Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

5. Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NM-013688 Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. 6. If Indian, Allottee or Tribe Name Use "APPLICATION FOR PERMIT - " for such proposals 7. If Unit or CA, Agreement Designation 1. Type of Well Oil Well **⊠** Gee Well Other 8, Well Name and No. 2. Name of Operator 2R Attention: Atlantic LS **Amoco Production Company** 9. API Well No. Patty Haefele 3. Address and Telephone No. 30-045-29384 P.O. Box 800, Denver, CO (303) 830-4988 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Blanco Mesaverde 11. County or Parish, State 1610' FNL 1430' FEL Sec. 24 T 31N R 10W Unit G San Juan **New Mexico** CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Recompletion Final Abandonment Notice 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent detas, including estimated data 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.) Amoco Production Company plans to directionally drill this new drill well per the attached procedure. 06-30-1996 Staff Assistant APPROVED Approved by Conditions of approval, if any:

Atlantic LS #2-R

Drilling Procedures

1,610' FNL, 1,430' FEL Sect. 24, T31N, R10W San Juan County, New Mexico

- 1. Preset 120' of 9.625" conductor pipe with service unit. Cement to surface with class "B" cement containing 2 % CaCL2.
- 2. MIRURT complete with 3.500" drill string, pitless circulating equipment, air package and misting equipment. NU diversion equipment.
- 3. Drill 8.750" hole to 3,568' (150' into Lewis) with mud. Run and cement 7.000", 23#, K-55, LTC at total depth. Cement back to surface as recommended by Howco.
- 4. NU BOP's and test to 250 and 750 psi.
- 5. Air drill vertical hole to 4,000'.
- 6. Pick up premium, gage protected, 6.125" TC bit (Smith diamond enhanced F37 DODPD) on motor and directional equipment (EM MWD preferred). Build 15-18 degrees of hole angle at 90 degrees azimuth with the motor, lay down the motor and pick up slight angle building assembly. (Bit, three point reamer in gage, monel collar, drill collar, and an undergage integral blade stabilizer.) Monitor direction and angle with single shot surveys to insure that the bottom hole location will remain within the legal drilling window. (The maximum vertical section that can be cut if the azimuth is due East is 640' per attached diagram and directional program.) A final directional plot will be required at TMD by the NMOCD. Generally, the directional program is as follows.

KOP-- 4,000' TVD Orientation-- 90 degrees

Curve-- 1.5-2.0 degrees/100'

