

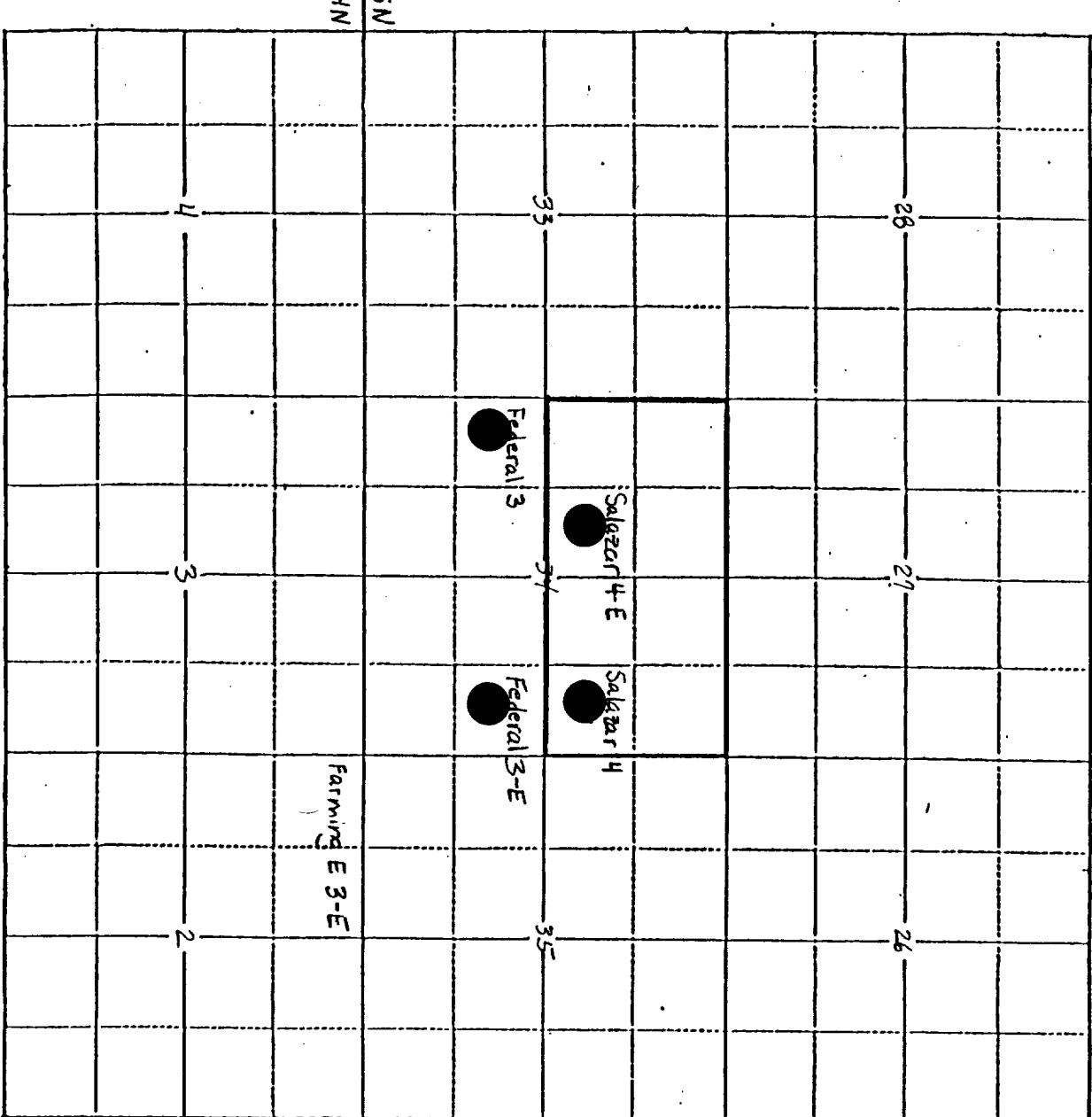
PLAT II  
WELLS ANALYZED

Salazar Well 4-E

1630 N 1460 W section 34  
Township 25N, Range 6W, N.M.P. Meridian, Rio Arriba Co.

Basin Dakota Pool

Notes



BEFORE EXAMINER  
OIL CONSERVATION DIVISION

Exhibit No. 4

Case No. 8712

#### SALAZAR WELL NO. 4-E

The Salazar Well No. 4-E was completed on 2-21-84 with an initial potential of 4984 MCF/day. It began producing on May 12, 1984 and was shut-in in June 1985 being over-produced by more than six times (317,158 MCF). Pressure tests in 1984 and 1985 (SICP = 1337 and 1332, respectively) indicate that this well had not experienced irreversible formation damage as of June of this year. The cumulative production has been 586,993 MCF with an average production rate of 1947 MCF/day and 4.5 BBLS/day (GWR = 2.17 BBLS/MMCF). The complete production table and plot are part of the application. Using a BHP/z vs. Cumulative Production Plot and a Volumetric Analysis of the existing data results in estimated Original Gas-In-Place of 3.95 to 4.45 BCF. Assuming 85% recovery, estimated Recoverable Reserves are 3.35 to 3.78 BCF.

If this well remains shut-in until the over-production is reduced to 0 (estimated to be 12 additional months) damage could occur and reserves would be lost. This well has already been shut-in for the longest time period of the offset wells we examined. Considering that damage has apparently occurred with lost reserves in 3 of these offsets, our conclusion is that the Salazar Well No. 4-E will experience irreversible damage (if it has not already done so) if this total shut-in condition continues for 12 additional months. Based upon our analysis, we feel that this well (and the other wells in this area) should not have even a single month of total shut-in.

#### SALAZAR WELL NO. 4

This well was completed on 10-23-58 with an initial potential of 2878 MCF/day and was abandoned in 1983 with cumulative production of 1.32 BCF. This well is particularly interesting because it is the first well in the spacing unit to which the 4-E is dedicated as an infill well. One would expect a strong correlation between the production characteristics of the 4 and 4-E. The records available in its early life indicate that this well was allowed to produce a minimum of 1 to 2 days during prolonged shut-in periods with only 2 months of total shut-in prior to 1965. From 1965 to 1982 it had no month with total shut-in. The production decline was sharp, but not irregular. In latter 1981 the well began to log off repeatedly and a swabbing unit was moved in. A swab test indicated that excessive water was coming into the well-bore--probably from a casing leak. The well was open but continually logged off during 1982 and 1983. Production dropped dramatically from an average in 1981 of 40.6 MCF/day to 7.00 MCF/day in 1982 and 1.14 MCF/day in 1983, until the zone was abandoned in March 1983.

This well was probably lost because the water could not be effectively removed from the well-bore. A BHP/z vs. Cumulative plot analysis indicates that Gas-In-Place was 1.75 BCF, which results in recoverable reserves of 1.4875 BCF (assuming 85% recovery). The well actually produced 1.3176 BCF. This means that approximately .1699 BCF were lost, or 11.4% of the potentially producible reserves.

**PRODUCTION TABLE**

**WELL NAME** Salazar Well No. 4

Operator Records Completion Date 10-23-58

**WELL LOCATION** H-34-25N-06W

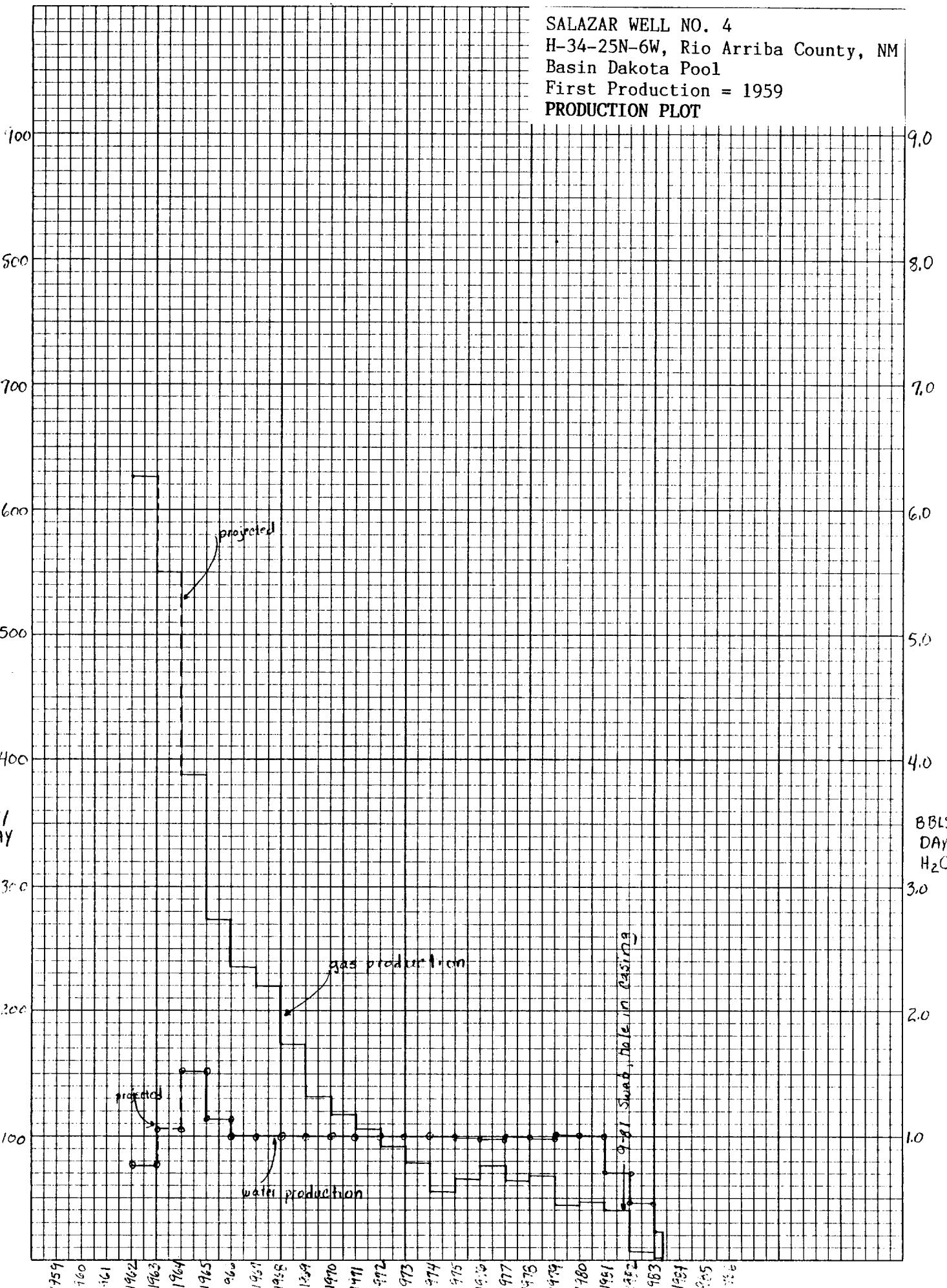
Initial Potential 2878 MCF/day

**Perfs** 6706-22, 6554-6580

Initial Pressure SICP=1860 psia

Initial GOR/Gravity \_\_\_\_\_

| SICP<br>psia | DATE | PRODUCTION<br>DAYS /<br>SHUT-IN | OIL/H <sub>2</sub> O<br>PRODUCTION<br>BBLS | RATE<br>/Day<br>WATER | CUMULATIVE<br>WATER<br>BBLS | GAS<br>PRODUCTION<br>MCF | RATE<br>/Day | CUMULATIVE<br>MCF |
|--------------|------|---------------------------------|--|-----------------------|-----------------------------|--------------------------|--------------|-------------------|
| 1952         | 1959 | *                               | *  | *                     | *                           | 166,076                  | *            | 166,076           |
| 1423         | 1960 | *                               | *  | *                     | *                           | 146,657                  | *            | 312,733           |
| 1342         | 1961 | *                               | *  | *                     | *                           | 72,930                   | *            | 385,663           |
| 1212         | 1962 | 154 211                         | 119  | 0.77                  | est. 119                    | 96,632                   | 627.48       | 482,295           |
| 1224         | 1963 | *                               | *  | *                     | *                           | 59,242                   | *            | 541,537           |
| 1224         | 1964 | 286 79                          | 434  | 1.52                  | est. 553                    | 108,607                  | 379.74       | 650,144           |
| 1065         | 1965 | 343 22                          | 611  | 1.13                  | 941                         | 94,245                   | 274.78       | 744,389           |
|              | 1966 | 333 32                          | 333  | 1.00                  | 1274                        | 78,868                   | 236.84       | 823,257           |
|              | 1967 | 342 23                          | 342  | 1.00                  | 1616                        | 75,618                   | 221.10       | 898,875           |
|              | 1968 | 351 14                          | 351  | 1.00                  | 1967                        | 61,102                   | 174.08       | 959,977           |
|              | 1969 | 359 6                           | 359  | 1.00                  | 2326                        | 47,275                   | 131.68       | 1,007,252         |
|              | 1970 | 356 9                           | 270  | 356                   | 1.00                        | 2682                     | 42,348       | 1,049,600         |
|              | 1971 | 368 0                           | 368  | 1.00                  | 3050                        | 39,342                   | 106.91       | 1,088,942         |
| -15-74       | 1972 | 367 0                           | 367  | 1.00                  | 3417                        | 33,540                   | 91.39        | 1,122,482         |
| 827          | 1973 | 359 6                           | 146  | 359                   | 1.00                        | 3776                     | 28,568       | 1,151,050         |
|              | 1974 | 351 14                          | 114  | 351                   | 1.00                        | 4127                     | 18,662       | 1,169,712         |
|              | 1975 | 361 4                           | 33   | 358                   | 0.99                        | 4485                     | 24,036       | 1,193,748         |
|              | 1976 | 367 0                           | 105  | 359                   | 0.98                        | 4844                     | 27,918       | 1,221,666         |
| 580          | 1977 | 344 21                          | 63   | 343                   | 1.00                        | 5187                     | 21,953       | 1,243,619         |
| -29-79       | 1978 | 365 0                           | 76   | 348                   | 0.95                        | 5535                     | 25,159       | 1,268,778         |
| 612          | 1979 | 335 30                          | 50   | 346                   | 1.03                        | 5881                     | 15,083       | 1,283,861         |
|              | 1980 | 364 1                           | 81   | 369                   | 1.01                        | 6250                     | 17,114       | 1,300,975         |
|              | 1981 | 348 17                          | 105  | 250                   | 0.72                        | 6500                     | 14,134       | 1,315,109         |
|              | 1982 | 345 20                          | 48   | 164                   | 0.48                        | 6664                     | 2,415        | 1,317,524         |
| thru 3-      | 1983 | 70 20                           | 183  | 17                    | 0.24                        | 6681                     | 80           | 1.14              |
|              |      | * = records missing             |  |                       |                             |                          |              |                   |



