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OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. LG3748

1. SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PURPOSES.)		RECEIVED SEP 24 1987 OIL CON. DIV DIST. 3	7. Unit Agreement Name
2. Name of Operator BCO, INC.	8. Form or Lease Name State H		
3. Address of Operator 135 Grant, Santa Fe, N.M. 87501		9. Well No. 6	
4. Location of Well UNIT LETTER <u>I</u> <u>2300</u> FEET FROM THE <u>South</u> LINE AND <u>950</u> FEET FROM THE <u>East</u> LINE, SECTION <u>2</u> TOWNSHIP <u>23N</u> RANGE <u>7W</u> WPM.		10. Field and Pool, or Wildcat Undesignated Graneros Lybrook Gallup	
15. Elevation (Show whether DF, RT, GR, etc.) 6850 GR		12. County Rio Arriba	

16. 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"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER <input type="checkbox"/>	OTHER <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	Perforate, frac, place in production <input checked="" type="checkbox"/>

17. 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.

September 8, 1987 Ran 2-3/8" in hole. Tagged cement at 4388'. Drilled cement.

September 9, 1987 Drilled cement to 6291' which is PBTD. Rolled hole with KCL. Ran Cement Bond Log with Gamma Ray from 6000-6284, 4800-5598, 4400-4598. Bluejet will mail a copy of the log to the OCD. Determined top of first stage cement at 4990. Pressure tested casing at 2500 lbs. Perforated with one .39" shot at 6232', 6236', 6244', 6248', 6252', 6256' and 6277'.

September 10, 1987 Spotted 750 gallons of 15% double inhibited HCL acid. Attempted to break down perforations. Discovered packer was not holding.

September 11, 1987 Replaced packer. Tested tools. Spotted 500 gallons of 7½% double inhibited HCL acid. Broke down perforations with a straddle packer.

September 14, 1987 Treated 33,000 gallons of water with 165 gallons TRI-S, 32 gallons of 3N, 5600 lbs of KCL, 32 gallons LP55 scalecheck, 650 lbs WG-11, 100 lbs HYG-3 200 lbs K-34 and 20 lbs GBW-30.

(Continued)

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

SIGNED Elizabeth B. Keesha TITLE Vice President DATE September 22, 1987

Original Signed by FRANK T. CHAVEZ

SUPERVISOR DISTRICT 3

SEP 24 1987

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

Operator: BCO, Inc.
135 Grant Ave.
Santa Fe, N.M. 87501

SUNDRY NOTICES AND REPORTS ON WELLS

Lease No: LG 3748
State H-6
Undesignated Graneros/Lybrook Gallup
Page Two

September 14, 1987 Sand water foam fracked (70%) 6232'-6277' with 110,000 gallons of foam, 150,000 lbs 20-40 sand and 2,250,000 standard cubic feet of nitrogen. Average treating pressure 4930 lbs at 24 foam bbls/minute. ISIP 4000, 5 min. 3570, 10 min. 3450, 15 min. 3370.

Left well flowing overnight. Put to frac tank when quit making sand.

September 15, 1987 Set bridge plug at 5532' with wireline. Filled hole with KCL. Pressure tested to 2500'. Perforated at 5364, 5448 and 5465 with one .32" shot. Perforated at 5276, 5281, 5286, 5395, 5400, 5410 with one .39" shot. Went in hole with straddle packer. Hit sand at 5424'. Came out of hole with packer. Went in with bit to clean out sand. Cleaned out sand to 5507'. Came out of hole with tubing.

September 16, 1987 Went in with straddle packers. Spotted 1500 gallons 7½% double inhibited HCL acid. Broke down perforations.

Treated 47,000 gallons of water with 235 gallons TRI-S, 100 gallons of 3N, 2800 lbs of KCL, 50 gallons LP55 scalecheck, 1050 lbs WG-11, 150 lbs HYG-3 150 lbs K-34, and 30 lbs GBW-30.

Sand water foam fracked (70%) 5275'-5465' with 156,000 gallons of foam, 280,000 lbs 20-40 sand, and 2,791,180 standard cubic feet of nitrogen. Average treating pressure 3500 lbs at 25-32 foam bbls per minute. ISIP 2400, 5 min. 2170, 10 min. 2130, 15 min. 2090.

September 17, 1987 Went in hole with retrieving head. Cleaned out 30' of sand and got bridge plug. Released bridge plug and Graneros came in. Let flow for hour. Came out with bridge plug. Went in hole with notched collar and seat nipple. Tagged sand at 6252'. Cleaned out to 6291'. Landed 2-3/8" tubing at 6254'. Put 900 lbs pressure on backside with nitrogen. Set on 16/64 choke to tank. Well did not kick off.

September 18, 1987 Swabbed well. Rigged down. Placed well in production to clean up.

September 22, 1987 Potentialled Graneros at 28 BOPD, 56 MCF gas and 1 barrel recovered frac water. Potentialled Gallup at 82 BOPD, 595 MCF gas and 4 barrels recovered frac water. Well flowing on 20/64ths choke. Will start selling gas when well stops making nitrogen.