

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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|---|
| WELL API NO. <u>30-031-05576</u> |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name <u>Hospiat sand Unit</u> |
| 8. Well No. <u>67</u> |
| 9. Pool name or Wildcat <u>Hospiat upper sand</u> |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) <u>6919 GL.</u> |

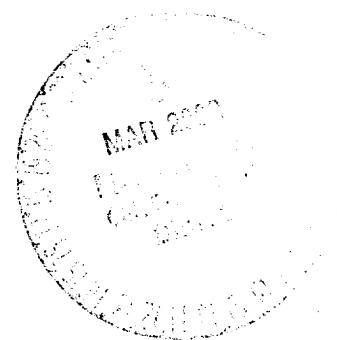
SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

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|---|
| 1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> <u>WIW</u> |
| 2. Name of Operator <u>BCED Operating, Inc.</u> |
| 3. Address of Operator <u>P.O. Box 1639, Hobbs, NM 88241</u> |
| 4. Well Location Unit Letter <u>H</u> : <u>2070</u> Feet From The <u>NORTH</u> Line and <u>1590</u> Feet From The <u>East</u> Line Section <u>1</u> Township <u>17N</u> Range <u>9W</u> NMPM <u>McKinley</u> County <u></u> |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) <u>6919 GL.</u> |

| | |
|---|---|
| 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data | |
| NOTICE OF INTENTION TO: | SUBSEQUENT REPORT OF: |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> |
| OTHER: <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| | CASING TEST AND CEMENT JOB <input type="checkbox"/> |
| | OTHER: <input type="checkbox"/> |

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Please see Attachment



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

SIGNATURE Donnie Hill TITLE President DATE 3/10/02
TYPE OR PRINT NAME Donnie Hill TELEPHONE NO. 505-397-3972

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

HOSPAH SAND UNIT # 67
30-031-05576
SEC.1,T17N,R9W
MCKINLEY,NM

PROPOSED P&A PROCEDURE

9 3/4" HOLE @ 83'

7'' CSG. @ 83' (CIRCULATED)

6 1/4" HOLE @ 83'-1636'

4 1/2" CSG. @ 1634' W/ 50 SXS. (TOC @ 959')

PERFS. @ 1552'- 1560'
1563'- 1570'

PBTD @ 1604'

| | | | |
|-------|---------------|---|---------|
| TOPS: | MENEFEE | @ | SURFACE |
| | POINT LOOKOUT | @ | 380' |
| | MANCOS | @ | 600' |
| | GALLUP | @ | 1540' |

HSU # 67
PROPOSED P&A PROCEDURE

** PREPARE LOCATION

- ** MIRU P&A EQUIPMENT, POH W/ PRODUCTION EQUIPMENT ,TIH W/ 2 7/8" TBG. TO 1604', LOAD CSG. W/ WATER AND CIRCULATE HOLE CLEAN, MIX AND PUMP 50 SXS. CLASS "B" CMT. AND SPOT BALANCED PLUG AT 1000' TO 1604', POOH W/ TBG., SECURE WELL, WOC OVER NIGHT.
- ** CREW TO LOCATION, CONDUCT SAFETY MEETING, TIH W/ TBG. TAG TOC @ 1000', IF TOC MEETS NMOCD REQUIREMENTS PROCEED TO PROCEDURE "A", IF TOC DOES NOT MEET NMOCD REQUIREMENTS PROCEED TO PROCEDURE "B".

PROCEDURE "A"

- ** PRESSURE TEST CSG. TO 500 PSIG TO ASCERTAIN MECHANICAL INTEGRITY OF CSG., POOH W/ TBG., MIRU WIRELINE TRUCK PERFORATE CSG. @ 480', RIG DOWN WIRELINE TRUCK
- ** ESTABLISH RATE INTO PERFS @ 480' AND CIRCULATE OUT BRADEN HEAD UNTIL WATER CLEANS UP, MIX AND PUMP SUFFICIENT CMT. VOLUME TO FILL 4 1/2" CSG FROM SURFACE TO 480' AND CIRCULATE OUT BRADEN HEAD FILLING ANNULUS BETWEEN 4 1/2" x 7" FROM 480' TO SURFACE. (APP. 80 SXS.)
- ** RIG DOWN P&A EQUIPMENT, ASCERTAIN HOLE TO BE STABLE, TOP OFF CSG. IF NECESSARY, INSTALL P&A MARKER, MOVE ALL EQUIPMENT
- ** RESTORE LOCATION

PROCEDURE "B"

- ** MIX AND PUMP SUFFICIENT CMT. VOLUME TO ESTABLISH A SATISFACTORY TOC, CMT. WILL BE PUMP VIA TBG. AND A BALANCED PLUG WILL BE ACHIEVED, POOH W/ TBG, WOC
- ** TIH W/ TBG. TAG TOC AND IF THE TOC MEETS NMOCD REQUIREMENTS PROCEED TO PROCEDURE "A".