

DATE IN 5/17/99	SUSPENSE 6/7/99	ENGINEER MS	LOGGED KW	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

MAY 17 1999
 OIL CONSERVATION DIVISION

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Garth W. Berkeland  Sr. Landman 5/13/99
 Print or Type Name Signature Print or Type Name Title Signature Print or Type Name Date



May 13, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ms. Lori Wrotenberry
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504

Re: Non-Standard Location
Federal A No. 2E
890' FNL & 1730' FWL
Section 26, T30N-R13W
San Juan County, New Mexico
Fruitland Coal Formation

Dear Ms. Wrotenberry:

This is a request for administrative approval for an unorthodox location from the Fruitland Coal in the referenced well pursuant to Rule 104.F.

I have attached for your review, an acreage plat outlining the dedicated acreage and offset operators. I have also included a short discussion of the history of the well.

The offset operators are being notified of this application by certified return-receipt mail. Copies of these letters are enclosed.

Thank you for your consideration and approval of this application. If you have any questions or concerns, please call me at 303-672-6938.

Sincerely yours,

Garth W. Berkeland
Senior Landman

GWB:jcm
Enclosure

Questar Exploration and Production
Federal A No. 2E

There are currently two Dakota wells drilled in the W/2 of Section 26, T30N-R13W, San Juan County, New Mexico. The Federal A No. 2 is located in the SW/4, and the Federal A No. 2E is located in the NW/4. Both wells are operated by Questar Exploration and Production (formerly Universal Resources).

Questar has proposed recompleting the Federal A No. 2E to the Fruitland Coal formation, which is a non-standard location, for the following reasons:

- 1) Wellbore integrity - The Federal A No. 2E was drilled 20 years later than the Federal A No. 2 and should have better casing integrity.
- 2) Formation isolation - Calculated volumes of cement that were pumped during the primary cementing job place the cement above and below the Fruitland Coal formation.
- 3) Existing wells - A Pictured Cliff well produces in the SW/4 of Section 26, and an orthodox location would place the second Fruitland Coal well at or near this existing well. While the two formations do not compete for the same reserves, it is believed there is a possibility this could occur if a Fruitland Coal well was drilled in a close proximity and both wells are hydraulically fractured.

Questar Exploration and Production

Federal A No. 2E
890' FNL & 1730' FWL
Section 26, T30N-R13W
San Juan County, New Mexico
Fruitland Coal Formation

The following offset operators have received written notice of the non-standard location pursuant to Rule 10.F:

Benson-Martin-Greer Drilling Corp.
Burlington Resources Oil & Gas Co.
Robert L. Bayless Producer LLC

Vastar Resources, Inc.
Conoco, Inc.
Cross Timbers Oil Co.

I certify that copies of this application have been mailed to the above operators.

Garth W. Berkeland

STATE OF COLORADO)
)ss.
COUNTY OF DENVER)

This foregoing instrument was acknowledged before me this 13th day of May,
1999, by Garth W. Berkeland

