spacing and proration unit comprising Lots 1 and 2 and the S/2 SE/4 of Section 12.

It is further understood that Great Western intends to abandon the Pictured Cliffs interval in this well at this time and to recomplete up-hole into the Basin-Fruitland Coal (Gas) Pool. Pursuant to the "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool," as promulgated by Division Order No. R-8768, as amended, the location of this well is considered to be unorthodox.

This 336.00-acre unit currently exists and is dedicated to Great Western's J. E. Decker Well No. 9 (API No. 30-045-27426), located at a standard coal gas well location 1506 feet from the South line and 938 feet from the West line (Lot 4/Unit L) of Section 12. Per your application and Division Rule 104.D(3) the J. E. Decker Well No. 9 is to cease producing gas from the Basin-Fruitland Coal (Gas) Pool at such time as the subject J. E. Decker Well No. 7 is successfully recompleted as a producing Basin-Fruitland coal gas well and connected to a pipeline.

By the authority granted me under the provisions of Rule 8 of these special pool rules the above-described unorthodox Basin-Fruitland coal gas well location for Great Western's J. E. Decker Well No. 7 is hereby approved.

Sincerely,

how Wholeby L. De Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec