District I - (505) 393-6161
P O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

Form C-139
Originated 11/1/95

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Submit: Original
Plus 2 Copies
to appropriate
District Office

RECEIVED
APR 17 1995
OIL CON. DIV.
DIST. 3

APPLICATION FOR
QUALIFICATION OF PRODUCTION RESTORATION PROJECT AND CERTIFICATION OF APPROVAL

THREE COPIES OF THIS APPLICATION MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE OIL CONSERVATION DIVISION.

I. Operator: Giant Exploration & Production OGRID #: 008987

Address: P.O. Box 2810, Farmington, New Mexico 87499

Contact Party: Diane Jaramillo Phone: (505) 326-3325

II. Name of Well: Carson Unit 15 #33 API #: 30-045-05374

Location of Well:
Unit Letter J , 1980 Feet from the South line and 1980 feet from the East line, Section 15
Township 25N , Range 12W , NMPM, San Juan County

III. Previous Producing Pool Name: Bisti Lower Gallup

IV. Describe the process used to return the Well to production. (Attach additional information if necessary):
See attachment.

V. Date the Production Restoration Project was commenced: August 9, 1995
Date the Well was returned to production: August 22, 1995

VI: Identify the Oil Conservation Division records which show the Well had thirty (30) days or less production between January 1, 1993 and December 31, 1994:

[ ] Ongard inactive well list; or [X] OCD Form C-115 (Operator's Monthly Report)

VII: AFFIDAVIT:

State of New Mexico)
) ss
County of San Juan)

Diane Jaramillo , being first duty sworn, upon oath states:

1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have personal knowledge of the facts contained in this Application for Qualification of a Production Restoration Project.
3. The data utilized to prepare this application is complete and correct.

Diane Jaramillo
Diane G. Jaramillo

Production/Regulatory Manager

SUBSCRIBED AND SWORN TO before me this 15th day of April, 19 96.

Dawn M. Tate

Notary Public

My Commission Expires: 7/13/97

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of a Production Restoration Project is hereby approved and the above referenced Well is designated as a Production Restoration Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). By copy of the Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that production was restored in this Production Restoration Project on: 6/22, 19 95.

District Supervisor, District 3
Oil Conservation Division

Date: 4/29/96

IX. DATE OF NOTIFICATION OF THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE:

Giant Exploration & Production Company
Workover Procedure
Carson Unit Well No. 33-15
1980' FSL, 1980' FEL
Section 15, T25N, R12W
San Juan County, New Mexico

August 4, 1995

Purpose: To return this 5 Year Plan of Development well to production. Any casing leaks will be repaired with a scab liner.

Pertinent Data: Please refer to the attached materials and services list, wellbore diagram, well pulling report, and log section.

Procedure:

1. Road Giant's grader to location and clean and level location and access road. Check location for anchors and replace if necessary. Deliver BOP and 210 bbl workover tank, mud pump, pit, and power swivel to location. Load the workover tank with clean produced formation water. Move in workover unit and rig up on well.

2. Nipple down the wellhead. Nipple up the BOP. Trip out of the hole laying down the 2-3/8" tubing string. The tubing string is consists of 153 joints of open-ended 2-3/8" tubing. Inspect the tubing and replace as necessary.

3. Pick up a 3-7/8" bit and 4-1/2", 9.5# scraper on an inspected string of 2-3/8" tubing. Trip in the hole and tag up. If excessive fill is encountered, arrange to clean out before continuing with the procedure (PBD is 4860'). Trip out of the hole with the bit and scraper.

   Note: A workover was performed July 1985. Fill was tagged at 4810' KB. A casing inspection log was run and tagged up at 4705', but mud was reported on the tool's centralized which probably keep the tool from going deeper. A tight spot is reported in the casing at 3030'. The tubing string was run back in the hole and the well was shut in. The fluid level was reported at 1620' from the log run.

4. Pick up a Retrievable Bridge Plug and full-bore Retrievable Packer and trip in the hole.

   Note: Bridge plug and packer should be dressed for 4-1/2", 9.5# casing.

5. Set RBP at about 4650'. Pull up and set the packer just above the RBP and use the mud pump to pressure test the bridge plug to 1000 psi for 5 minutes to make sure that the RBP is sealing properly.

6. Pull the full-bore packer to about 4000' and pressure test below the packer to 1000 psi. If pressure fails to hold, move the packer downhole to find the lowest possible hole in the casing. The cement top in this well is estimated at 4085'.

7. If no leak is encountered, leave the RBP. Pull the full-bore packer uphole and continue to pressure test. If one hole is found, pull the packer up to 1500' and begin to test while moving down the hole. Attempt to find the top and bottom of the entire leaking interval. Trip out of the hole with the bridge plug and packer. Trip back in the hole with the packer and a seating nipple on the 2-3/8" tubing string. Set the packer at approximately 4650'.

8. Begin swab testing the perforations. Attempt to swab back fines and debris out of the perforations and pull the fluid level down so that a minimal amount of fluid is bullheaded into the perforations. Continue swabbing until the returns clean up.

