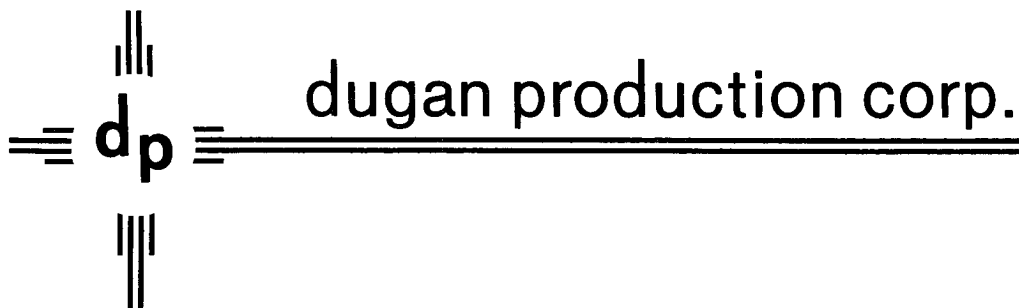




RCVD NOV 2 '10
OIL CONS. DIV.
DIST. 3

November 01, 2010

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM. 87410

Attn: Mr. Kelly Roberts

Ref: Proposed Step Rate Test
Sponge Bob No. 1 SWD (API No. 30-045-33927)
K36, T-30N, R-14W
SWD - 1046

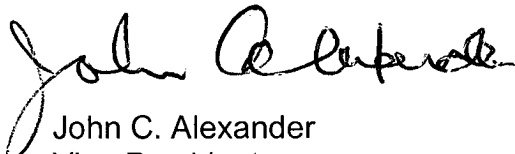
Dear Mr. Roberts,

We are writing to request NMOCD approval to perform a Step-Rate test on the captioned well. The proposed procedure is as follow;

1. Shut in for 24 hrs prior to commencing test,
2. Run tandem pressure bombs to mid perf @ 7142',
3. Rig up BJ Services and initiate injection for Step Rate Test,
Initial rate to be 0.5 bpm for 20 minutes, then
Increase rate in increments of 0.5 bpm and 20 minutes each. - RATE AND TIME
Rate and pressure to be recorded through out test. MUST REMAIN CONSISTENT
THROUGHOUT TEST.

We propose to conduct this test on 11-04-2010 and will confirm the schedule by phone 24 hours prior to starting the test. Pertinent wellbore and injection information is attached.

Sincerely,


John C. Alexander
Vice-President

JDR/jdc

PER CONVERSATION WITH JOHN ROE ON
11-2-10, PLEASE SUBMIT ALL FUTURE
PROCEDURES ON THE APPROPRIATE SUNDRY
NOTICE FORM. KR

MAILED
APPROVED BY: 



Well Data
Dugan Production Corp.
Sponge Bob No. 1 SWD
API No. 30-045-33927
Unit K, Section 36, T-30N, R-14W
Morrison Bluff Entrada

Water injection initiated 11-21-2006.
NMOCD Administrative order SWD-1046 dated 10-04-2006.
Maximum surface injection pressure – 1417 psi.
Cumulative water injection 09-01-2010 = 1,450,169 bbl.
Water injection August 2010 = 46,520 bbl @ 1320 psi.

CASING: 9 5/8", 36#, J-55 cemented @ 359' with 200 sacks type 5 cement with 2% CaCl₂ (236 cf) circulated 10 bbl.
5 1/2", 15.5 and 17#, J-55 and N-80 cemented @ 7441';
1st stage: 310 sacks 65/35 POZ with 6% gel mixed @ 12.3 ppg and 1.92 cf/sk plus 300 sacks 50/50 POZ with 3% gel mixed @ 13.5 ppg and 1.30 cf/sk. 18 bbl circulate from DV tool @ 4230';
2nd stage – DV tool @ 4230' – 370 sacks 65/35 POZ with 6% gel mixed @ 12.3 ppg and 1.92 cf/sk plus 100 sacks 50/50 POZ with 2% gel mixed @ 13.5 ppg and 1.30 cf/sk, 18 bbl circulated from DV tool @ 1484';
3rd stage – DV tool @ 1484' – 242 sacks 65/35 POZ and with 6% gel mixed @ 12.3 ppg and 1.92 cf/sk plus 100 sacks 50/50 POZ with 2% gel mixed @ 13.5 ppg and 1.30 cf/sk circulated 21 bbl.