Maximum angle-- 20-25 degrees

Total dcpth-- 5,900' TVD 6,015' TMD

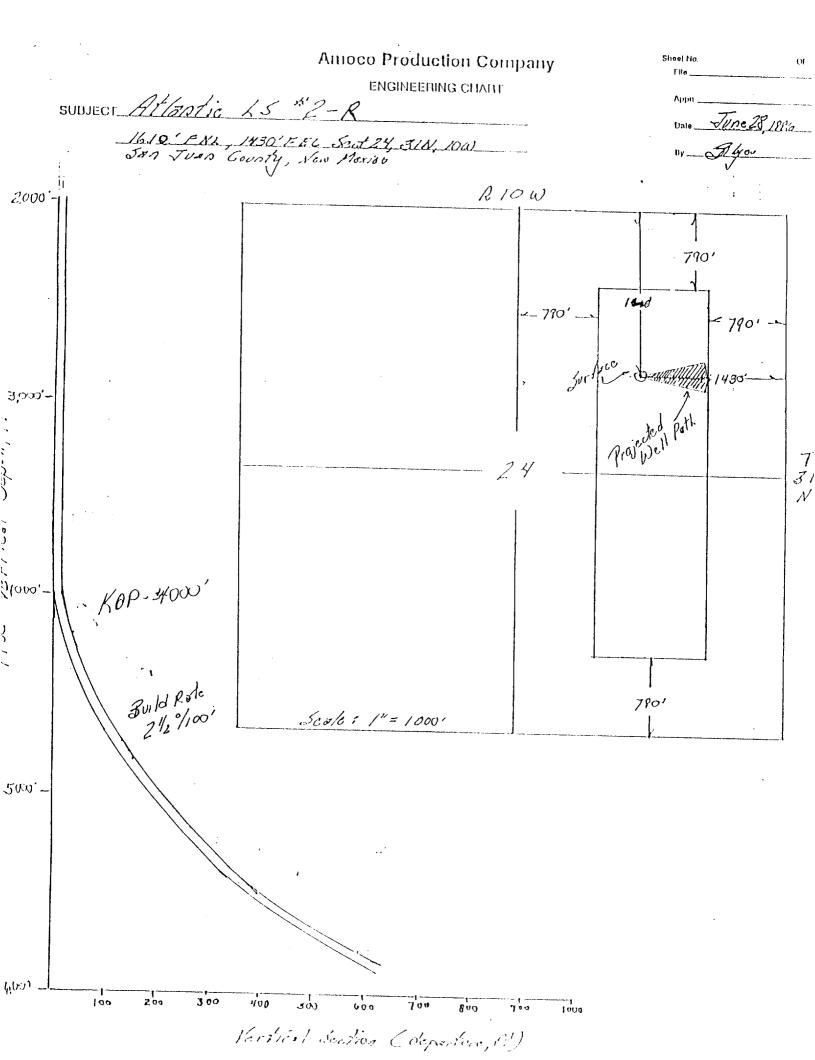
- 4. Lay down the 3.500" drill string, run 4.500" used easing using a marker joint at 1,000' from bottom. Utilize stand-off bands (4.625" x 6.000") every second joint on the lower 20 joints and every third joint thereafter up to 100' inside the 7.000" easing.
- 5. Cement per Halliburton recommendations. Utilize two wiper plugs (discuss w/ Howco-attempt to ensure that the cement is completely wiped from the casing to allow a rigless completion). This single stage job should bring cement at least 500' inside the 7.000" casing. Reciprocate the casing throughout the cement job, passing joints. Land casing in full tension. Run temperature survey 10-12 hours after bumping plug.

6. RDMORT.

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- 1. MIRU wireline unit. Run gauge ring to ensure clean casing. Tag for and report PBTD.
- 2. Run GR/CCL/TMD from TD' to 500' above to top of Cliffhouse. Fax log copy to Denver to select perforation intervals.
- 3. RU perforating equipment. Perforate PLO pay intervals using limited entry techniques. Perfintervals will be identified from TMD log. Utilize 3 1/8" HCP w/ 12.5 g charges (0.34" EHD, 13.13" Penetration).
- 4. Break down perforations using 2% Kcl water and 7/8" RCN balls w/ 1.1 SG. Recover balls with junk basket.
- 5. RU fracture stimulation equipment. Fracture stimulate PLO pay according to frac schedule A. Flowback well as soon as stimulation equipment is disconnected and moved off. Flow well back starting with 1/4" choke gradually increasing to 1/2" choke. Flow well back overnight or over weekend. Record flowing and shutin pressures, choke size, and liquid recoveries.
- 6. TIH w/ wireline and tag for fill. If sand fill is below next perf interval(s) then set wireline CIBP between MN and PLO. If sand fill is into MN section then a rig or CTU will be required to clean out fill prior to proceeding with completion.
- 7. Once CIBP is set, pressure test to ensure good seal.
- 8. RU perforating equipment. Perforate MN pay intervals using limited entry techniques. Perf intervals will be identified from TMD log. Utilize 3 1/8" HCP w/ 12.5 g charges (0.34" EHD, 13.13" Penetration).
- 9. Break down perforations using 2% Kcl water and 7/8" RCN balls w/ 1.1 SG. Recover balls with junk basket.
- 10. RU fracture stimulation equipment. Fracture stimulate MN pay according to frac schedule A. Flow back well as soon as stimulation equipment is disconnected and out of the way. Flow well back starting with 1/4" choke gradually increasing to 1/2" choke. Flow well back overnight or over weekend. Record flowing and shutin pressures, choke size, and liquid recoverios.
- 11. TIH w/ wireline and tag for fill. If sand fill is below next perf interval(s) then set wireline RBP between CH and MN. If sand fill is into CH section then a rig or CTU will be required to clean out fill prior to proceeding with completion.
- 12. Once RBP is set, pressure test to ensure good seal.
- 13. RU perforating equipment. Perforate CH pay intervals using limited entry techniques. Perfintervals will be identified from TMD log. Utilize 3 1/8" HCP w/ 12.5 g charges (0.34" EHD, 13.13" Penetration).
- 14. Break down perforations using 2% Kcl water and 7/8" RCN balls w/ 1.1 SG. Recover balls with junk basket.