2500

2250

2000

1750

1500

1250

1000

750

500

250

SALAZAR WELL NO. 4

H-34-25N-6W, Rio arriba County, NM

Basin Dakota Pool

BHP/Z vs CUMULATIVE PRODUCTION

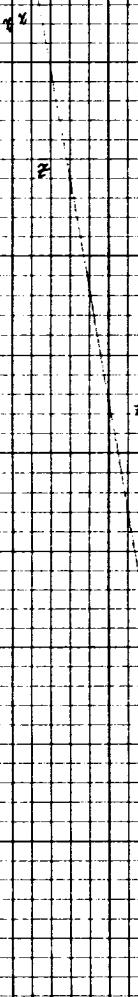
DITZGEN CORPORATION  
MADE IN U.S.A.

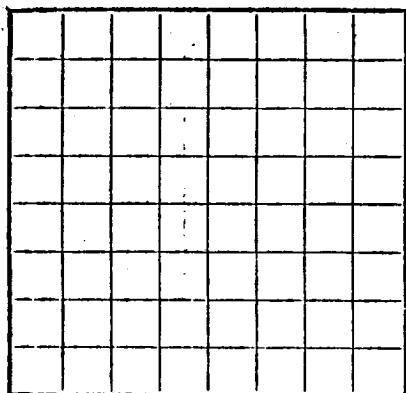
BHP/z  
psia

NO. 340-10 DITZGEN GRAPH PAPER  
10 X 10 PER INCH

.1 .5 1.0 2.0 3.0 4.0 5.0 6.0 7.0

CUMULATIVE PRODUCTION. BCF





U. S. LAND OFFICE Santa Fe  
SERIAL NUMBER 079139-A  
LEASE OR PERMIT TO PROSPECT

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

LOCATE WELL CORRECTLY

Company Kay Kimball Address 623 Lubbock Nat'l Bank Bldg.  
Lessor or Tract Salazar Federal Field Wildcat State New Mexico  
Well No. 1-34 Sec. 34 T. 25N R. 6 Meridian NMPM County Rio Arriba  
Location 1650 ft. [N.] of N. Line and 1090 ft. [E.] of E. Line of Section 34 Elevation 6365 GL  
(Derrick floor relative to sea level)

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed Jack B. Ballock  
Title Engineering Agent

Date 11-17-58

The summary on this page is for the condition of the well at above date.

Commenced drilling September 29, 1958 Finished drilling October 23, 1958

## OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from 2168 to 2200  
No. 2, from 6320 to 6422  
No. 3, from 6520 to 6620

No. 4, from ..... to .....  
No. 5, from ..... to .....  
No. 6, from ..... to .....

## IMPORTANT WATER SANDS

No. 1, from ..... to .....  
No. 2, from ..... to .....

No. 3, from ..... to .....  
No. 4, from ..... to .....

## CASING RECORD

| Size casing      | Weight per foot | Threads per inch | Make | Amount | Kind of shoe      | Cut and pulled from | Perforated |     | Purpose |
|------------------|-----------------|------------------|------|--------|-------------------|---------------------|------------|-----|---------|
|                  |                 |                  |      |        |                   |                     | From—      | To— |         |
| 8 5/8 "          | .32             |                  | J-55 | 360    | none              |                     |            |     | surface |
| 5 1/2 "          | .17             |                  | J-55 | 372    | Halliburton Float | 6680                |            |     |         |
| 5 1/2 " 15 1/2 " |                 |                  | J-55 | 6353   |                   |                     |            |     |         |
|                  |                 |                  |      |        |                   |                     |            |     |         |
|                  |                 |                  |      |        |                   |                     |            |     |         |
|                  |                 |                  |      |        |                   |                     |            |     |         |

## MUDDING AND CEMENTING RECORD

| Size casing | Where set | Number sacks of cement | Method used | Mud gravity | Amount of mud used |
|-------------|-----------|------------------------|-------------|-------------|--------------------|
| 8 5/8 "     | 350       | 400                    | pump & plug |             |                    |
| 5 1/2 "     | 6726      | 569                    | pump & plug |             |                    |
|             |           |                        |             |             |                    |

Leaving plug—Material ..... Length ..... Depth shot .....  
 Adapters—Material ..... Size .....

### SHOOTING RECORD

| Size | Shell used | Explosive used | Quantity | Date | Depth shot | Depth cleaned out |
|------|------------|----------------|----------|------|------------|-------------------|
|      |            |                |          |      |            |                   |
|      |            |                |          |      |            |                   |
|      |            |                |          |      |            |                   |
|      |            |                |          |      |            |                   |

### TOOLS USED

Rotary tools were used from surface feet to 6726 TD feet, and from ..... feet to ..... feet  
 Cable tools were used from ..... feet to ..... feet, and from ..... feet to ..... feet

### DATES

Ran tubing October 23, 1958. Shut-in for pipeline construction  
 Put to producing November 3, 1958.

The production for the first 24 hours was ..... barrels of fluid of which ..... % was oil; ..... % emulsion; ..... % water; and ..... % sediment.

Gravity, °Bé. ....