9. Rig up BJ Services Company to acidize the Gallup perforations with 1000 gal 15% HCl acid containing 2 gal/1000 I-22 (inhibitor), 5 gal/1000 Citric acid (iron control), 1 gal/1000 Nine-40 (surfactant), 1 gal/1000 Clay Master-5 (clay control), and 1 gal/1000 LT-21 (silt suspender/surfactant). Acid procedure is as follows:

   a. With the packer set at 4650', swab the fluid level down in the tubing. Pump 20.5 bbl of acid to spot the acid across the Lower Gallup perforations.

   b. Shut down pumping and allow the acid to soak on the perforations for approximately 15 minutes. Begin pumping the remaining 3.3 bbl of acid away. If the pressure stays below 1000 psi, keep the pump rate at approximately 2-3 BPM. However, limit the pump pressure to 1000 psi if the formation treats tight.

   c. Underdisplace the acid with 16 bbl of clean produced Gallup water. Once on displacement, attempt to maximize the pump rate while staying under 1000 psi. Shut down pumping and monitor the pressure.

   d. If the well is on a vacuum, leave the tubing open to the atmosphere until the vacuum stops and shut the well in. If the well still has pressure after pumping the 16 bbls of displacement, continue displacing the acid with 5 additional bbls of water. Shut down pumping and shut the well in. Obtain ISIP, 5 min., 10 min., and 15 min. shut-in pressures.

10. Leave the well shut in and allow the acid to soak on the formation for approximately (1) hour. Rig up to begin swabbing back the acid load. Attempt to swab back all acid if possible. Continue swabbing to ensure the returns clean up and are free of fines.

11. Release the packer after swab testing and trip out of the. Pick up and trip in the hole with a 3-1/2" scab liner and isolating packers on the 2-3/8" tubing string with an on/off tool. Set the liner across the leaking interval of casing and trip out of the hole laying down the section of 2-3/8" tubing from the top packer down to the perforations.

12. Trip back in the hole with an open-ended 2-1/16" x 2-3/8" tubing string. Tag up fill and arrange to clean out by swabbing or circulating the hole clean. Trip out of the hole with the tubing string.

13. Trip back in the hole with the production tubing string. The production string should consist of (1) joint 2-1/16" tailpipe, perf sub, seating nipple (set at or below the bottom perforation at 4804'), 2-1/16" tubing to the top of the liner, 2-1/16" x 2-3/8" changeover, 2-3/8" x 4-1/2" anchor, and remaining 2-3/8" tubing string. Set the anchor and land the tubing in the wellhead slips after nippling down the BOP. Run enough pipe above the top packer so the anchor will not hit the top packer when tagging up PBD.

14. Trip in the hole with a 1-1/2" x 1-1/4" tubing pump on a 3/4" rod string. Run 3/4" slim-hole couplings through the 2-1/16" section of the tubing string. Seat the pump and hang rod string. Check pump action.

15. Deliver a 114 or 160 pumping unit to location and set the pumping unit on a concrete pad. Install a gas engine on the pumping unit.

16. Pressure test the existing flowline from the wellhead to the flowline manifold. If severe corrosion is present on the line, it may need to be replaced. If a small hole is present, patch the hole and continue pressure testing to ensure the line's integrity.

17. Obtain a well test once the well stabilizes. Shoot and monitor the fluid level to keep the well in a pumped off condition.

18. Clean and organize location. Return all unused materials to the Carson Yard.

Prepared by: Paul R. Williams
Paul R. Williams

Approved by: _____
Jeffrey R. Vaughan

AFE Number: 5NDR02069 AFE Approval Date: 8-8-95

Form 3160-5
(June 1990)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: NM 070322
6. If Indian, Allottee or Tribe Name:
7. If Unit or CA. Agreement Designation: Carson Unit
1. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other
8. Well Name and No.: Carson Unit #33-15
2. Name of Operator: Giant Exploration & Production Company
9. API Well No.: 30-045-05374
3. Address and Telephone No.: P.O. Box 2810, Farmington, New Mexico 87499 (505)326-3325
10. Field and Pool, or Exploratory Area: Bisti Lower Gallup
4. Location of Well (Footage, Sec., T., R., M., or Survey Description): 1980' FSL, 1980' FEL, Sec. 15, T25N, R12W
11. County or Parish, State: San Juan, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION	
[ ] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
	[ ] Recompletion	[ ] New Construction
	[ ] Plugging Back	[ ] Non-Routine Fracturing
[X] Subsequent Report	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
[ ] Final Abandonment Notice	[X] Other Return to Production	[ ] 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 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.)*

Giant Exploration & Production Company returned the subject well to production as follows:

1) Tripped out of hole with old production string.
2) Cleaned out to 4860'.
3) Pressure tested casing. Found leaks from 1790' to 3637'.
4) Acidized exisiting perforations (4696'-4714', 4726'-68', 4778'-88', 4796'-4804') with 1000 gal. acid.
5) Installed 3-1/2" liner with isolating packers from 1688' to 3740'.
6) Installed production tubing string.
7) Installed pumping unit.

This well had first production on 08/22/95.

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SEP - 5 1995
OIL CON. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct
Signed Paul R. Williams Title Area Engineer Date AUG 30 1995
Paul R. Williams

(This space for Federal or State office use)
Approved by _____ Title _____ Date _____
Conditions of approval, if any:

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

ACCEPTED FOR RECORD
SEP 01 1995
FARMINGTON DISTRICT OFFICE
BY

*See Instruction on Reverse Side