

09/26/2013

Amend SWD-1437

PRG 1328444 507

Goetze, Phillip, EMNRD

From: Paul Ragsdale <pragsdale@stratanm.com>
Sent: Thursday, September 26, 2013 9:43 AM
To: Goetze, Phillip, EMNRD
Subject: FNRU #1 REENTRY

Importance: High

Phillip,

I have reviewed approved Administrative Order SWD -1437 authorizing the reentry and deepening of the Forty Niner Ridge Unit #1. On page 2 of the Order, the 1st paragraph requires Strata to squeeze all "existing"(sp) open perfs in the Bell Canyon, Cherry Canyon, Bone Spring, Wolfcamp and Morrow formations.

Our plan is to squeeze the Bell Canyon and Cherry Canyon, as they are the current injection intervals, and will flow back unless squeezed. Then, we were planning to clean the well out to current TD of 14,507' and fish the Vann guns out of the hole. We were not planning on squeezing the Bone Springs, the Wolfcamp or the Morrow. We believe that these zones will support hydrostatic pressure and should not require squeezing. If successful fishing, we would then deepen the well to 16,000', run 5 ½" casing and cement the casing. The plan is to circulate the cement to the surface. A DV tool set right above the Bone Spring would be utilized to ensure that cement is circulated.

So, we are requesting that an exception be granted to the Order that only the Bell Canyon and Cherry Canyon be squeezed. Then, the other zones can be covered with cement during the primary cement job of the 5 ½" casing. However, we would also agree that if any of the zones cannot support a hydrostatic of 10 lb/gal and we encounter "lost circulation" when we enter the perfed zones, we would squeeze those zones.

I would be glad to visit with you about this. We understand that the goal is to have a competent wellbore that is cemented properly.

Thanks,

Paul Ragsdale

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