

PHILLIPS PETROLEUM COMPANY

Odessa, Texas

January 31, 2001

Perf Grayburg and run Step Rate Test on LeaMex #7

PROCEDURE NO: 00001

CHARGE LEASE WORKOVER EXPENSE M.O. #

RECEIVED

FEB 14 2001

SWR REGULATORY DEPT.

To: D. T. Thorp
From: K.K. HARMI \ J.T. Lowder

A. IMPORTANCE OF SAFETY

Safe operations are of utmost importance at all Phillips Petroleum Company properties and facilities. To further this goal, the Phillips Supervisor at the location shall request tailgate safety meetings prior to initiation of work and also prior to any critical operations. These tailgate safety meetings shall be attended by all Company, contract, and service personnel then present at the location. All parties shall review proposed upcoming steps, procedures, and potentially hazardous situations. Occurrence of these meetings shall be recorded in the Daily Report.

B. History / Justification

This well has not been tested in the Grayburg formation. In order to inject sufficient rates in the Leamex lease, a step rate test is required to obtain the maximum allowable injection pressure.

The primary objective of the step rate test is to obtain the reservoir parting pressure in an unfractured Maljamar Grayburg zone.

C. Formation Properties:

1. Formation Properties

Estimated frac gradient = <0.7 psi/ft

Estimated BHP = <500 psi

BHT = 100°F

H2S Concentration = 700 ppm

ROE @ 100ppm = 4'

ROE @ 500ppm = 2'

D. Well Category:

One. This well is not capable of hydrocarbon flow. Class 1, 1000 psi Manual BOP is required. No choke manifold is to be used. **ONE BOP EXCEPTION:** One untested barrier - CIBP. _____ J. T. Lowder

E. Recommended Procedure

1. MIRU DDU. ND wellhead and NU shop tested class 1 BOP and environmental tray.
2. GIH W/ 2-3/8" WS and PKR set @ +/-4610'. Test CIBP and Casing to 1000 psi. (CIBP set @ 4675').
3. MIRU Halliburton Electric Line. Spot 350 gallons of 10% acetic acid. COOH w/2-3/8" WS and PKR.
4. NU 1000 psi shop tested lubricator. Run GR-CCL log and correlate with Schlumberger Gamma Ray-Neutron log dated 2/14/59.
5. RIH and perforate the following intervals using select fire gun W/ 2SPF (122 holes)
4375-4383 (16 holes)
4412-4423 (22 holes)