

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-045-27497
3. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
4. State Oil & Gas Lease No.

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SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	7. Lease Name or Unit Agreement Name Horton Gas Com
2. Name of Operator Amoco Production Company Attn: John Hampton	8. Well No. #1
3. Address of Operator P.O. Box 800, Denver, Colorado 80201	9. Pool name or Wildcat Basin Fruitland Coal Gas
4. Well Location Unit Letter <u>A</u> : <u>1000</u> Feet From The <u>North</u> Line and <u>900</u> Feet From The <u>East</u> Line Section <u>28</u> Township <u>31N</u> Range <u>9W</u> NMPM <u>San Juan</u> County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) <u>6143' GR</u>	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Amoco Production Company intends to change the drilling program from a Drill Through to a Top Set. See Attached for revised drilling program.

If you have any questions please call Cindy Burton at 303-830-5119.

RECEIVED

AUG 20 1990

OIL CON. DIV.
DIST. 3

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I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE John Hampton TITLE Sr. Staff Admin. Supv. DATE 8/16/90
TYPE OR PRINT NAME John Hampton TELEPHONE NO.

(This space for State Use)

APPROVED BY Original Signed by FRANK T. CHAVEZ TITLE SUPERVISOR DISTRICT #3 DATE AUG 20 1990
CONDITIONS OF APPROVAL, IF ANY:

Amoco proposes to drill the well to further develop the Fruitland Coal reservoir. The well will be drilled to the surface casing point using native mud. The well will then be drilled to the intermediate casing point with a non-dispersed mud system. The attached modified 12" 3000 psi blowout preventer will be used. Amoco will attempt to complete the Fruitland coal by drilling the interval with water and air. A service unit will probably be used to drill into the coals using the attached modified 6" 3000 psi BOP. If commercial productivity is established, then the well will be completed as an open hole.

SURFACE CASING

<u>Quantity</u>	<u>Size</u>	<u>Weight</u>	<u>Description</u>	<u>Cement Program</u>
250'	9 5/8"	36//	K55 ST&C	200 cf Class B, 2% CaCl ₂ 15.6 PPG

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INTERMEDIATE CASING

<u>Quantity</u>	<u>Size</u>	<u>Weight</u>	<u>Description</u>	<u>Cement Program</u>
2760'	7"	20//	K55 ST&C	747 cf Class B, 65:35:5 10% salt, .25% dispersant 13.1 ppg 118 cf Class B 2% CaCl ₂ 15.6 PPG

The above casing design is based upon a 9.0//gallon mud weight.

CONTINGENCY OPERATIONAL PLAN

In the event the well does not yield commercial volumes of gas from the open hole completion, the water filled hole will be mudded-up and weighted-up as necessary (9-11//gal.) for hole stability and well control. The well will then be deepened approximately 200' into the Pictured Cliffs formation to provide necessary footage for a cased and cemented completion technique. The Fruitland coals will then be perforated and fracture stimulated. The Pictured Cliffs formation will be isolated with cement.

CONTINGENCY LINER

650'	4-1/2"	11.6//	K55 LT&C	250 cf Class B
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The contingency string is based upon an 11.0//gallon mud weight.

EVALUATION

Mud logs will be the only logs run if the well is completed as an open hole. The log surveys (FDC/GR/CAL, Microlog, Mudlogger) will be run only if the well is drilled into the Pictured Cliffs formation, and only if well condition is suitable to allow proper wireline log interpretation.

SAN JUAN BASIN
FRUITLAND COAL DEGASIFICATION (AND OTHER WELLS)
PRESSURE CONTROL EQUIPMENT

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Background

The objective Fruitland Coal formation maximum surface pressure is anticipated to be 1400 PSI, based on completion testing. Pressure control equipment working pressure minimum requirements are therefore 2000 PSI. Equipment to be used will conform to API RP-53 (Figure 2.C.2) for a 2000 PSI system per Federal Onshore Order No. 2. Due to available conventional equipment within the area, 3000 PSI rated pressure control equipment will typically be utilized in a double ram type arrangement. Regional drilling rigs to be utilized have substructure height limitations which exclude use of annular preventers; therefore a rotating head will be installed above these rams. This pressure control equipment will be utilized for conventional drilling below surface to intermediate casing point above the Fruitland Coal.

Prior to drilling below intermediate casing, a modified two (2) double ram pressure control equipment system will be installed. This system is designed for Fruitland Coal formation interval drilling with air and water. A service unit will typically be used to drill this interval, and the wellbore will be completed as an uncased open hole if commercial productivity is established. If not, the wellbore will be cased and cemented with a 4 1/2" contingency liner. Based upon maximum surface pressure criteria, 2000 PSI equipment is required. However, as stated above, 3000 PSI working pressure equipment will typically be utilized. The No. 3 pipe ram in Exhibit No. 2 will be 4 3/4" if 4 3/4" drill collars are run in the bottom hole assembly.

