



Andrews, David

From: Andrews, David
Sent: Tuesday, August 24, 2010 4:18 PM
To: 'Neil Allen'
Cc: Brad Robinson; Phil D. Nicoll; Patty Johnson; Lee Fyock; Tom Gill; Kevin Swisher; King, Kevin; Krabacher, Jay
Subject: RE: Deadman Gulch Unit Hotchkiss Federal 1289 #20-12D 9 5/8" intermediate casing and cementing
Attachments: PermitChanges-20080613.pdf

Neil,

It appears to me that you have adequate isolation of gas bearing zones in the Williams Fork and Iles Formations. I would still like to see the bond log under pressure, if you run it. According to COGCC's records, this well has federal minerals. Provided that BLM concurs, you are OK to drill out the intermediate shoe.

Your most recently approved change of drilling plans (Sundry Notice approved on 5/25/2010, COGCC Document No. 2054344) proposed surface casing and intermediate casing setting depths of 800' and 3550', respectively. According to your daily drilling reports, surface casing and intermediate casing were set at depths of 731' and 3143', respectively. Intermediate casing was originally approved at a depth of 2500' on the Application for Permit to Drill. Therefore, I am not too concerned with the intermediate casing setting depth change from 3550' to 3143'. However, the surface casing depth change from 800' to 731' requires prior approval on a Sundry Notice (see attached policy). Consider this email an after-the-fact approval for the surface casing depth change. COGCC staff may consider enforcement in the future if Gunnison Energy Corporation fails to seek required approvals.

Thanks,

David D. Andrews, P.E., P.G.
Engineering Supervisor - Western Colorado

State of Colorado
Oil and Gas Conservation Commission
707 Wapiti Court, Suite 204
Rifle, Colorado 81650
Office Phone: (970) 625-2497 Ext. 1
Cell Phone: (970) 456-5262
Fax: (970) 625-5682
E-mail: David.Andrews@state.co.us
Website: <http://www.colorado.gov/cogcc>

CC: COGCC Well File, API No. 05-051-06082

From: Neil Allen [mailto:Neil.Allen@OXBOW.COM]
Sent: Tuesday, August 24, 2010 3:20 PM
To: Andrews, David
Cc: Brad Robinson; Phil D. Nicoll; Patty Johnson; Lee Fyock; Tom Gill; TCF Services, Inc.; Kevin Swisher
Subject: Deadman Gulch Unit Hotchkiss Federal 1289 #20-12D 9 5/8" intermediate casing and cementing

David, please be advised that Gunnison ran 9 5/8" 40# N-80 casing and landed at 3143' on 8/20/10. It was also cemented on 8/20/10. Copies of the morning reports for 8/20-21/10 are included. As reported on the 8/21/10 report, the first stage of 15.8#/gal cement was pumped through the shoe. A packer was then inflated at 3003', followed by the opening of a DV tool directly above the packer and the second stage of cement was pumped consisting of a lead slurry of 12.3 #/gal and followed by 15.8 #/gal tail cement. The first DV tool was closed. A second packer was inflated at 2181', followed by the opening of a 2nd DV tool directly above the second packer and the third stage of cement was pumped consisting of 14 #/gal cement. The second DV tool was closed.

Thirty barrels of the 3rd stage cement was circulated to surface and it held at the surface. Cement had to be chipped away to set the slips.

I have included copies of the BJ cement design and also the casing tally.

Today we ran a bond log without pressure and that bond log is attached. We plan to run a second bond log under pressure today. If that is successful I will forward it as well.

Since we circulated cement on the 3rd stage and we expect that the overall bond may improve over time and we have good bond near the bottom of the 9 5/8" casing we plan to drill out and continue our drilling program to the planned depth of 7450'.

Thanks,

Neil Allen
Operations Manager
Gunnison Energy Corporation
303-324-8855