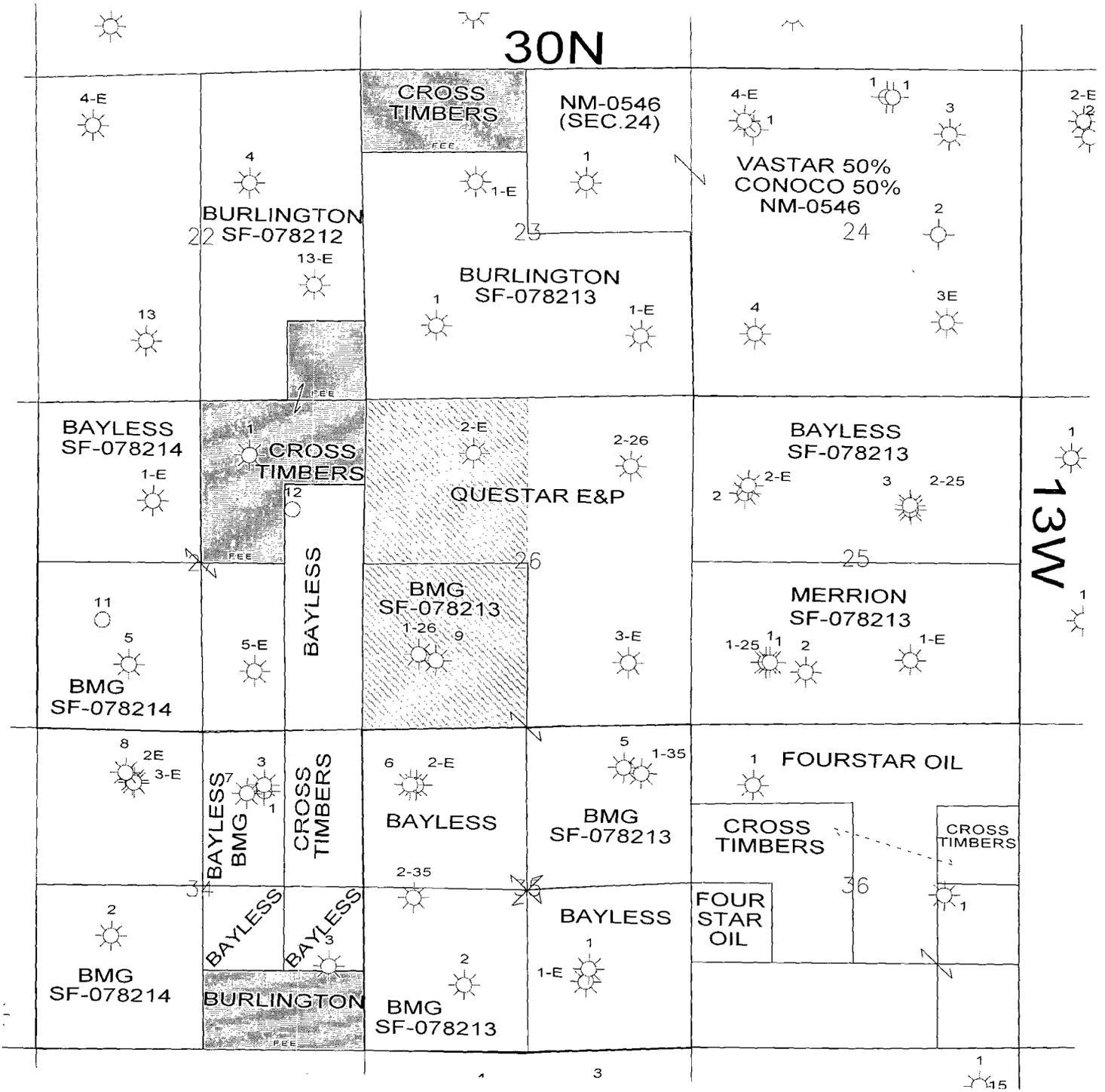
WITNESS my hand and official seal.

My Commission Expires:
2-26-02

Barbara J. Moss
Notary Public

30N

13W





Questar Exploration and Production Company

Denver Division

1331 Seventeenth Street, Suite 800

Denver, CO 80202

Tel 303 672 6900

Fax 303 294 9632

May 13, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Adjacent Operators
(See Attached Notification List)

Re: Non-Standard Location
Federal A No. 2E
890' FNL & 1730' FWL
Section 26, T30N-R13W
San Juan County, New Mexico
Fruitland Coal Formation

To Whom It May Concern:

Enclosed you will find a copy of the above-referenced application that has been submitted to the New Mexico Oil Conservation Division (NMOCD) for administrative approval. As operator of the adjoining and diagonal spacing unit, you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning this application, please send them to Ms. Lori Wrotenberry, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico within 20 days from the receipt of this notice. If you have no objection to this proposal, no action is required on your part.

Thank you for your consideration in this matter. Please contact me at 303-672-6938.