Equipment Specification

Interval

Below Surface Casing
through
Intermediate Casing

Intermediate Casing
to
Total Depth

BOP Equipment

12" nominal, 3000 PSI double ram
preventer with rotating head
(see Exhibit No. 1 - BOPE)

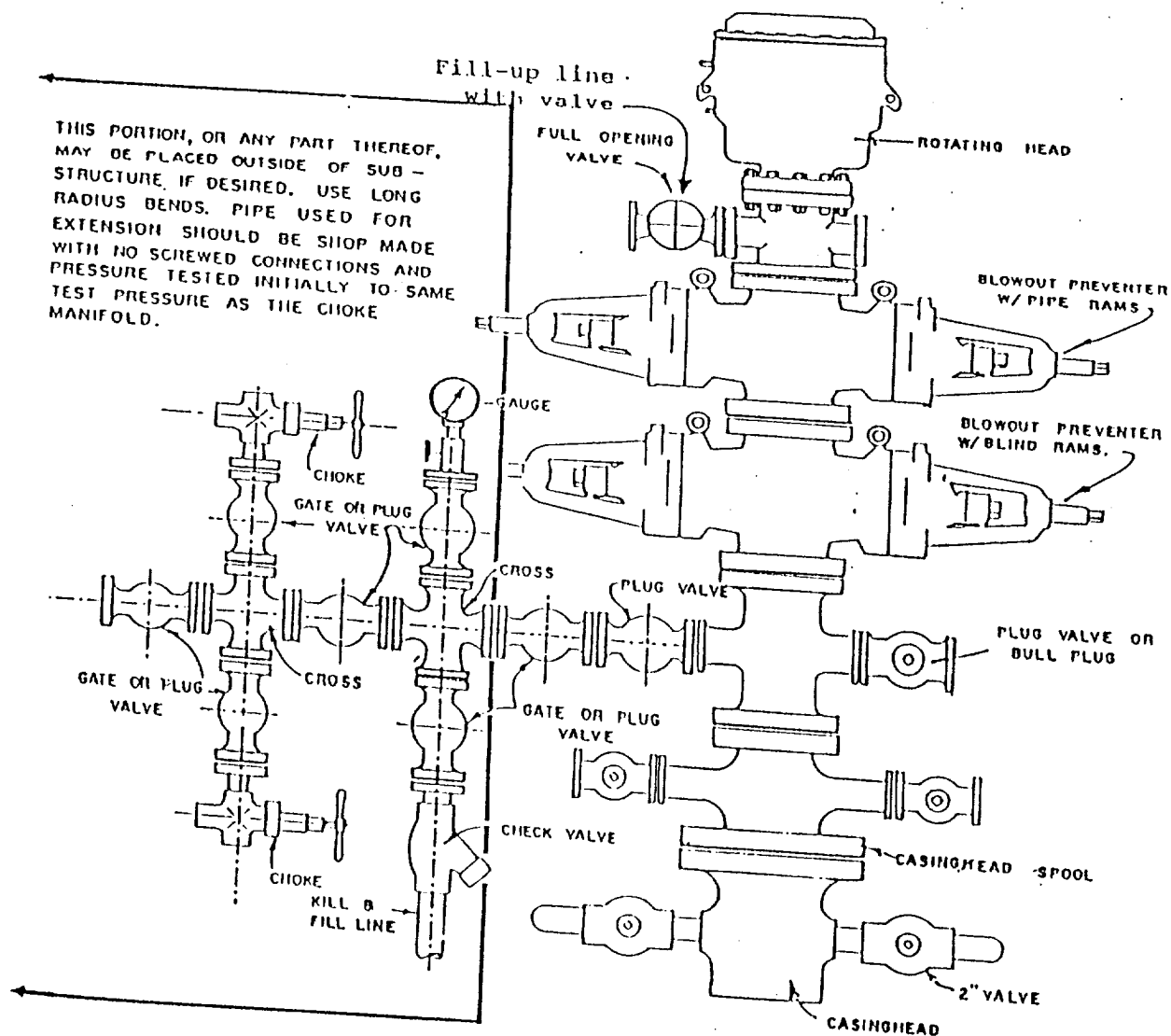
6" nominal, 3000 PSI Two (2)
double ram preventers (see
Exhibit No. 2 - BOPE)

All ram type preventers and related control equipment will be hydraulically tested to 250 PSI (low pressure) and 2000 PSI (high pressure), upon installation, following any repairs or equipment replacements, or at 30 day intervals. Accessories to BOP equipment will include kelly cock, floor safety valves and choke manifold which will also be tested to equivalent pressure.

Please direct any questions to George Gray at (303) 830-5190 in our Denver office.

GEGSJB.DOC

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BLOWOUT PREVENTER HOOKUP

EXHIBIT NO. 2 - BOPE

Drill Out BOPE 6" 3000 psi BOPE

NOTE: 2 - 4" outlets on mud cross secondary bleed line will not be equipped with Reagan Preventer.

An 8 Station, 250 gal., 3000 psi accumulator will be required. Air and electric power.

Eqpt Ht.	
Tpghd	20 7/8"
LWS double	27 5/8"
Spool	17"
LWS double	27 5/8"
Striphead	20"
	113 1/2"

Stripping Head
Adapt Grant Rubber

LWS 6" - 1500

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