

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

WELL API NO. <u>30-031-67030</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>HOSPAN sand unit</u>
8. Well No. <u>71</u>
9. Pool name or Wildcat <u>HOSPAN UPPER sand</u>
10. Elevation (Show whether DF, RKB, RT, GR, etc.) <u>7030' GL</u>

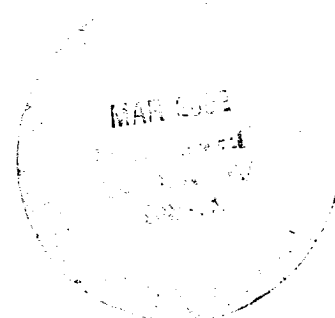
SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator <u>BCED OPERATING, INC.</u>
3. Address of Operator <u>P.O. Box 1680, Hobbs, NM 88241</u>
4. Well Location Unit Letter <u>N</u> : <u>1310</u> Feet From The <u>SOUTH</u> Line and <u>2000</u> Feet From The <u>WEST</u> Line Section <u>36</u> Township <u>18N</u> Range <u>9W</u> NMPM <u>McKinley</u> County

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
TYPE OR PRINT NAME Donnie Hill

DATE 3/15/02
TELEPHONE NO. 505/397-3912

(This space for State Use)

APPROVED BY CHARLES T. PETOWN

RECEIVED BY RECEIVED

MAR 25 2002

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

HOSPAH SAND UNIT # 71
30-031-07030
SEC. 36, T18N, R9W
MCKINLEY, NM

PROPOSED P&A PROCEDURE

9 3/4" HOLE @ 75'

7" CSG. @ 75'

(CIRCULATED)

6 1/4" HOLE @ 75'-1787'

4 1/2" CSG. @ 1786' W/ 35 SXS.

(TOC @ 1158')

PERFS. @ 1667'- 1705'

TOPS:	MENEFEE	@	SURFACE
	POINT LOOKOUT	@	470'
	MANCOS	@	700'
	GALLUP	@	1665'

HSU # 71
PROPOSED P&A PROCEDURE

**** PREPARE LOCATION**

- ** MIRU P&A EQUIPMENT, POH W/ PRODUCTION EQUIPMENT ,TIH W/ 2 7/8" TBG. TO 1705', LOAD CSG. W/ WATER AND CIRCULATE HOLE CLEAN, MIX AND PUMP 55 SXS. CLASS "B" CMT. AND SPOT BALANCED PLUG AT 1000' TO 1705', 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. @ ~~500'~~ 520', RIG DOWN WIRELINE TRUCK**
- ** ESTABLISH RATE INTO PERFS @ ~~500'~~ 520' AND CIRCULATE OUT BRADEN HEAD UNTIL WATER CLEANS UP, MIX AND PUMP SUFFICIENT CMT. VOLUME TO FILL 4 1/2" CSG FROM SURFACE TO 520' AND CIRCULATE OUT BRADEN HEAD FILLING ANNULUS BETWEEN 4 1/2" x 7" FROM ~~500'~~ 520' TO SURFACE. (APP. 82 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".