If gas well, cu. ft. per 24 hours ..... Gallons gasoline per 1,000 cu. ft. of gas X22

Rock pressure, lbs. per sq. in. 2360, 192, 300

### EMPLOYEES

Foree Drilling Company, Driller ..... , Driller  
 Farmington, New Mexico, Driller ..... , Driller

### FORMATION RECORD

| FROM—   | TO—  | TOTAL FEET | FORMATION   |
|---------|------|------------|---|
| Surface | 2168 | 2168       | Surface tertiary, Kirtland & Fruitland sandstones, shales & coals |
| 2168    | 2280 | 112        | Pictured cliffs, sandstones & shales                              |
| 2280    | 3010 | 730        | Lewis shale   |
| 3010    | 3150 | 140        | Chacra sandstones & shales  |
| 3150    | 3720 | 570        | Lewis shale   |
| 3720    | 4618 | 898        | Mesaverde sandstones, shales & coals                              |
| 4618    | 5530 | 912        | Mancos shale  |
| 5530    | 6320 | 790        | Mancos shale & sandstone (including Gallup)                       |
| 6320    | 6520 | 200        | Greenhorn limestone, Graneros, sandstone & shale                  |
| 6520    | 6726 |            | Dakota sandstone & shale  |

(OVER)

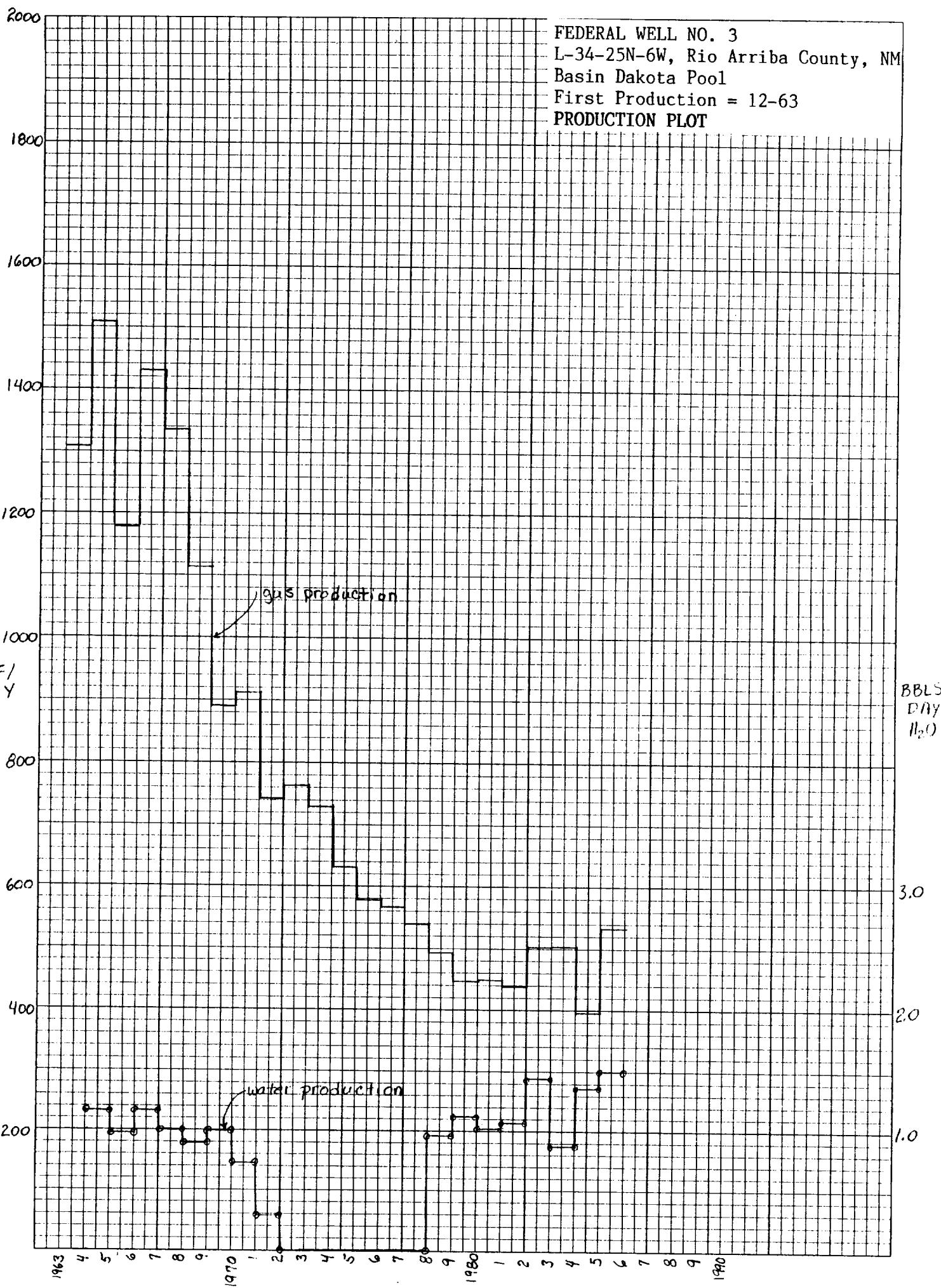
### FEDERAL WELL NO. 3

The Federal Well No. 3 was completed on 10-26-63 in the NW $\frac{1}{4}$ SW $\frac{1}{4}$  section 34, T.25N., R.6W., BLUE dot on Plat II, with an initial potential of 6152 MCF/day. This well has shown erratic production since 1981 because of the irregular shut-in periods, but overall has experienced a normal decline. The longest total shut-in period was 4 months in 1983, but in its early life it was never shut-in for more than 1 month. In 1968 this well developed casing leaks and was repaired by squeeze cementing in July. A production packer was installed at 6403 feet to keep the water separated from the Dakota formation if other leaks developed. A decline curve analysis indicates that recovery has not yet been impaired and that the preventative measure of 1968 and the regular production to date have been effective at preventing irreversible water damage to the producing zones. Estimated Gas-In-Place, by BHP/z vs. Cumulative Production analysis, is 8.5 BCF with recoverable reserves of 7.225 BCF (assuming 85% recovery). The decline analysis implies that recoverable production will be about 7.78 BCF. The well has a cumulative production of 4.122 BCF with an average production rate of 533 MCF/day through August 1985.

These analyzes indicate that this well has not lost productive potential despite erratic production since 1981. The regularity of production during prolonged shut-in periods, which has occurred throughout the life of the well and the production packer has prevented permanent formation damage by effective water removal and separation from the formation face. This well demonstrates that regular production, dictated by individual well characteristics, during low-demand periods and water removal from the well-bore prevent irreversible damage and protect the full productive potential, thereby preventing underground waste of reserves, in this portion of the Basin Dakota Pool.

