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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. LG 3748	
7. Unit Agreement Name	
8. Farm or Lease Name State H	
9. Well No. 4	
10. Field and Pool, or Wildcat Undesignated Graneros Lybrook Gallup	
12. County Rio Arriba	

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.)

OIL WELL ☒ GAS WELL ☐ OTHER ☐

Name of Operator
BCO, Inc.

Address of Operator
135 Grant, Santa Fe, New Mexico 87501

Location of Well
UNIT LETTER D 970 FEET FROM THE North LINE AND 910 FEET FROM
THE West LINE, SECTION 2 TOWNSHIP 23N RANGE 7W NMPM.

15. Elevation (Show whether DF, RT, GR, etc.)
6904 GR

6. 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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER Complete Gallup <input checked="" type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

7. 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.

Intend to set BP above 6272. Intend to selectively perforate Gallup, test cement job with straddle packer and, if cement is good, sand water frac Gallup, remove bridge plug and place well back into production in the Lybrook Gallup and Undesignated Graneros. Co-mingling approved by order # R-6719, copy of which is attached.

If cement over Gallup is determined to be bad with straddle packer test, we will squeeze Gallup, drill out and follow procedure outlined in above paragraph.

Above verbally approved by Frank Chavez 8-6-81.



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

SIGNED Harry R. Boyle TITLE President DATE August 6, 1981

APPROVED BY Original Signed by FRANK T. CHAVEZ TITLE SUPERVISOR DISTRICT # 3 DATE AUG 7 - 1981

CONDITIONS OF APPROVAL, IF ANY:

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7279
Order No. R-6719

APPLICATION OF BCO, INC. FOR
DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

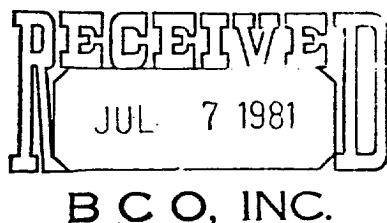
BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 17, 1981,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 1st day of July, 1981, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

- (1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.
- (2) That the applicant, BCO, Inc., is the owner and operator
of the Dunn Well No. 3 located in Unit I of Section 3 and State
H Wells Nos. 3 and 4, located in Units M and D, respectively,
of Section 2, Township 23 North, Range 7 West, NMPM, Rio Arriba
County, New Mexico.
- (3) That the applicant seeks authority to commingle
Lybrook-Gallup and Basin-Dakota production within the wellbores
of the above-described wells.
- (4) That from the Basin-Dakota zone, the subject wells
are capable of low marginal production only.
- (5) That from the Lybrook-Gallup zone, the subject wells
are expected to be capable of low marginal production only.



(6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the wells are not shut-in for an extended period.

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject wells are shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, BCO, Inc., is hereby authorized to commingle Lybrook-Gallup and Basin-Dakota production within the wellbores of the Dunn Well No. 3 located in Unit I of Section 3 and State Wells Nos. 3 and 4, located in Units M and D, respectively, of Section 2, Township 23 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in each of the subject wells.

(3) That the operator of the subject wells shall immediately notify the Division's Aztec district office any time the wells have been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Case No. 7279
Order No. R-6715

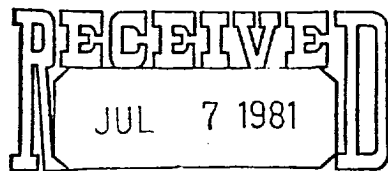
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/



B C O, INC.