

30-015-26575

## Well Summary

Navajo Refining Company (Navajo) contracted Subsurface Technology, Inc. (Subsurface), to prepare an application for permit and to reenter a plugged and abandoned (P&A) oil and gas well. The Application for Permit to Drill or Reenter and the Sundry Notices and Reports on Wells was submitted to the Department of the Interior, Bureau of Land Management (BLM), on June 29, 2006 and approved. The Application for Permit to Drill, Re-enter, Deepen, Plug Back, or add a Zone was submitted to the State of New Mexico Oil Conservation Commission (OCD) on June 29, 2006 and approved.

Subsurface prepared an engineering plan to reenter the P&A'ed oil and gas well formally owned by Mewbourne Oil Company. The original well name was Caulk Bluff Federal #1 (API number 30-015-26575), and a Change of Operator application was submitted to the OCD on December 5, 2000 and approved under the well name of WDW-3. Under contract to Navajo, Subsurface commenced field operations on September 25, 2006. The existing location was cleared and prepared for reentry operations. An earthen lined reserve pit was dug to catch returns. All depths unless stated are referenced to rig floor at six feet to seven feet above ground level. The rig floor was moved from six feet to seven feet after drilling out the cast iron bridge plugs.

A workover rig and reverse unit was placed on location and the existing wellhead was removed. The first cast iron bridge plug (CIBP) at 7010 feet was drilled and the perforated interval from 7050 feet to 7102 feet was squeezed off with neat cement and successfully pressured tested to six hundred eighty pounds per square inch gauge pressure (680 psig). The second and third CIBP at 7190 feet and 7279 feet was drilled. There appeared to be ten feet of cement on top of the third CIBP. The perforated interval from 7262 feet to 7278 feet and from 7304 feet to 7314 feet was squeezed with neat cement. The squeezed interval was pressure tested to 920 psig and would not hold. A second cement squeeze was performed across the perforated interval from 7262 feet to 7278 feet and from 7304 feet to 7314. The interval was pressured tested to 630 psig and continued to lose pressure at a rate of two pounds per square inch every thirty minutes (2 psi/30 min). The fourth CIBP at 7595 feet was drilled and at 7838 feet a cement plug was encountered and drilled through. Cement was tagged twenty nine (29) feet above the top of the liner at 9022 feet. The hole was circulated clean and prepared for logging.

A Cement Bond Log (CBL), Variable Density Log (VDL), caliper log, and temperature survey were performed. The CBL/VDL showed that the top of the cement (TOC) behind the 7-inch casing was located 900 feet from the surface. The OCD was notified and approved the existing well condition. The casing was perforated from 7660 feet to 8450 feet and from 8540 feet to 8620 feet at 2-JSPF on sixty degree (60°) phasing.

A packer was set at 7546 feet with 2 7/8-inch PH-6 tubing, the well was swabbed back and samples of the formation fluid were recovered. It was estimated that two hundred twenty six barrels (226 bbls) of formation fluid was returned to the surface. A pressure test on the annulus between the 7-inch and 2 7/8-inch was performed at 660 psig with the annulus losing pressure at a rate of 8 psi/hr.

An injection test was performed on the well down the 2 7/8-inch tubing with the annulus open to the bottom of the well. The open annulus will allow for the calculation of the bottom hole pressure while pumping down the 2 7/8-inch tubing with out the influence of tubing friction pressure on the bottom hole calculations. The injection rates were from two barrels per minute (2 bpm) to ten barrels per minute (10 bpm). From the data collected during the injection test it appears that the well will be able to accept an injection rate up to 10 bpm at the permitted pressure of 1550 psig with 4 1/2-inch, 11.6 pound per foot (11.6 lb/ft) tubing in the wellbore.

