

June 10, 1996

Sent Federal Express

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Non-Standard Location Application
Nye #17
1860'FSL, 1110'FWL, Section 1, T-30-N, R-11-W
San Juan County, NM
API # 30-045-24871

RECEIVED
JUN 11 1996
OIL CON. DIV.
DIST. 2

Dear Michael:

In answer to your inquiry of June 3, 1996, enclosed is a copy of the operations plan for sidetracking the referenced well in the Basin Dakota pool. Also enclosed is a copy of the current wellbore schematic, and the proposed wellbore schematic after sidetracking.

Please let me know if there is any other information we may provide for you. I appreciate your earliest consideration to this application.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

encs.

April 12, 1996

OPERATIONS PLAN

Well Name: Nye #17
Location: 1860' FSL, 1110' FWL Section 1, T-30-N, R-11-W
 San Juan County, NM
 Latitude 36° 50.3, Longitude 107° 56.8
Formation: Basin Dakota
Elevation: 5925' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	1092'	
Ojo Alamo	1092'	2120'	aquifer
Fruitland	2120'	2475'	gas
Pictured Cliffs	2475'	3551'	gas
Otero Chacra	3551'	4098'	gas
Massive Cliff House	4098'	4688'	gas
Point Lookout	4688'	6019'	gas & hydrocarbons
Gallup	6019'	6768'	gas
Greenhorn	6768'	6817'	
Graneros	6817'	6950'	
Dakota	6950'		gas
Total Depth	7300'		

NOTE: This well was drilled and completed in 1981 as a Gallup with a total depth of 7126'. The well will be drilled to a new total depth of 7300' and completed in the Dakota. The Gallup will be plugged and abandoned.

It is intended to plug and abandon the Gallup formation, sidetrack and complete the Dakota formation. A cement retainer will be set at 6100' above the Gallup perforations. The perforations will be squeezed with Class "B" cement. A whipstock will be set in the 5 1/2" casing at 5900'. A 4 3/4" hole will be drilled to a new total depth of 7300'. A 3 1/2", 9.3#, K-55 liner will be run in the well from 5900-7300'. The liner will be cemented with 115 sx Class "B" 50/50 Poz with 0.3% Halad-344, 0.25 pps celloflake. The Dakota formation will be selectively perforated and fracture treated. A string of tubing will be run in the well, and the well returned to production.

Casing Program:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
4 3/4"	5800' - 7300'	3 1/2"	9.3#	K-55

Tubing Program:

0' - 7300' 2 3/8" tubing

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

3 1/2" Liner -

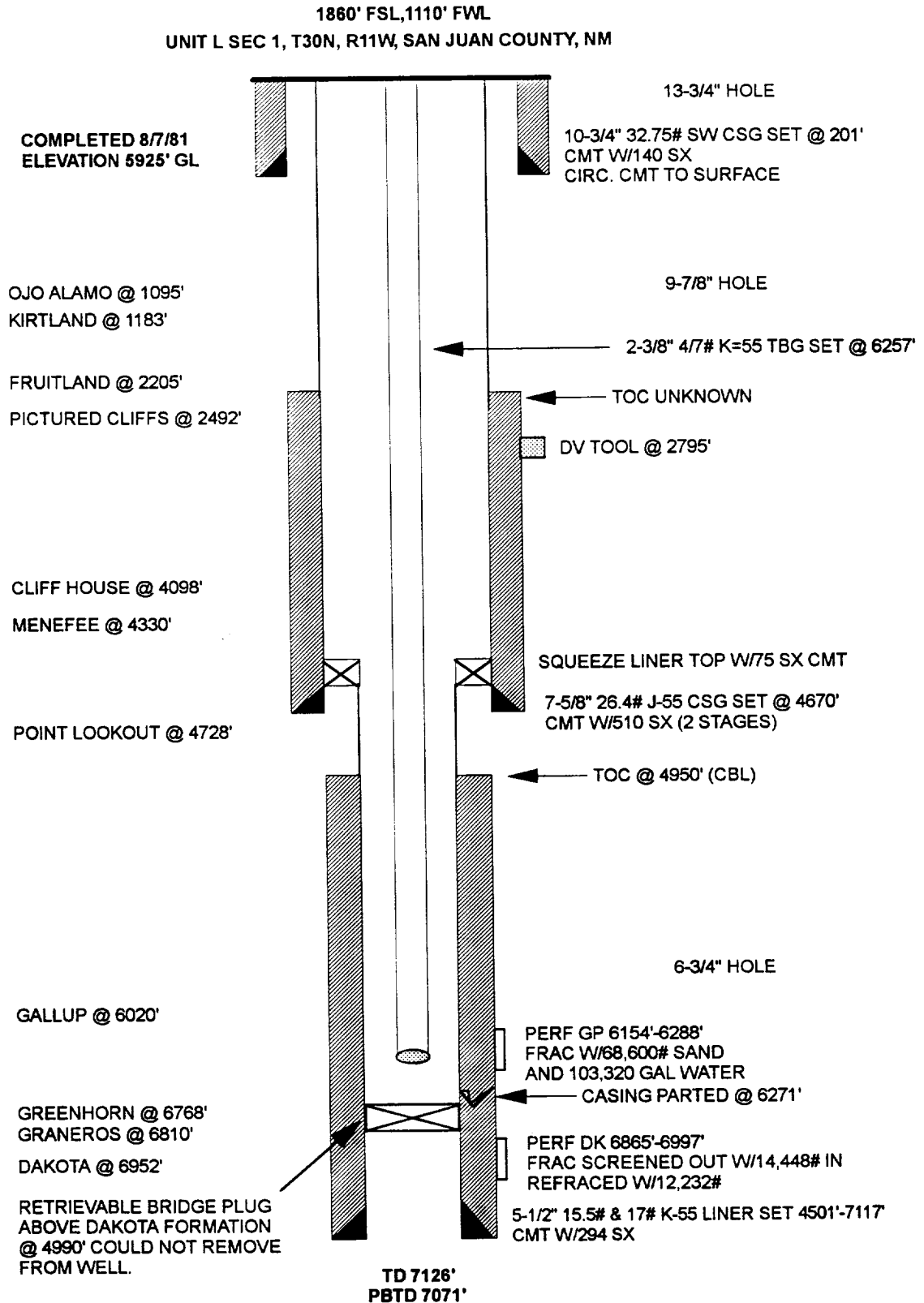
Cement with 115 sx 50/50 Class "B" poz w/0.3% Halad-344, 0.25 pps
celloflake

Additional Information:

- The Dakota formation will be completed.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:
Dakota 2000 psi
- The west half of Section 1 is dedicated to the Dakota in this well.
- This gas is dedicated.

NYE #17

Current



NYE #17

Proposed