## PRODUCTION TABLE

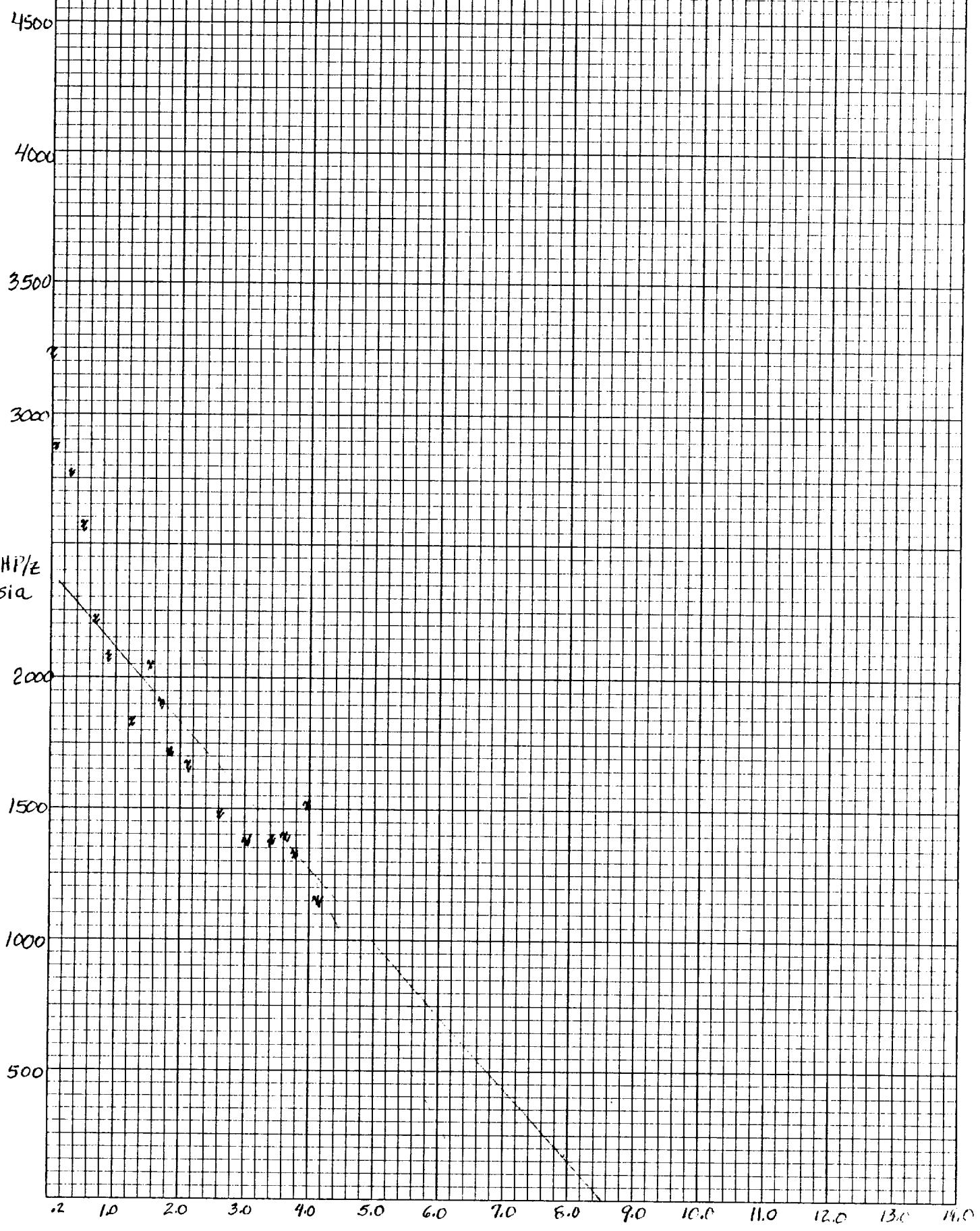
WELL NAME Federal Well No. 3 Operator Records Completion Date 10-26-63  
WELL LOCATION L-34-25N-06W Initial Potential 6152 MCF/day  
Perfs 6518-6662 Initial Pressure SICP=2317 psia  
 Initial GOR/Gravity grav=.674

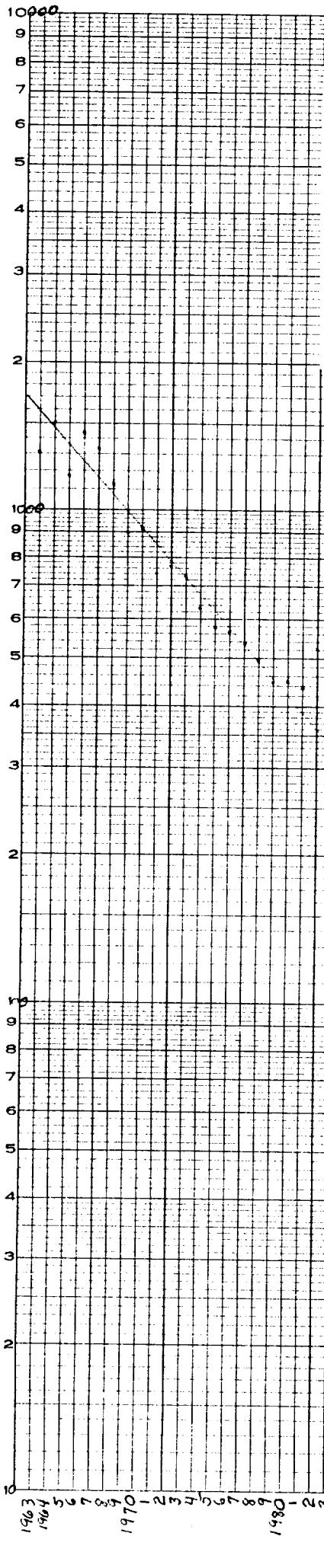


FEDERAL WELL NO. 3  
L-34-25N-6W, Rio Arriba County, NM  
Basin Dakota Pool  
**BHP/Z vs CUMULATIVE PRODUCTION**

DIETZGEN CORPORATION  
MADE IN U.S.A.

NO. 340-10 DIETZGEN GRAPH PAPER  
10 X 10 PER INCH





FEDERAL WELL NO. 3  
L-34-25N-6W, Rio Arriba County, NM  
Basin Dakota Pool  
First Production = 12-63  
DECLINE CURVE

$$q_o = 1700 \text{ Mcf/d}$$

$$q_{abd} = 15 \text{ Mcf/d (assumed)}$$

$$T = 59.83 \text{ years}$$

$$q/q_o = e^{-DT} \Rightarrow 15/1700 = e^{-D(59.83)} = .0088235$$

$$D = \ln .0088235 / -59.83 = .07906$$

$$N_p = (q_o - q)365/D = (1700 - 15)365/.07906 = 7,780,000 \text{ MCF or } 7.78 \text{ BCF}$$

F-6666

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY**

SUBMIT IN DUPLICATE\*

(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 42-R355.5.**WELL COMPLETION OR RECOMPLETION REPORT AND LOG\***1a. TYPE OF WELL: OIL  WELL  GAS  DRY  Other \_\_\_\_\_b. TYPE OF COMPLETION: NEW  WELL WORK  OVER DEEP-EN  PLUG BACK  DIFF. RESVR.  Other \_\_\_\_\_

