

District I - (505) 393-6161

1625 N. French Dr

Hobbs, NM 88240

District II - (505) 748-1283

811 S. First

Artesia, NM 88210

District III - (505) 334-6178

1000 Rio Brazos Road

Aztec, NM 87410

District IV - (505) 476-3440

1220 S. St. Francis Dr.

Santa Fe, NM 87505

New Mexico

Energy Minerals and Natural Resources Department

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

(505) 476-3440

Form C-139

Revised 06/99

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TO APPROPRIATE
DISTRICT OFFICE**

APPLICATION FOR PRODUCTION RESTORATION PROJECT

4/25 #0666

I. Operator and Well:

Operator name & address E.G.L. Resources, Inc. P.O. Box 10886 Midland, TX 79702						OGRID Number 173413		
Contact Party John A. Langhoff						Phone (915) 687-6560		
Property Name New Mexico "E" Federal Com.					Well Number 1	API Number 30-025-25534		
UL 16	Section 5	Township 21-S	Range 32-E	Feet From The 3,300	North/South Line South	Feet From The 660	East/West Line East	County Lea

II. Pool and Production Restoration:

Previous Producing Pool(s) (If change in Pools): South Salt Lake Morrow (Gas) (Same as current)	
Date Production Restoration started: September 6, 2000	Date Well Returned to Production: September 23, 2000
Describe the process used to return the well to production (Attach additional information if necessary): Fracture Stimulation and installation of gas lift system (See attached wellwork history)	

III. Identify the period and Division records which show the Well had thirty (30) days or less production for the twenty-four consecutive months prior to restoring production:

Records Showing Well produced less than 30 days during 24 month period: <input type="checkbox"/> Well file record showing that well was plugged <input checked="" type="checkbox"/> ONGARD production data <input type="checkbox"/> OCD Form C-115 (Operator's Monthly Report)	Month/Year (Beginning of 24 month period): September 1998 Month/Year (End of 24 month period): August 2000
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IV. Affidavit:

State of <u>Texas</u>)) ss. County of <u>Midland</u>) <u>John A. Langhoff</u> , being first duly sworn, upon oath states: 1. I am the Operator, or authorized representative of the Operator, of the above-referenced Well. 2. I have personal knowledge of the facts contained in this Application. 3. To the best of my knowledge, this application is complete and correct. Signature <u>John A. Langhoff</u> Title <u>Petroleum Engineer</u> Date <u>April 18, 2001</u> SUBSCRIBED AND SWORN TO before me this <u>18-th</u> day of <u>April</u> , 2001. My Commission expires: <u>April 22, 2003</u>			Notary Public <u>Michael Newman</u> MICHAEL NEWMAN MY COMMISSION EXPIRES April 22, 2003		
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FOR OIL CONSERVATION DIVISION USE ONLY:

V. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a Production Restoration Project. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that production was restored on: 9/23/2000

Signature District Supervisor <u>[Signature]</u>	OCD District <u>1</u>	Date <u>4/26/2001</u>
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VI. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: _____

E.G.L. Resources, Inc.

New Mexico "E" Federal Com. No. 1

3,300' FSL & 660' FEL, Sec. 5, Twp. 21-S, Rge. 32-E, Lea Co., New Mexico

Initiated Workover to Restore Production: September 6, 2000

1. RU slick line unit. RIH w/ 1-1/2" sinker bars and tag PBTD at 14,251'. POOH. RD slick line unit.
2. Load csg w/ 150 bbls 2% KCl water and test to 2,500 psig. Held good. Test deadman anchors.
3. MIRU workover unit. ND wellhead. NU BOP.
4. Load tbg w/ 2% KCl water and establish injection rate down tbg into Morrow perms 13,908' - 14' and 13,940' - 60' at 0.8 BPM at 3,000 psig.
5. Attempt to release seal assembly from Otis pkr @ 13,760'. POOH w/ tbg. Tbg backed off while trying to release seal assembly. RIH w/ tbg and screw back in. Release seal assembly and POOH standing back 2-7/8" tbg.
6. RIH w/ seal assembly hydrotesting tbg to 9,000 psig while RIH.
7. Sting into pkr. ND BOP. NU wellhead.
8. Load csg w/ 33 bbls 2% KCl wtr. Install tree saver and flow back equipment. RD workover unit September 13, 2000.
9. RU Schlumberger and Flo-CO2 pumping equipment. Pressure casing to 2,000 psi. Fracture stimulate Morrow formation perforations 13,908' - 14' and 13,940' - 60' with 1,000 gals. 7-1/2% HCl, 7,500 gals. gelled pad, and 6,250 gals proppant laden fluid carrying 33,100 pounds 20/40 bauxite. All fluids energized with 50% CO2. Avg pressure: 7,302 psi, Max pressure: 10,419 psi, Avg rate: 10.2 bpm, Max rate: 20.9 bpm. ISIP: 4926 psi, 5 min. SIP: 3767 psi, 10 min SIP: 3378 psi. Rig down frac equipment off wellhead and NU flowback equipment. SITP = 640 psi @ 9:40 pm. Open well & flow well to pit unloading water on 20 to 25/64 th's choke until well died.
10. RU swab unit September 18, 2000. Swab Morrow perms 13,908' - 14' and 13,940' - 60' for six days recovering frac fluid. Gas shows getting stronger during swabbing operations. RD swab unit September 23, 2000 and place well on production to sales line.
11. Well produced to sales line from September 23, 2000 through November 20, 2000 when it loaded up and died. Swabbed well on November 20, 2000 but could not get well unloaded to produce at sufficient rate to stay unloaded.
12. MIRU workover unit November 21, 2000. ND wellhead. NU BOP. Set blanking plug in On-Off tool. Release from On-Off tool. Swab down tbg and csg to 10,000'. POOH w/ tbg. RIH w/ tbg installing gas lift valves. Engage On-Off tool. ND BOP. NU wellhead. Pull blanking plug. RD workover unit November 22, 2000.
13. Install compressor for gas lift operations December 18 and 19, 2000. Kick well off on gas lift.

Workover and Production Restoration Project complete December 19, 2000.

New Mexico "E" Federal Com. No. 1 Daily Production History