TUBING: 224 jts 2 7/8", 6.5#, J-55 PCID landed @ 7023' with 5 1/2" nickel plated Arrow Set Packer @ 7018'

Perforations:

7062-7072	1 spf
7072-7092	2 spf
7092-7173	1 spf
7173-7183	2 spf
7183-7222	1 spf
Total 189 holes	
Mid perf = 7142'	

Stimulation Summary

11-01-2006 Acidized with 2000 gallons 7 1/2% HCL and 100 ball sealers.
Flushed @ 3.0 bpm and 2359 psi. Had good ball action. ISDP = 1969 psi,
15 min = 389 psi.

11-20-2006 Acidized with 2000 gallons 15% HCL and 100 ball sealers.
Flushed @ 1.7 bpm and 1422 psi. Some ball action. ISDP = 1250 psi,
30 min = 344 psi.

05-27-2010 Acidized with 2000 gallons 15% HCL and 100 ball sealers.
Flushed @ 2.0 bpm and 1100 psi. No ball action. ISDP = 1100 psi.

Perfs 7062'–7222' have not been Fracture Stimulated.

John Alexander

From: Warnell, Terry G, EMNRD [TerryG.Warnell@state.nm.us]
Sent: Tuesday, September 21, 2010 12:52
To: John Alexander
Subject: FW: Sponge Bob SWD 1, Step rate test request

From: Warnell, Terry G, EMNRD
Sent: Tuesday, September 21, 2010 12:49 PM
To: 'jalexander@duganproduction.com'
Cc: Perrin, Charlie, EMNRD
Subject: Sponge Bob SWD 1, Step rate test request

Hi John,

I just got your letter informing OCD about Dugan's pending step rate test.
Please deal with the OCD Aztec office as they will want to witness the test.
I would suggest you increase your step rate test time per step from 15 minutes to 30 minutes.

Good luck

The Santa Fe Division office looks forward to receiving your IPI application

Sincerely
Terry G. Warnell
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3466

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11/1/2010

Well Tests (PM.120.00)											
Actions - Customize											
Well ID: SPOB5WD			Name: SPONGEPOB5WD								
Date *	Type *	Io *	Pump Depth	Injection Vol	Injection Pressure	Annulus Pressure	Choke Size	Gas Lift	Duration	SI TBG	API
11/3/2006	0	0	0	31553.00	1300	0.00		0.00	0	0	
12/1/2006	0	0	0	33781.00	1050	0.00		0.00	0	0	
1/1/2007	0	0	0	22097.00	1100	0.00		0.00	0	0	
2/1/2007	0	0	0	20391.00	1000	0.00		0.00	0	0	
3/1/2007	0	0	0	17673.00	1000	0.00		0.00	0	0	
4/1/2007	0	0	0	21150.00	1000	0.00		0.00	0	0	
5/1/2007	0	0	0	14499.00	1000	0.00		0.00	0	0	
6/1/2007	0	0	0	33588.00	1200	0.00		0.00	0	0	
7/1/2007	0	0	0	25605.00	1000	0.00		0.00	0	0	
8/1/2007	0	0	0	23716.00	1000	0.00		0.00	0	0	
9/1/2007	0	0	0	29888.00	1000	0.00		0.00	0	0	
10/1/2007	0	0	0	26392.00	1050	0.00		0.00	0	0	
11/1/2007	0	0	0	34614.00	1100	0.00		0.00	0	0	
12/1/2007	0	0	0	33212.00	500	0.00		0.00	0	0	
1/1/2008	0	0	0	27936.00	1200	0.00		0.00	0	0	
2/1/2008	0	0	0	33831.00	550	0.00		0.00	0	0	
3/1/2008	0	0	0	33062.00	953	0.00		0.00	0	0	
4/1/2008	0	0	0	33392.00	935	0.00		0.00	0	0	
5/1/2008	0	0	0	22893.00	1000	0.00		0.00	0	0	
6/1/2008	0	0	0	20090.00	800	0.00		0.00	0	0	
7/1/2008	0	0	0	46099.00	1000	0.00		0.00	0	0	
8/1/2008	0	0	0	37370.00	1100	0.00		0.00	0	0	
9/1/2008	0	0	0	30804.00	1020	0.00		0.00	0	0	
10/1/2008	0	0	0	38261.00	1000	0.00		0.00	0	0	
11/1/2008	0	0	0	33434.00	800	0.00		0.00	0	0	
12/1/2008	0	0	0	33824.00	1000	0.00		0.00	0	0	
1/1/2009	0	0	0	26064.00	900	0.00		0.00	0	0	
2/1/2009	0	0	0	13412.00	750	0.00		0.00	0	0	
3/1/2009	0	0	0	35236.00	900	0.00		0.00	0	0	
4/1/2009	0	0	0	25717.00	830	0.00		0.00	0	0	

Actions ▾ Customize ▾

Dugan Production Corp.

