E-14-27N-11W
WELL FILE

Bonneville Fuels Corporation
A Subsidiary of Bonneville Pacific Corporation

May 5, 1997

RECEIVED
MAY - 9 1997
OIL CON. DIV.
DIST. 3

Mr. Frank Chavez
District III Supervisor
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87401
Phone: (505) 334-6178

re: Fullerton Federal #11:
Production Casing Leak to the Braden Head

Dear Mr. Chavez:

On 5/4/97 during routine pumper gauging at the following well:
Fullerton Federal #11:
Unit 'E': GL Elev. @ 6,247'.
1650' FNL & 990' FWL, Section 14, T.27N., R.11W. N.M.P.M.
San Juan County, New Mexico

The shut-in casing pressure was noted to have fallen from approx. 640 PSIG on the wells shut-in cycle to 50 PSIG. Since recompletion the well had annular shut-in casing and tubing pressures reported at 640-650 PSIG on the shut-in cycle (the well produces on an intermitter to restrict production to the allowable).

A surface casing/production casing leak was suspected as the braden head pressure, which had been 0 PSIG while shut-in for 1 week, had risen to 12 PSIG (a braden-head test for this well is scheduled for approx. 1330 hours on 5/6/97). The 1" monitoring line was opened to the atmosphere and a strong sustained steady blow of dry gas was observed for 6 hours on 5/4/97 with a flowing pressure TSTM.

After observing this flow I ordered the well opened to the sales line on a 24 hour basis to minimize casing pressure (and leak flow - liquids loading). I had the braden head valve closed over-nite to avoid possible surface damage. This a.m. the regular pumper opened the braden-head valve and confirmed the well behavior observed by the relief pumper yesterday. Today we are rigging up a vent line and a blow-down tank so that the well may be vented on the braden-head to atmosphere 24 hours per day to deplete any charge-up in shallow zones and vent casing leak gas to minimize pollution of shallow aquifers. The leak gas rate out the 1" line cannot be estimated at this time.

1660 Lincoln / Suite 1800 / Denver, Colorado 80264 / 303-863-1555 / Facsimile 303-863-1558

The well was drilled, cased, and cemented in 1962. The 2nd stage (150 sx. reg. cement @ 2130') TOC on the casing at this well is estimated at approx. 1350' (+4,900' MSL). No bond or temperature surveys were run. A 4-1/2" production casing leak is suspected between this estimated TOC and the surface.

Bonneville Fuels is interested in curing this leak as soon as possible. BFC has acted expeditiously and carefully to relieve back pressure on the suspected production casing leak, and minimize/eliminate potential surface and sub-surface wastage and pollution.

An AFE, a workover plan to locate and cement off the suspected casing leak, and a Sundry Notice for this remedial work is being generated today. As soon as these documents are prepared and a work plan is approved BFC will dispatch A. Merrill to repair the well. This work will require a rig and start of work is contingent on rig availability. The surface diversion/venting work is being undertaken, and will be completed, today. The venting and tankage site will be approx. 100' east of the wellhead (+125' from the separator) and NO SMOKING signage will be posted.

I would appreciate your verbal approval of the following course of action as soon as possible:

1. Permission to vent braden-head gas until repair operations commence. Such work to commence as soon as repair plan and Sundry Notice of repair plan approved - est. 1 to 4 days - and a rig and supervisor (A. Merrill) is available to commence repair operations.

2. Permission to produce the Fullerton Federal #11 against line pressure, exceeding the allowable, until such repair operations may commence.