Sincerely yours,

Garth W. Berkeland
Senior Landman

GWB:jcm
Enclosure

**Federal A No. 2E Well
San Juan County, New Mexico
Notification List**

Benson-Martin-Greer Drilling Corp.
405-1/2 W. Broadway
Farmington, New Mexico 87499

Burlington Resources Oil & Gas Co.
Box 4289
Farmington, New Mexico 87499

Robert L. Bayless Producer LLC
P. O. Box 168
Farmington, New Mexico 87499

Vastar Resources, Inc.
15375 Memorial Drive
Houston, Texas 77079

Conoco, Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705

Cross Timbers Oil Co.
810 Houston Street, Suite 2000
Ft. Worth, Texas 76102

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
BLM

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir
Use "APPLICATION FOR PERMIT ---" for such proposals

5. Lease Designation and Serial No.
SF-078213

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

070 FARMINGTON, NM

7. If Unit or CA, Agreement Designation

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.
Federal A #2E

2. Name of Operator

Universal Resources Corporation

9. API Well No.
30-045-23865

3. Address and Telephone No.

1331 17th Street, Suite 800, Denver, CO 80202 (303)672-6916

10. Field and Pool, or Exploratory Area
Fulcher-Kutz

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

890' FNL - 1730' FWL, NE/4NW/4, Sec. 26, Township 30 North, Range 13 West

OIL CON. DIV
DEC 2 4 1998

County or Parish, State
San Juan, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other _____	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

It is proposed to temporarily abandon the Dakota production in the subject well by setting a plug and recompleting to the Fruitland Coal formation. Subject to BLM approval, it is anticipated this work will begin in December, 1998. After the Fruitland Coal has been adequately tested, it is proposed to pull the RBP, run a packer to isolate the zones, and dual produce the Dakota and Fruitland Coal formations.

A procedure and wellbore diagram is attached for reference.

14. I hereby certify that the foregoing is true and correct.

Signed [Signature] Title Operations Engineer Date 12/1/98

(This space for Federal or State office use)

Approved by IS/Duane W. Spencer Title _____ Date DEC 21 1998

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United State any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

See Instructions on Reverse Side

② HOLD C-104 FOR
[Signature]

NMOCD

FEDERAL A #2E

NENW Sec. 26-T30N-R13W
San Juan County, New Mexico

Drawn 12/1/98

Schematic - not drawn to scale

8-5/8" SURFACE CASING:

Length:

8-5/8", 24#, K-55, ST&C SA 390' KB.
Cemented w/ 255 sx Class "B" + 2% CaCl. Circulated 3 bbls.
Cmt to surface

DV TOOL:

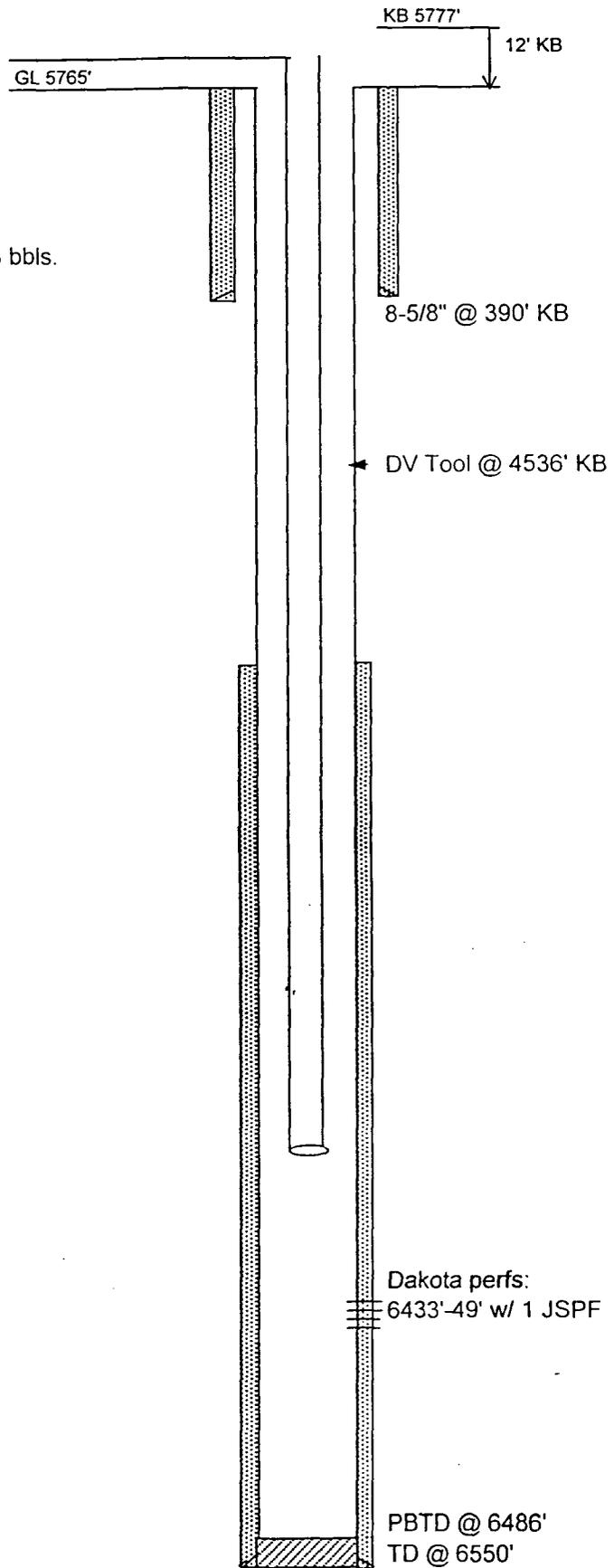
Cemented w/ 350 sx 65-35 + cello flake
followed by 320 sx 50/50 + 2% gel

4-1/2" PRODUCTION CASING:

4-1/2", 10.5#, K-55 ST&C SA 6550'
Cemented w/ 200 sx Class "B" + 160 sx 50/50 POZ

TUBING REPORT:

199 jts. 1/2", 2.9#, V-55 10R EUE LA 6414'



FRUITLAND COAL RECOMPLETION PROCEDURE

FEDERAL A NO. 2E NE/4NW/4 SEC. 26, T30N-R13W SAN JUAN COUNTY, NEW MEXICO

CURRENT STATUS

Total Depth: 6570' KB
Casing: 4 1/2" 10.5# K-55 ST&C set @ 6550' KB. DV TOOL @ 4536'.
PBSD: 6486'
Top Cement: +/-1800'
Tubing Depth: 1 1/2" Dakota string @ +/- 6414' KB.
Producing Formation: Dakota
Dakota Perforations: 6433' (top) - 6449' (bottom)

All personnel on location will be on Questar's Approved Vendor List and will comply with Questar's environmental and safety policies.

Procedure:

1. Install and/or test anchors to 25,000#. MIRUSU. Blow well down. If necessary, kill well with 2% KCL water. NDWH. NUBOP.
2. TOH with 1 1/2" Dakota tubing and lay down.
3. Set a RBP @ +/- 2000' in 4 1/2" csg. Dump 3 sx sand on top of plug.
4. Load hole with 2% KCL water and pressure test 4 1/2" casing and plug to 2000 psig.
5. Run a cement bond log to verify top-of-cement. If cement over Fruitland Coal has sufficient bond and has good isolation from other hydrocarbon and fresh water aquifers, proceed with step 6. If poor bond or isolation, squeeze cement to provide a minimum of 200' isolation above and below Fruitland Coal formation.
6. Perforate Fruitland Coal interval from 1750' to 1770' with 4 jspf, 90 degree phasing, large hole and premium charges.
7. Rig up Dowell and frac following an approved pumping schedule.
8. Flow back after frac. When well logs off and dies, TIH with 1 1/2" tubing and tag fill. If necessary, clean out sand to top of plug. Swab well to kick-off.
9. RDMOSU. Return well to production producing from the Fruitland Coal formation.
10. When well cleans up and rates stabilize, pull plug and RIH with packer and Dakota tubing. Set packer to isolate zones, and dually produce Dakota and Fruitland Coal formations.