Wellbore Schematic

Sponge Bob SWD 1 API 30-045-33927 ADMINISTRATIVE ORDER SWD-1046

Sec. 36, Twn. 30N, Rng 14W, 2300' fsl & 1810' fwl

San Juan Co., NM

8-5/8" 24 lb/ft. casing @ 359'.
Cement to surface.

Stage Tool @ 1484'.

Tubing 2-7/8" EUE 6.5 lb/ft. plastic lined.

Stage tool at 4230'.

Packer @ 7023'. Arrow Set nickel plated.

Perforations 7062' - 7222' (189 holes)

5 1/2" 17# N-80 casing @ 6,906.09', 20 joints of 5 1/2" J-55 17# casing @ 6,052.93', 43 joints of 5 1/2" J-55 15.5 # casing, top DV tool @ 4,229.86', 64 joints of 5 1/2" J-55 15.5# casing, 2nd DV tool @ 1,483.97', and final 43 joints of 5 1/2" J-55 15.5# casing for a total of 176 joints of 5 1/2" casing. Landed @ 7,441.47' with float collar @ 7,399.27'. Cement 1st stage with 310 sacks 65/35 POZ cement with 6% gel, 5 lbs/sack Gilsonite, 1/4 lb/sack Flocele, 1.92 yield, 12.3 lb/gal., followed by 300 sacks 50/50 POZ, 3% gel, 5 lb/sack Gilsonite, 1/4 lb/sack Flocele 1.30 yield, 13.5 lb/gal. Cement 2nd stage with 370 sacks of 65/35 POZ, 6% gel, 5 lb/sack Gilsonite, 1/4 lb/sack Flocele, 1.92 yield, 12.3 lb/gal., followed by 100 sacks of 50/50 POZ, 2% gel, 5 lb/sack Gilsonite, 1/4 lb/sack Flocele, 1.30 yield 13.5 lb/gal. Cement 3rd stage with 242 sacks 65/35 POZ cement, 6% gel, 5 lb/sack Gilsonite, 1/4 lb/sack Flocele, yield 1.92, 12.3 lb/gal., followed by 100 sacks of 50/50 POZ cement, 2% gel, 5 lb/sack Gilsonite, 1/4 lb/sack Flocele, 1.30 yield, 13.5 lb/gal.

Sponge Bob SWD 1
Rate-Volume

11/1/2010

total time	min/step	Rate bpm	bbls/step	Cum Wtr
0.33	20	0.5	10	10
0.67	20	1	20	30
1.00	20	1.5	30	60
1.33	20	2	40	100
1.67	20	2.5	50	150
2.00	20	3	60	210
2.33	20	3.5	70	280
2.67	20	4	80	360
3.00	20	4.5	90	450
3.33	20	5	100	550
3.67	20	5.5	110	660
4.00	20	6	120	780
4.33	20	6.5	130	910
4.67	20	7	140	1050
5.00	20	7.5	150	1200
5.33	20	8	160	1360
5.67	20	8.5	170	1530
6.00	20	9	180	1710
6.33	20	9.5	190	1900
6.67	20	10	200	2100
7.00	20	10.5	210	2310
7.33	20	11	220	2530
7.67	20	11.5	230	2760
8.00	20	12	240	3000
8.33	20	12.5	250	3250
8.67	20	13	260	3510
9.00	20	13.5	270	3780
9.33	20	14	280	4060
9.67	20	14.5	290	4350
10.00	20	15	300	4650
10.33	20	15.5	310	4960
10.67	20	16	320	5280
11.00	20	16.5	330	5610
11.33	20	17	340	5950
11.67	20	17.5	350	6300
12.00	20	18	360	6660
12.33	20	18.5	370	7030
12.67	20	19	380	7410
13.00	20	19.5	390	7800
13.33	20	20	400	8200
13.67	20	20.5	410	8610
14.00	20	21	420	9030
14.33	20	21.5	430	9460
14.67	20	22	440	9900