2. NAME OF OPERATOR J. Gregory Merrion &amp; Associates

3. ADDRESS OF OPERATOR P. O. Box 507, Farmington, N. M.

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface 1250' FSL & 1130' FWL

At top prod. interval reported below Same

At total depth Same

14. PERMIT NO. DATE ISSUED 10-2-63

15. DATE SPUNDED 16. DATE I.D. REACHED 17. DATE COMPL. (Ready to prod.) 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\* 19. ELEV. CASINGHEAD  
10-8-63 10-26-63 6383 SL 6397 KBG 638320. TOTAL DEPTH, MD & TVD 21. PLUG, BACK I.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY ROTARY TOOLS CABLE TOOLS  
6715 KB 6685 KB → 6715 -24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* 25. WAS DIRECTIONAL SURVEY MADE  
6518 - 6662 Dakota No26. TYPE ELECTRIC AND OTHER LOGS RUN 27. WAS WELL CORED  
ES-Induction and Gamma Ray Acoustic No

| CASING RECORD (Report all strings set in well) |                 |                      |           |                  |               |
|--|-----------------|----------------------|-----------|------------------|---------------|
| CASING SIZE                                    | WEIGHT, LB./FT. | DEPTH SET (MD)       | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
| 3-5/8  | 24              | 232                  | 12-1/4    | 160 SAX          |               |
| 4-1/2  | 9.5, 10.5 &     | 6712                 | 7-7/8     | 250 SAX          |               |
|  | 11.6            | Stage Collar at 2283 |           | 50 SAX           |               |

| LINER RECORD |          |             |               |             | TUBING RECORD |                |                 |
|--------------|----------|-------------|---------------|-------------|---------------|----------------|-----------------|
| SIZE         | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE          | DEPTH SET (MD) | PACKER SET (MD) |
|              |          |             |               |             | 2"            | 6594           | —               |
|              |          |             |               |             |               |                |                 |
|              |          |             |               |             |               |                |                 |

| 31. PERFORATION RECORD (Interval, size and number) |          |  |  | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. |  |  |  |
|--|----------|--|--|--|--|--|--|
|  |          |  |  | DEPTH INTERVAL (MD)                            | AMOUNT AND KIND OF MATERIAL USED       |  |  |
| 6518-23  | 14 holes |  |  | 6518-6662                                      | 40,000 gal water, 1% CaCl <sub>2</sub> |  |  |
| 6557-80  | 23 holes |  |  |  | 5# Dowell J-111 per 1000 ft            |  |  |
| 6634-62  | 26 holes |  |  |  | 60,000# 20-40 mesh sand                |  |  |
|  |          |  |  |  | 40 rubber ball sealers                 |  |  |

| 33. PRODUCTION        |                 |  |                         |          |            |                                    |               |
|-----------------------|-----------------|--|-------------------------|----------|------------|------------------------------------|---------------|
| DATE FIRST PRODUCTION |                 | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) |                         |          |            | WELL STATUS (Producing or shut-in) |               |
| 10-25-63              |                 | Flowing  |                         |          |            |                                    |               |
| DATE OF TEST          | HOURS TESTED    | CHOKE SIZE   | FRUD'N. FOR TEST PERIOD | OIL-BBL. | GAS-MCF.   | WATER-BBL.                         | GAS-OIL RATIO |
| 11-6-63               | 3               | 3/4"   | →                       | -        | 1765       | -                                  | -             |
| FLOW. TUBING PRESS.   | CASING PRESSURE | CALCULATED 24-HOUR RATE  | OIL-BBL.                | GAS-MCF. | WATER-BBL. | OIL GRAVITY-API (CORR.)            |               |
| 383 psig              | 1242 psig       | →  | -                       | 6152     | -          | -                                  |               |

| 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) |  |  |  | TEST WITNESSED BY  |  |
|--|--|--|--|--------------------|--|
| Awaiting EPHG gas connection                               |  |  |  | J. Gregory Merrion |  |

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

Original Signed

SIGNED J. Gregory Merrion

TITLE Operator

DATE 11-14-63

\*(See Instructions and Spaces for Additional Data on Reverse Side)

## INSTRUCTIONS

**General:** This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

**Item 4:** If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

**Item 18:** Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

**Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple-completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

**Item 29:** "Sacks Cement". Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

**Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

| FORMATION       | TOP  | BOTTOM | DESCRIPTION, CONTENTS, ETC.   | GEOLOGIC MARKERS                        |                                      |                                      |
|-----------------|------|--------|---|---|--------------------------------------|--------------------------------------|
|                 |      |        |   | NAME                                    | MEAS. DEPTH                          | TRUE VERT. DEPTH                     |
| Pictured Cliffs | 2141 | 2255   | Gas   | Pictured Cliffs                         | 2141                                 | 2141                                 |
| Gallup          | 5458 | 5600   | Gas<br>NGP #1 5412-5564. Tool open 2 hours. Gas<br>to surface in 4 minutes at 107 MCF/da,<br>increased to 102 MCF/da for rest of test.<br>Recovered 225' SGGS.<br>IPF #8, FPP 38, ISIP 1911, FPP 1810 | Chimera<br>Cliffhouse                   | 2950<br>3693                         | 2950<br>3693                         |
| Dakota          | 6715 |        | Gas<br>NGP #2 6630-6715. Tool open 1 hour.<br>Gas to surface in 2-1/2 minutes. 800 MCF/<br>da, decreased to 620 MCF/da. Rec. 50'<br>drilling mud.<br>IPF 190, FPP 150, ISIP 2915, FPP 2690            | Callup<br>Greenhorn<br>Canyon<br>Dakota | 4523<br>5458<br>6309<br>6408<br>6512 | 4523<br>5458<br>6309<br>6408<br>6512 |

FEDERAL WELL NO. 3-E

The Federal Well No. 3-E was completed on 6-9-80 in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  section 34, T25N, R.6W., BROWN dot on Plat II, with an initial potential of 2227 MCF/day. This well has experienced very erratic production with several 4 month total shut-in time periods. This appears to have affected this well adversely as compared to the Federal Well No. 3, possibly because this is a new well and more sensitive to extended shut-ins. Comparing this well to the Salazar well No. 4-E, which is also a new in-fill well, a 4-month or greater total shut-in period would be damaging, so the Salazar No. 4-E is on the verge of experiencing irreversible damage this month. A BHP/z vs. Cumulative Production analysis indicates that Gas-In-Place for this well is about 1.1 BCF (this may be low due to limited pressure information), with assumed 85% recovery yielding Recoverable Reserves of .935 BCF. To date the well has recovered .407 BCF. A decline plot (hampered by the erratic production) indicates that recovery will only be about .677 BCF. This means a loss of predicted recovery of .258 BCF or 27.6% of producible reserves. This would indicate that the well is not being produced for long enough periods, at sufficient volume, on a regular basis to remove the water adequately. Damage appears to be occurring and may prove to be irreversible.



