

D I N E R O
P. O. DRAWER 10505
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RECEIVED

February 19, 1982

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State of New Mexico
Oil Conservation Division
Drawer DD
Artesia, New Mexico 88210

O. C. D.
ARTESIA, OFFICE

Attn: Bill Gressett

Re: Dinero Operating Company
Big Chief No. 5 Well
Sec. 15, T-22-S, R-28-E

Gentlemen:

Responding to our morning telephone conversation, with reference to our Big Chief No. 5 well, I am certainly aware of the problems we have caused in not adequately keeping you informed as related to our drilling program. For that I do apologize. Somehow we manage to overlook some of these important things and will do our best to rectify this.

Our current well problems are as follows: At a depth of 11,450' we circulated and conditioned our drilling mud in preparation for a bit trip. Our mud weight was 12.5# per gallon with very little background gas showing on the mud logger's chromatograph. We tripped out, changed the bit and were going back into the hole with the drill pipe when they noticed an increase in the mud flow, above the displacement of the drillpipe, coming from the hole. The crew managed to get approximately 5,190' back before the gas came to the surface. We closed the B.O.P. rams with a shut in pressure in a few minutes of over 4000#. The crew attempted to circulate mud down the hole with the rig pump, but it could not handle the pressure - now at 4800# - it blew two nails. I advised them to call Halliburton in Artesia for a high pressure pump. While mixing mud, getting hooked up with Halliburton and securing all other lines and equipment, the shut in pressure increased to 4,950#. We opened the well through our Swaco Hydraulic chokes, venting the gas to relieve the surface pressure on the casing sides, while Halliburton pumped on the drill pipe side. They put up 6,000# on the drill pipe without being able to circulate - the conclusion was a plugged bit. Halliburton then tried to tie into the casing side to bullhead into it, but immediately blew up some connections. We flew some drilling - blowout consultants to the location where they determined we should attempt to blow the well as hard as we could for 6 - 8 hours through the chokes in an attempt to lower the pressure and volume enough to pump into it. We blew the well for the prescribed period, venting at the rate of 15 - 20 million cubic feet per day and only succeeded in lowering the flowing pressure to approximately 2,900#. The consensus of the experts being that was not enough to insure that we would not cut out surface equipment by returning mud if we attempted to pump into it. The well is currently pinched back to a rate of approximately one million cubic feet per day with a flowing pressure of 4,150# which we are maintaining by watching the chokes.