- 15. RU fracture stimulation equipment. Fracture stimulate CH pay according to frac schedule A. Flow back well as soon as stimulation equipment is disconnected and out of the way. Flow well back starting with 1/4" choke gradually increasing to 1/2" choke. Flow well back overnight or over weekend. Record flowing and shutin pressures, choke size, and liquid recoveries.
- 16. MIRUSU. TIH w/ tubing x bit and scraper. Clean out fill to RBP. Pull RBP. Clean out MN interval. DO CIBP. Clean out to PBTD.
- 17. Land 2 3/8" production tubing. Set tbg at approximately mid-perf depth' (1/2 mule shoe on bottom w/ seating nipple one joint up). Final setting depth will be selected based on pay intervals from TMD log. Flow well to clean up. Swab well in if necessary. RDMOSU.
- 18. Obtain gas and water samples. SI well pending equipment hook up. Turn well over to production.



Amoco Production Company									
Atlantic LS									
1610' FNL, 1430' FEL									
Section 24G, T31N, R10W									
San Juan County, New Mexico									
Proposed	Directiona	l Program							
				,					
Meas'd	Survey		Depth	North	East	Vert'i.	Closure		
Depth	Incl.	Direct'n.	TVD	-South	-West	Section			Dogleg
0.00	0.00	90.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4000.00	0.00	90.00	4000.00	0.00	0.00	0.00	0.00	0.00	0.00
4100.00	2.00	90.00	4099.98	0.00	1.75	1.75	2.00	90.00	2.00
4200.00	4.50	90.00	4199.81	0.00	7.41	7.41	7.00	90.00	2.50
4300.00	7.00	90.00	4299.30	0.00	17.43	17.43	17.00	90.00	2.50
4400.00	9.50	90.00	4398.26	0.00	31.78	31.78	32.00	90.00	2.50
4500.00	12.00	90.00	4496.49	0.00	50.43	50.43	50.00	90.00	2.50
4600.00	14.50	90.00	4593.82	0.00	73.35	73.35	73.00	90.00	2.50
4700.00	17.00	90.00	4690.06	0.00	100.49	100.49	100.00	90.00	2.50
4800.00	19.50	90.00	4785.02	0.00	131.81	131.81	132.00	90.00	2.50
4900.00	22.00	90.00	4878.53	0.00	167.23	167.23	167.00	90.00	2.50
5000.00	24.50	90.00	4970.40	0.00	206.70	206.70	207.00	90.00	2.50
5100.00	25.00	90.00	5061.22	0.00	248.57	248.57	249.00	90.00	0.50
5200.00	25.00		5151.85	0.00	290.83		291.00		0.00
5300.00	25.00		5242.48	0.00	333.09	1	333.00	1	0.00
5400.00	25.00			0.00	375.35		375.00		0.00
5500.00	24.50		1	0.00	417.22		417.00		0.50
5600.00	24.00	·		0.00	1			·	
5700.00	23.00		5606.80	0.00	.1	498.17	498.00		1
5800.00	22.00		· · · · · · · · · · · · · · · · · · ·			·	1	I	
5900.00	21.00								
6000.00	20.00		.		1				1
6015.00	20.00	90.00	5899.99	0.00	613.23	613.23	613.00	90.00	0.00