## PRODUCTION TABLE

WELL NAME Federal Well No. 3-E  
WELL LOCATION I-34-25N-6W  
Perfs 6509-6720

Completion Date 6-9-80  
Initial Potential 2227 MCF/day  
Initial Pressure SICP = 1600 psia  
Initial GOR/Gravity .696

| SICP<br>Asia   | DATE      | PRODUCTION<br>DAYS /<br>SHUT-IN | OIL/H <sub>2</sub> O<br>PRODUCTION<br>BBLS | RATE<br>/Day<br>WATER | CUMULATIVE<br>WATER<br>BBLS | GAS<br>PRODUCTION<br>MCF | RATE<br>/Day | CUMULATIVE<br>MCF |
|----------------|-----------|---------------------------------|--|-----------------------|-----------------------------|--------------------------|--------------|-------------------|
| 1600           | 1980<br>8 | 15 16                           | 50   | 3.33                  | 50                          | 8496                     | 566.4        | 8496              |
|                | 9         | 30 0                            | 45   | 1.50                  | 95                          | 14012                    | 467.1        | 22508             |
|                | 10        | 31 0                            | 47   | 1.52                  | 142                         | 13669                    | 440.9        | 36177             |
| 12-5-80        | 11        | 30 0                            | 49   | 1.63                  | 191                         | 13082                    | 436.1        | 49259             |
| 1312           | 12        | 26 5                            | 25   | .96                   | 216                         | 10241                    | 393.9        | 59500             |
|                | YTotal    | 132 31                          | 473 216                                    | 1.64                  | 216                         | 59500                    | 450.8        | 59500             |
|                | 1981      |                                 |  |                       |                             |                          |              |                   |
|                | 1         | 29 2                            | 15   | .52                   | 231                         | 12300                    | 424.1        | 71800             |
|                | 2         | 28 0                            | 12   | .43                   | 243                         | 10870                    | 388.2        | 82670             |
|                | 3         | 31 0                            | 10   | .32                   | 253                         | 12048                    | 388.6        | 94718             |
|                | 4         | 30 0                            | 11   | .37                   | 264                         | 11148                    | 371.6        | 105866            |
|                | 5         | 6 25                            | 0  | 0.00                  | 264                         | 2255                     | 375.8        | 108121            |
|                | 6         | 0 30                            | 0  | 0.00                  | 264                         | 0                        | 0.0          | 108121            |
|                | 7         | 31 0                            | 12   | .39                   | 276                         | 13741                    | 443.3        | 121862            |
|                | 8         | 31 0                            | 10   | .32                   | 286                         | 11596                    | 374.1        | 133458            |
|                | 9         | 30 0                            | 8  | .27                   | 294                         | 10713                    | 357.1        | 144171            |
|                | 10        | 31 0                            | 10   | .32                   | 304                         | 10661                    | 343.9        | 154832            |
|                | 11        | 30 0                            | 10   | .33                   | 314                         | 10249                    | 341.6        | 165081            |
|                | 12        | 31 0                            | 12   | .39                   | 326                         | 10312                    | 332.6        | 175393            |
|                | YTotal    | 308 57                          | 568 110                                    | .36                   | 326                         | 115893                   | 376.3        | 175393            |
|                | 1982      |                                 |  |                       |                             |                          |              |                   |
|                | 1         | 31 0                            | 14   | .45                   | 340                         | 10300                    | 332.3        | 185693            |
|                | 2         | 28 0                            | 12   | .43                   | 352                         | 9201                     | 328.6        | 194894            |
|                | 3         | 26 5                            | 15   | .58                   | 367                         | 9140                     | 351.5        | 204034            |
|                | 4         | 28 2                            | 14   | .50                   | 381                         | 8507                     | 303.8        | 212541            |
| 5-13-82<br>812 | 5         | 21 10                           | 16   | .76                   | 397                         | 7125                     | 339.3        | 219666            |

**PRODUCTION TABLE**

**WELL NAME** Federal Well No. 3-E **continued**

**Completion Date** \_\_\_\_\_

**WELL LOCATION** \_\_\_\_\_

**Initial Potential** \_\_\_\_\_

**Perfs** \_\_\_\_\_

**Initial Pressure** \_\_\_\_\_

**Initial GOR/Gravity** \_\_\_\_\_

| SICP<br>osia    | DATE   | PRODUCTION<br>DAYS /<br>SHUT-IN | OIL/H <sub>2</sub> O<br>PRODUCTION<br>BBLS | RATE<br>/Day<br>WATER | CUMULATIVE<br>WATER<br>BBLS | GAS<br>PRODUCTION<br>MCF | RATE<br>/Day | CUMULATIVE<br>MCF |
|-----------------|--------|---------------------------------|--|-----------------------|-----------------------------|--------------------------|--------------|-------------------|
|                 | 6      | 25 5                            | 15   | 0.60                  | 412                         | 8995                     | 359.8        | 228661            |
|                 | 7      | 17 14                           | 20   | 1.18                  | 432                         | 7037                     | 413.9        | 235698            |
|                 | 8      | 10 21                           | 9  | .90                   | 441                         | 5592                     | 559.2        | 241290            |
|                 | 9      | 0 30                            | 0  | 0.00                  | 441                         | 0                        | 0.0          | 241290            |
|                 | 10     | 0 31                            | 0  | 0.00                  | 441                         | 0                        | 0.0          | 241290            |
|                 | 11     | 6 24                            | 5  | .83                   | 446                         | 3604                     | 600.7        | 244894            |
|                 | 12     | 31 0                            | 14   | .45                   | 460                         | 10420                    | 336.1        | 255314            |
|                 | YTotal | 223 142                         | 576 134                                    | .60                   | 460                         | 79921                    | 358.4        | 255314            |
| 0-13-83<br>1132 | 1983   |                                 |  |                       |                             |                          |              |                   |
|                 | 1      | 31 0                            | 15   | .48                   | 475                         | 9723                     | 313.6        | 265037            |
|                 | 2      | 28 0                            | 12   | .43                   | 487                         | 7961                     | 284.3        | 272998            |
|                 | 3      | 10 21                           | 7  | .70                   | 494                         | 3021                     | 302.1        | 276019            |
|                 | 4      | 13 17                           | 7  | .54                   | 501                         | 5784                     | 444.9        | 281803            |
|                 | 5      | 0 31                            | 0  | 0.00                  | 501                         | 0                        | 0.0          | 281803            |
|                 | 6      | 0 30                            | 0  | 0.00                  | 501                         | 0                        | 0.0          | 281803            |
|                 | 7      | 0 31                            | 0  | 0.00                  | 501                         | 0                        | 0.0          | 281803            |
|                 | 8      | 0 31                            | 0  | 0.00                  | 501                         | 0                        | 0.0          | 281803            |
|                 | 9      | 14 16                           | 10   | .71                   | 511                         | 7718                     | 551.3        | 289521            |
|                 | 10     | 8 23                            | 9  | 1.12                  | 520                         | 3133                     | 391.6        | 292654            |
|                 | 11     | 4 26                            | 8  | 2.00                  | 528                         | 1187                     | 296.8        | 293841            |
|                 | 12     | 31 0                            | 16   | .52                   | 544                         | 12241                    | 394.9        | 306082            |
|                 | YTotal | 139 226                         | 374 84                                     | .61                   | 544                         | 50768                    | 365.2        | 306082            |
|                 | 1984   |                                 |  |                       |                             |                          |              |                   |
|                 | 1      | 23 8                            | 7  | .30                   | 551                         | 5777                     | 251.2        | 311859            |
|                 | 2      | 0 29                            | 0  | 0.00                  | 551                         | 0                        | 0.0          | 311859            |
|                 | 3      | 0 31                            | 0  | 0.00                  | 551                         | 0                        | 0.0          | 311859            |

