

O'BRIANT ENGINEERING

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Mr. FRED YATES
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October 14, 1990

Re: DUAL COMPLETION PROCEDURE
Morrow "A, C & D" 9,878' to 10,030' KB
And Strawn 8,770' to 8,820' KB
Desert Rose Federal No. 1
Eddy County, New Mexico

Dear Mr. Yates:

The following general procedure was prepared after discussions with you, Bill Baker, Sr., Gene Printz and Halliburton Services personnel and revised 10/14/90 as per your request. This plan assumes initial completion of the Morrow "A, C & D" sands and the Strawn zones have been accomplished and that the completion assembly in the well is the same as installed by Gene Printz in November 1989. The Strawn zones will be killed using a 2% KCl treated water and a single string completion assembly installed to permit production of the Morrow, Strawn or Morrow-Strawn combination.

General Procedure

1. Move-in and rig up workover equipment.
2. Kill Strawn zones; pull tubing, packer and tubing conveyed equipment from hole.
3. Go in hole with retrieving tool; reverse circulate sand from RBP and pull from hole.
4. Run completion assembly as required to selectively complete from Morrow, Strawn or Morrow-Strawn zones.
 - Top section of "on-off" tool for bottom packer
 - Tubing sub(s)
 - Baker Model "L" Sleeve with 1.87" Profile (in open position)
 - Balance of tubing and/or subs to space out to surface.
 - Note: Profile nipples/sleeve must be sized to allow passage of tools to "on-off" tool at bottom packer.*
5. Remove BOP, set well head and tie into flow line.
6. Swab top zone off; flow to clean up through tubing.
7. Flow test Strawn up annulus to test.
8. Install a two pen recorder on tubing and casing; close sleeve and bleed pressure from tubing; allow Strawn pressure to build to effect a test of tubing-annulus separation.
9. Pull plug from bottom packer; flow to Morrow zones to clean-up.
10. Install surface equipment as required to meet BLM and NMOCC requirements.
11. Turn over to pumper and initiate production.