DHC-1562

Bonneville Fuels Corporation
A Subsidiary of Bonneville Pacific Corporation

June 2, 1997

Mr. Ben Stone
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Re: Gallup/Dakota Pressure Estimates - Commingling Permit
Fullerton Federal #9 Well
(Dakota/Gallup Reentry)
1190' FSL, 790' FEL Section 13, T27N, R11W
San Juan Co., New Mexico

Dear Mr. Stone:

As per your telephone request today, I am providing an explanation of our reservoir pressure estimates for the Gallup and Dakota reservoirs in the above referenced well.

Gallup Zone

This zone is not currently completed. I have estimated the Gallup reservoir pressure to be 1200 psi. This is based on a pressure buildup test on the Gallup formation in the Fullerton Federal #11 located 1650' FNL, 990' FWL, Sec. 14, T27N, R11W. This test was run during December 1996 immediately after completion of the Gallup zone. This test indicated the average reservoir pressure in the Gallup to be 1205 psi.

Dakota Zone

This zone is not currently completed. I have estimated the Dakota reservoir pressure in this area to be around 1000 psi based on pressures observed in offsetting wells.
A shut-in casing pressure (SICP) of 455 psi was observed during the 1994 deliverability test of the Fullerton Federal #11 Dakota zone. Also, the Scott E. Federal #13, 1600'FSL, 900'FWL, Sec.24, T27N, R11W had a SICP of 335 psi during the 1994 deliverability test.
The Fullerton Federal #9 is located approximately 1 mile from

1660 Lincoln / Suite 1800 / Denver, Colorado 80264 / 303-863-1555 / Facsimile 303-863-1558

these offsetting wells, therefore I would expect the reservoir pressure to be higher in the area of the Fullerton Federal #9 well. A maximum pressure of 2000 psi could be expected if the reservoir permeability is very low and the reservoir is undrained. I would expect a minimum of 1000 psi based on the pressures in the offset wells.

If you have any questions or require anything further to process this request, please contact the undersigned at (303) 863-1555.

Very truly yours,

Alan L. Merrill

Alan L. Merrill
Operations Engineer