

December 31, 1991

Energy, Minerals and Natural Resources Department
Oil Conservation Division
Hobbs District Office
Post Office Box 1980
Hobbs, New Mexico 88241-1980

Attn: Mr. Jerry Sexton

Re: El Paso State #1-P
Sec. 8-6S-34E
Roosevelt County, New Mexico
Request to Plug

Gentlemen:

Attached is the daily drilling report of Bledsoe's workover attempt to pull tubing and repair collapsed casing in the El Paso State #1 together with pertinent correspondence reflecting alternatives regarding this well.

The attached drilling report indicates that the hole was loaded prior to workover operations and additional fluid was not added subsequently. It appears therefore, that this well does not take fluid on vacuum.

Respectfully,



Tom Conroy

TRC: dg
Attach.

El Paso State #1
Daily Drilling Report

5/08/90 MIRU double drum pulling unit.

5/09/90 RU wireline unit. TIH w/1.5" tools. Ran below collapsed spot w/no trouble. Hole was dry. Called for a water truck w/150 bbls water. Loaded hole. Tripped in w/1 11/16" tools to see if they would go through tight spot. Unable to get them through. TIH w/1.5" cutter. Set tbg. w/20,000 lbs. tension. Shot tbg. off at 3465. TOH. Laid down the cutting tool. Pulled tbg. out of hole & laid down. TIH w/3 9/16" broach w/6 drill collars. Swedged out csg. and tagged top of fish. POOH and PU 3 7/8 broach. TIH w/3 7/8 broach, collars and tbg. Ran through tight spot with no problem. POOH w/3 7/8 broach. PU overshot. TIH. Unable to catch fish. Shut down overnight.

Cost: \$8200.00 Cum. Cost: \$8200.00

5/10/90 TOH w/overshot. Guideshoe was smoothly crimped in at the bottom of it. Laid down overshot. TIH w/spear. Worked spear into tbg. and got a catch. PU 55 points. Pull and set jars off several times. Could get no pipe movement. Wore out the overshot dogs and probably got tbg. flared out. Could not go back in and get a good catch. Shut down.

Cost: \$1350. Cum. Cost: \$9550.00

5/10/90 (After reviewing expenses and projecting the addition costs decided against rigging up rev unit.) RU wireline unit and TIH to 7676' to cut tubing above TAC. Made a good cut from indications. TIH w/10' spear & jars. Caught fish and jarred for 1+ hrs. No movement. Released and worked spear out of fish. TOOH. Left grapples for 2 3/8" tbg. spear in hole. TIH open ended & swung tbg. Left 19' cut off joint and one single out of hole. SDON.

5/12/90 RD pulling unit. Shut well in.

April 4, 1990

To: All Working Interest Owners

Subject: El Paso-State Well No. 1
South Peterson Field
Roosevelt County, NM

Gentlemen:

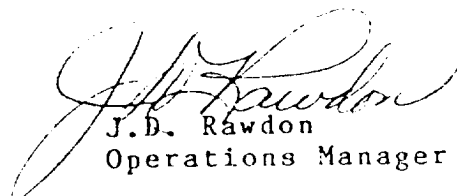
You previously received correspondence advising that we believed the casing had collapsed on the 2 3/8 inch tubing string in the subject well. This has been confirmed as best we could by running collar locator and sinker bars on wire line. We ran a 1 3/4" OD impression block to 3457 feet which showed collapsed tubing walls 180 degrees apart. A 1 11/16" OD block was run to 3457 feet and stopped while a 1 1/2" OD block was run to 3520 feet without problem.

After discussing the situation with each of you the general consensus appears to be to cut off the 2 3/8" tubing below the collapse point, jar the tubing out of the casing, and swage out the casing. We would then pull the remaining tubing and run back in the hole with the tubing, TAC, rods and pump. If the tubing is still open sufficiently to run through the tight spot and cut off, we should be able to roll or swage out the casing for \$17,500 to \$20,000 for a payout of 6 - 7 months.

Bledsoe is proposing this work with the understanding that should we encounter some unforeseen difficulties (greater expenses) then we will suspend operations and submit a plugging recommendation. We estimate there are 6,000 barrels of remaining barrels with their associated gas to be recovered.

If you concur with the proposal please sign the attached AFE and return with your proportionate share of the estimated cost. You will be furnished a copy of the daily workover report by mail at the address shown unless you advise otherwise. No work will commence until approvals and prepaids have been received.

Yours very truly,


J.D. Rawdon
Operations Manager

JDR:dg
Attach.

MEMORANDUM

TO: File

FROM: J.D. Rawdon

DATE: March 16, 1990

SUBJECT: El Paso State Well No. 1
Roosevelt County, New Mexico

On March 14, 1990 we moved in a wire line unit with portable mast to determine why we were unable to rerun the rods and pump. A 1 3/4" OD impression block was run in the tubing which hit an obstruction at 3457 feet. Upon examination it appeared the lead block had gone into the tight spot for approximately 1 1/4 inch. The block had been flattened on two sides (180 degrees apart). There were no markings on the bottom of the block. An attempt was then made to run a 1 11/16" block. This block again stopped at 3457 feet. A 1 1/2" OD sinker bar was run through the tight spot without problem. An attempt was then made to open up the tubing with a 1 11/16" round nose box. We were able to drive the box about three inches into the tight spot, but were unable to open the tubing.

Tubing collars were located at 3446 feet and 3478 feet. This places the collapsed section 11 feet from the upper collar and 21 feet from the lower collar on that joint of tubing. This collapsed section corresponds to a severe wash out from 3474 feet to 3490 feet. With present data we cannot determine the length of the collapsed portion of the tube.

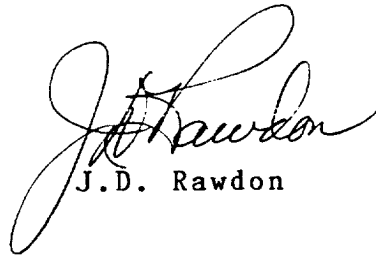
A prior attempt to pull the tubing was unsuccessful. Stretch calculations indicated the tubing string was stuck at approximately 3500 feet. The collar locator was also picking up a metal differential at 3457 feet. This concentration of metal indicates to me the locator is picking up the 4 1/2 inch casing which has collapsed onto the 2 3/8" tubing. The locator did not transmit signals over an extended interval which would lead me to believe we have a point type collapse rather than several feet.

There are three alternatives which will be investigated. Cost estimates and procedures will be prepared and reviewed in-house. These alternatives are:

1. Attempt to roll out the tubing and return to production.

Memo to File
March 16, 1990
Page 2

2. Cut off the tubing, roll out the casing and cement. (This investigation will include possibility of cutting off casing and rerunning with casing bowl.)
3. Plugging the well "as is".


J.D. Rawdon