PRODUCTION TABLE

WELL NAME Federal Well No. 3-E

continued

Completion Date \_\_\_\_\_

WELL LOCATION \_\_\_\_\_

Initial Potential \_\_\_\_\_

Perfs \_\_\_\_\_

Initial Pressure \_\_\_\_\_

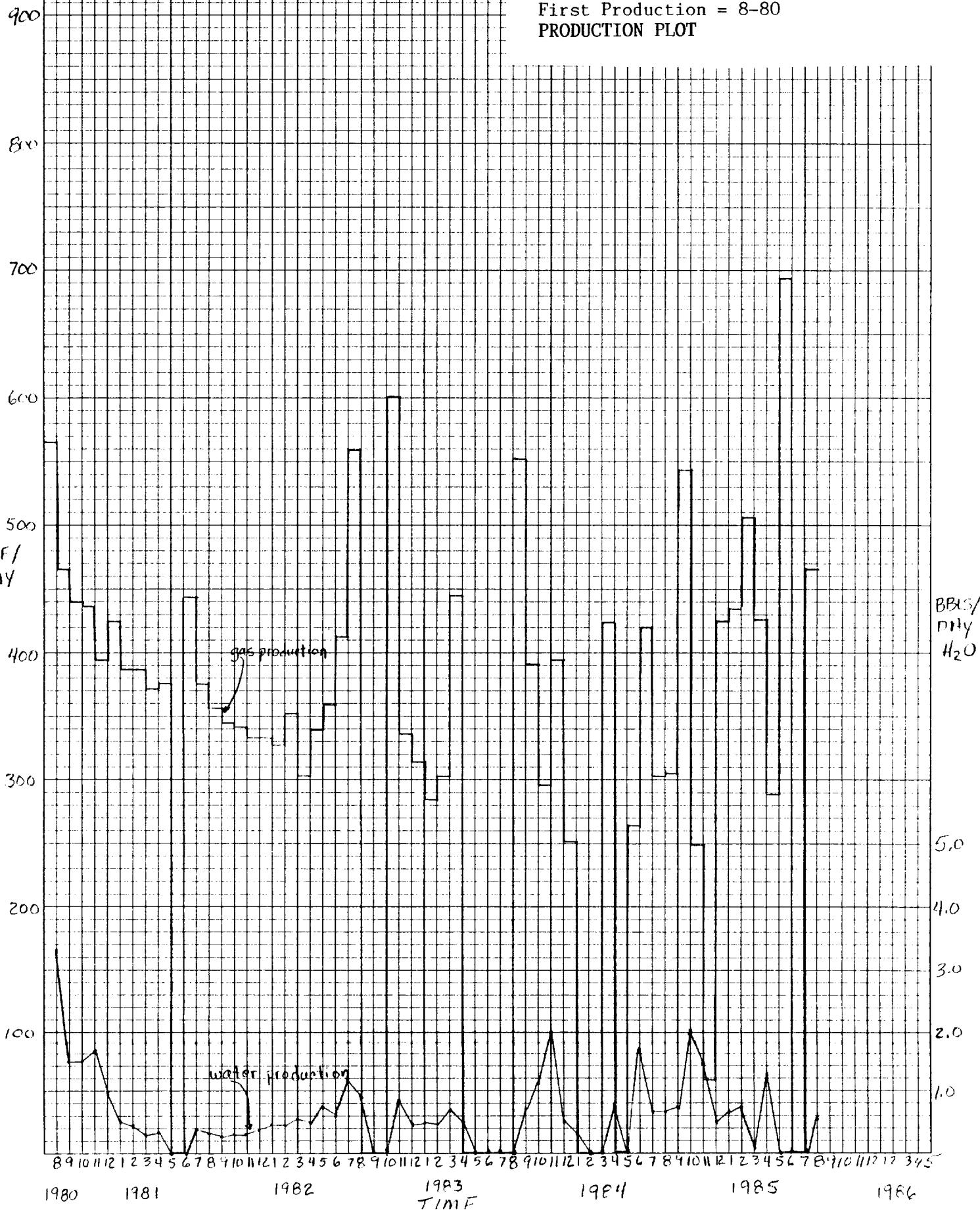
Initial GOR/Gravity \_\_\_\_\_

| SICP<br>psia   | DATE   | PRODUCTION<br>DAYS /<br>SHUT-IN | OIL/H <sub>2</sub> O<br>PRODUCTION<br>BBLS | RATE<br>/Day<br>WATER | CUMULATIVE<br>WATER<br>BBLS | GAS<br>PRODUCTION<br>MCF | RATE<br>/Day | CUMULATIVE<br>MCF |
|----------------|--------|---------------------------------|--|-----------------------|-----------------------------|--------------------------|--------------|-------------------|
| 5-5-84<br>1112 | 4      | 24 6                            | 18   | .75                   | 569                         | 10181                    | 424.2        | 322040            |
|                | 5      | 0 31                            | 0  | 0.00                  | 569                         | 0                        | 0.0          | 322040            |
|                | 6      | 3 27                            | 5  | 1.67                  | 574                         | 790                      | 263.3        | 322830            |
|                | 7      | 31 0                            | 20   | .64                   | 594                         | 13021                    | 420.0        | 335851            |
|                | 8      | 31 0                            | 20   | .64                   | 614                         | 9379                     | 302.5        | 345230            |
|                | 9      | 26 4                            | 20   | .77                   | 634                         | 7922                     | 304.7        | 353152            |
|                | 10     | 9 22                            | 18   | 2.00                  | 652                         | 4887                     | 543.0        | 358039            |
|                | 11     | 14 16                           | 20   | 1.43                  | 672                         | 3487                     | 249.1        | 361526            |
|                | 12     | 21 10                           | 10   | .48                   | 682                         | 1243                     | 59.2         | 362769            |
|                | YTotal | 182 183                         | 425  | 138                   | .76                         | 682                      | 311.5        | 362769            |
|                | 1985   |                                 |  |                       |                             |                          |              |                   |
|                | 1      | 24 7                            | 15   | .62                   | 697                         | 10188                    | 424.5        | 372957            |

FEDERAL WELL No. 3-E  
I-34-25N-6W, Rio Arriba County, NM  
Basin Dakota Pool  
First Production = 8-80  
PRODUCTION PLOT

DIETZGEN CORPORATION  
MADE IN U.S.A.

NO. 340-110 DIETZGEN GRAPH PAPER  
10 X 10 PER INCH



2500

2250

2000

1750

1500

1250

DIETZGEN CORPORATION  
MADE IN U.S.A.

BHP/z

1000

750

500

250

FEDERAL WELL No. 3-E  
I-34-25N-6W, Rio Arriba County, NM  
Basin Dakota Pool  
BHP/Z vs CUMULATIVE PRODUCTION

NO. 340-10 DIETZGEN GRAPH PAPER  
10 X 10 PER INCH

.1

.5

1.0

2.0

3.0

4.0

5.0

6.0

7.0

CUMULATIVE PRODUCTION, BCF