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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease	
STATE <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Shipp 34	
2. Name of Operator Union Texas Petroleum Corporation		9. Well No. 4	
3. Address of Operator P.O. Box 2120, Houston, Tx. 77252-2120		10. Field and Pool, or Locality Knowels West (Drinkard)	
4. Location of Well UNIT LETTER <u>N</u> LOCATED <u>1980</u> FEET FROM THE <u>West</u> LINE <u>660</u> <u>South</u> <u>34</u> <u>16S</u> <u>37E</u> AND FEET FROM THE LINE OF SEC. TWP. RGE. NMPM		12. County Lea	
21. Elevations (Show whether in, RL, etc.) 3772		19A. Formation 8400 Drinkard	20. History or C.T.
21A. Kind & Section Plug, Bond Blanket		21B. Drilling Contractor Unknown	22. Approx. Date Work will start 10-15-88

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP

Rig up electric line truck with a pack-off.

- GIH with a CIBP and set at 11,250'.
- GIH with a dump bailer and dump 35' of cement on top of CIBP.
- Load the hole with clean fluid from the surface (hole will be empty).
- GIH with 4" hollow steel carrier perforating guns, 90° phasing, 1 jsfp and perforate the intervals listed below.

8,318' - 8,342'	24'	25 holes
8,394' - 8,438'	44'	45 holes
TOTAL: 8,318' - 8,438'	68'	70 holes

Correlate with Welx Density/Neutron Log dated 8/16/87
(Wedge CRC Correlation Log dated 9/8/87 is 5' high to openhole logs)

Corrected collar depths are: 8061', 8107', 8149', 8193', 8237'+, 8280',
8320', 8361', 8401', 8447', 8492'+, 8538'+

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

Signed Paul Kautz Title Reg. Permit Coord. Date 10-5-88

(This space for State Use)

Orig. Signed by
Paul Kautz
Geologist

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

007 11 1988

GIH with a treating packer on 2-7/8" production tubing to 8,438', hydrotesting tubing to 6,000 psig.

Acidize the Drinkard perforations 8,318'-8,438' with 8,950 gal of 15% NE-FE HCl *acid as follows:

- A. Spot 150 gal *acid from 8,438' to 8,284'.
- B. Pull packer uphole to 8,250' and set packer.
- C. Pressure up backside to 1000 psig.
- D. Pump 1,000 gal of *acid.
- E. Pump 2,400 gal of *acid, dropping 1 ball sealer every 1-1/2 bbl of acid (total of 36 balls, 7/8", 1.1 SG.)
- F. Pump 1,000 gal of *acid.
- G. Pump 4,400 gal *acid, dropping 1 ball sealer every 1-1/2 bbl of acid (total of 68 balls, 7/8", 1.1 SG). If ballout occurs, surge balls, then continue treatment.
- H. SI well for 1 hour.

Expected rate and pressure: 1-1/2 - 2 BPM at 3500 psig
Maximum rate and pressure: 3 BPM or 5000 psig

NOTE: If pressure limit is OK, try to treat at 3 BPM. If formation will not breakdown, re-spot acid and let soak. If necessary, soak overnight with 5000 psig.

Flow and/or swab well back reporting hourly fluid rate, oil cut, and fluid level. As directed, proceed with Step No. 9 or Step No. 14.

Release packer and POH, laying down packer.

GIH with a bull plugged mud anchor, perforated nipple, seating nipple, 6 jts of 2-7/8" tubing, tubing anchor, and 2-7/8" tubing to surface. Put SN at 8450'+/- and TA at 8250'+/-.

Remove BOP, set tubing anchor, and install wellhead.

GIH with an 1-1/4" pump, 235 3/4" rods, and 103 7/8" rods. Hang well on pumping 7 - 7-1/2 SPM in the 120" stroke hole. Maximum predicted downhole stroke is 107", and 80% production capacity is 115 BFPD. Use rods from the Shipp 34-2 as available.

* FLUID SPECIFICATIONS

8,950 Gal 15% HCl Acid

2 gpt Corrosion Inhibitor
10 gpt Citric Acid
2 gpt Non-Ionic NE Agent

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