At the request of the OCD, Subsurface went back into the wellbore with a retrievable bridge plug (RBP) to test the casing and isolate any leaks to within 1000 feet. The RBP was set at 7550 feet and the packer was set at 6985 feet to isolate the squeezed interval from 7050 feet to 7314 feet. The squeezed interval was pressure tested to 490 psig and the annulus to 632 psig. The squeezed interval was losing pressure at a rate of 6 psi/hr and the annulus was gaining pressure due to thermal affects. The RBP was moved up the wellbore to 1255 feet and casing pressure tested to 569 psig. The casing above 1255 feet was losing pressure at a rate of 2 psi/hr. The casing leaks were isolated to the squeezed interval from 7050 feet to 7314 feet and in the interval from surface to 1255 feet. The OCD was called and approved the 300PSI sealing application to stop the casing leaks across the two intervals.

The 4 1/2-inch tubing was run into the wellbore and the Arrow X-1 packer was set at 7575.73 feet with 37,000 lbs of tension. Prior to running the 4 1/2-inch tubing a new Superior hanging spool was installed. Prior to setting the tubing packer, the annulus between the 4 1/2-inch tubing and the 7-inch casing was filled with inhibited brine, with the 300psi sealant across the squeezed perforations and across the upper section of the 7-inch casing. Once the packer was set and casing hung off in the spool a new Superior wellhead was installed and the P-seals were pressure tested to 3000 psig. After the wellhead was assembled the annulus was squeezed at 545 psig for four hours (4 hrs) as specified by the sealant manufacture representative on site. The annulus was then pressure tested to 480 psig overnight with no pressure loss. Workover rig was disassembled and moved off location with all associated equipment.

A 12 hr pump in and falloff test was performed down the 4 1/2-inch tubing. To maintain a surface injection pressure that was below the permitted pressure of 1550 psi the injection rate was lowered to 9 bpm at the end of the pump in procedure. The BHP gauge was placed at 8630 feet for 14 hrs to monitor BHP, when the gauge was pulled five minute (5 min) gradient stops were made every 1000 feet with the first stop at 7000 feet. The analysis of the data showed interference from the adjacent injection wells, which skewed the results for determination of the skin and possibly the permeability. The equipment used to perform the falloff testing was moved off location to prepare for mechanical integrity testing (MIT).

The MIT was performed and witnessed by the OCD. The MIT consisted of an annulus pressure test, and a radioactive tracer survey. The temperature survey was performed during the CBL/VDL logging event and will be used as a baseline for any future temperature surveys. The annulus pressure test was performed at 530 psia and lost 2.5 psi over a one hour period, which was within the OCD requirements of five percent (5%)

over a 30 min time interval. The radioactive tracer survey showed no signs of fluid flow out of the permitted interval above 7650 feet. The OCD witnessed the annular pressure test and the first half of the radioactive tracer survey.

The annulus monitoring system was installed and tested. The well was turned over to Navajo for injection.



**LOGGING  
SERVICES**

---

## **R/A TRACER LOG INTERPRETATION**

11/27/2006

**PLANT: NAVAJO REFINING CO.**

**C/O: SUBSURFACE TECHNOLOGY**

**WELL NAME: CHALK BLUFF FEDERAL # 1 WDW # 3**

***RE: Radioactive Tubing & Packer Survey ran on 11/18/2006***

A Pre Base Log was run from 9020' to 7350' to detect and record background gamma counts.

Iodine 131 was then ejected at a depth of 7375' and pumped down the tubing and into the permitted interval. Overlapping logging passes tracked the R/A tracer material as it moved down in the wellbore. The R/A material was seen traveling down the tubing, past the packer, and exiting the permitted injection interval.

The flow profile log was then repeated and this survey also showed R/A material going out into the permitted interval.

Two Stationary Time Drive surveys were run with the tool at 7640'. No indications of upward migration were recorded.

A Post Base log was then run from 9016' to 7342' and noted that all R/A material was flushed out of the wellbore into the permitted interval.

A handwritten signature in cursive script, appearing to read 'John Croce'.

John Croce