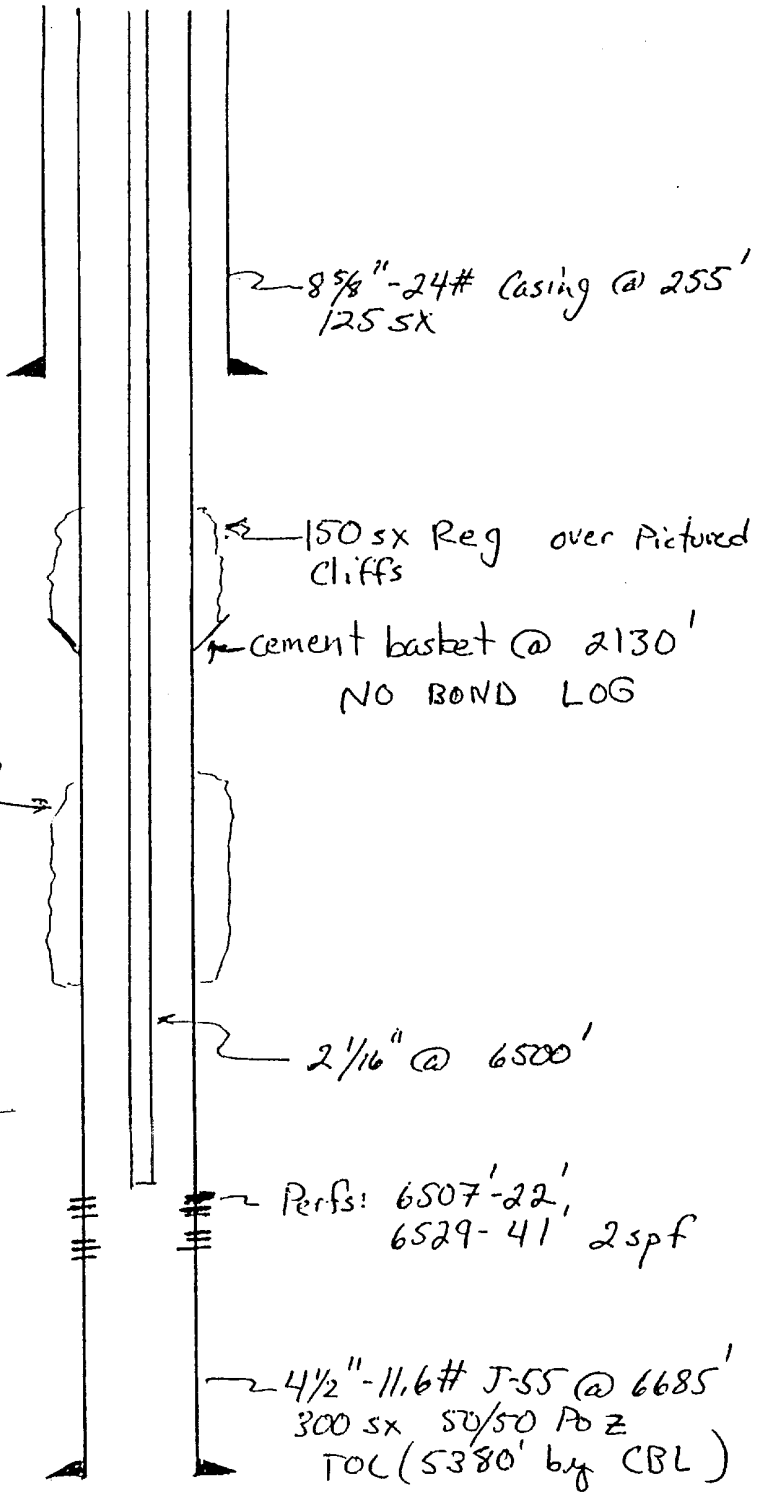
This approval will minimize loss of resource and potential pollution. BFC will act expeditiously to cure this problem.

Sincerely yours,
BONNEVILLE FUELS CORPORATION

R. A. Schwering, P.E.
Operations Manager, New Mexico

Attachment: Well Bore Schematic

Fullerton Federal #11
990' FWL 1650' FNL, Sec. 14, T27N R11W
San Juan Co., New Mexico



NUMEROUS SQUEEZES

2/75 Squeezed leak between 3512' and 4265' w/ 400 sx Type II

2/75 Squeezed leak, between 3785'-3848' w/ 100 sx Type II

7/90 Squeezed leak @ 3955' w/ 200 sx

8/6/62 Squeezed 6559-60' with 40 sx

Completion
- fracced with 60,000 gal H_2O & 60,000 # sand

TD. 6685' (Logger's)
PBTD. 6600' (CBL ran down to 6600')