

OIL CONSERVATION DIVISION

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-78

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OCT 23 1987

OIL CON. DIV. 1

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. V-2258
7. Unit Agreement Name
8. Farm or Lease Name State J
9. Well No. 1
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 RESERVOIR.  
USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	2. Name of Operator BCO, INC.	3. Address of Operator 135 Grant, Santa Fe, N.M. 87501	4. Location of Well UNIT LETTER A 540 FEET FROM THE North LINE AND 820 FEET FROM THE East LINE, SECTION 16 TOWNSHIP 23N RANGE 7W NMPM.	15. Elevation (Show whether DF, RT, GR, etc.) 7210 GR
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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"/>	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 <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER 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.

October 5, 1987 Tagged cement at 4608'. Tagged DV tool at 4788'. Drilled out DV tool. Tagged cement at 6317'.

October 6, 1987 Drilled 100 feet. Lost cones on bit. Went in hole with globe basket and recovered three cones from bit, bearings, and pieces of the float collar plug.

October 7, 1987 Drilled out cement to 6534' which is PBTD. Welex ran Acoustic Cement Bond Log from 4650-6534'. Welex will mail a copy of the log to the OCD. Pressure tested at 3000 lbs. Held. Determined top of first stage cement is 4970'. Welex perforated with one .39" shot at 6454, 6458, 6462, 6466, 6470, 6482, and 6486.

October 8, 1987 Went in hole with straddle packers. Spotted 1500 gallons 7½% double inhibited HCL acid. Broke down each perforation individually. Swabbed well dry.

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

SIGNED Elizabeth B. Keeshan TITLE Vice President DATE October 21, 1987

APPROVED BY Original Signed by FRANK T. CHAVEZ TITLE SUPERVISOR DISTRICT 8 DATE OCT 23 1987

CONDITIONS OF APPROVAL, IF ANY:

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

SUNDRY NOTICES AND REPORTS ON WELLS

Lease No: V-2258  
State J-1  
Undesignated Graneros/Lybrook Gallup  
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October 12, 1987 Treated 33,000 gallons of water with 165 gallons TRI-S; 66 gallons of 3N, 8400 lbs of KCL, 33 gallons LP55 scalecheck, 650 lbs WG-11, 80 lbs HYG-3, 80 lbs K-34, and 20 lbs GBW-30. Sand water foam fracked (70%) 6454'-6486' with 104,927 gallons of foam, 180,000 lbs 20-40 sand, 2,325,064 standard cubic feet of nitrogen. Average treating pressure 4900 lbs at 29 foam bbls per minute, ISIP 3700, 5 min 3220, 10 min 3130, 15 min 3120. After one and a half hours, opened well to blow back frac.

October 13, 1987 Well flowing to tank. Killed well. On a wireline Welex set retrievable bridge plug at 5740'. Pressure tested plug and held. Welex perforated with one .39" holes at 5326; 5470; 5476; 5482; 5582; 5586; 5608; 5634; 5650; 5676, 5706. Started in hole with straddle packers. Spotted 1500 gallons 7½% double inhibited HCL acid. Broke down each perforation individually.

October 14, 1987 Treated 62,000 gallons of water with 300 gallons TRI-S, 125 gallons of 3N, 14,000 lbs of KCL, 62 gallons LP55 scalecheck, 1250 lbs WG-11, 160 lbs HYG-3, 160 lbs K-34, and 30 lbs GBW-30, and 60 lbs SP Breaker. Sand water foam fracked (70%) 5326'-5706' with 192,550 gallons of foam, 376,000 lbs 20-40 sand, and 3,841,125 standard cubic feet of nitrogen. Average treating pressure 3900 lbs at 40 foam bbls per minute. ISIP 2400; 5 min. 2120; 10 min. 2100; 15 min. 2100. Opened well to flow back frac after one and a half hours.

October 15, 1987 Flowing to tank. Went in with retrieving head. Tagged sand at 5710'. Cleaned out to bridge plug at 5740'. Came out of hole with bridge plug. Went in with expandable check. Tagged sand at 6440'. Pulled up.

October 16, 1987 Tagged sand at 6465'. Cleaned out to 6534'. Landed tubing at 6465'. Pumped out expandable check. Well kicked off. Put well in production.

October 19, 1987 Released rig. Tripped piston to clean out parrafin. Well flowing.

October 21, 1987 Determined initial potential of Graneros is 7 barrels of oil and 217 MCF of gas with 5 barrels of recovered frac water. Determined initial potential of Gallup is 15 barrels of oil and 465 MCF of gas with 17 barrels of recovered frac water. During 24 hour test period well was operated on 24/64th choke with 665 pounds casing pressure and 410 pounds stabilized flow pressure on the tubing.