

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. 30-039-25350
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-2258
7. Lease Name or Unit Agreement Name STATE J
8. Well No. 8
9. Pool name or Wildcat LYBROOK GALLUP

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"/>	RECEIVED MAY - 2 1994 OIL CON. DIV. DIST. 3
2. Name of Operator BCO, INC.	
3. Address of Operator 135 GRANT, SANTA FE, NM 87501	
4. Well Location Unit Letter <u>I</u> : <u>2240</u> Feet From The <u>SOUTH</u> Line and <u>400</u> Feet From The <u>EAST</u> Line Section <u>16</u> Township <u>23N</u> Range <u>7W</u> NMPM <u>RIO ARRIBA</u> County	

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 7275' GR
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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"/>	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 JOB <input type="checkbox"/>	OTHER: <u>Complete & place in production</u> <input checked="" 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.

3/07/94 . Went in hole with a bit and tubing, tagged cement at 5728' and drilled 52' of cement with power swivel to PBTD. PBTD is 5780'.

3/09/94 Schlumberger ran cased hole gamma ray log from TD to surface. Cased hole compensated Neutron and CBL were run over selected intervals. Schlumberger provided copies to Oil Conservation Division & Bureau of Land Management. Loggers TD is 5780'.

4/6/94 Cementers, Inc. pressure tested 4 1/2" long-string casing at 4000 pounds for 30 minutes. Casing held pressure.

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

SIGNATURE James P. Bennett TITLE Ofc Mgr DATE 4/29/1994
TYPE OR PRINT NAME JAMES P. BENNETT TELEPHONE NO. 983-1228

(This space for State Use)

APPROVED BY Original Signed by CHARLES GHULSON DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE MAY - 2 1994

CONDITIONS OF APPROVAL, IF ANY:

Operator: BCO, Inc.
135 Grant
Santa Fe, NM 87501

SUNDRY NOTICE & REPORTS ON WELLS

**PAGE TWO
STATE J #8**

4/18/94 Schlumberger perforated with one 0.39" select fire shot at 5520, 5524, 5528, 5636, 5638, 5654, 5728 and 5732.

4/20/94 Rigged up completion rig.

4/22/94 Went in hole with Halliburton Straddle Packer and 2 3/8" tubing, pickled tubing and casing with 500 gallons of 10 percent FE-HCL, spotted 1000 gallons of 10% FE-HCL acid down the tubing and displaced with 2% Clayfix II water. The perforations were individually isolated and broken down with 3 barrels of acid followed by 3 barrels of 2% Clayfix II water. The tubing and packer were tripped from the well prior to the frac.

4/25/94 Rigged up Halliburton to frac. Treated 53,860 gallons of water with 112 gallons of Clayfix II, 380 gallons of LGC-V, 224 gallons of AQF-2, 112 gallons of 3N, 15 pounds of BE-6, 3 pounds of GBW-3, 95 pounds of SP Breaker, 40 gallons of Scalecheck LP-55 and 20 gallons BA-20. Sand-water foam frack (70 quality N2 Foam) 5524' to 5732' with 176,974 gallons of foam, 363,000 pounds of 16/30 Brady Sand and 3,164,000 standard cubic feet of Nitrogen. The average treating pressure was 3,450 PSIG at 30 foam barrels per minute. ISIP was 2500 PSIG, 2195 PSIG at 5 minutes, 2172 PSIG at 10 minutes. The well was opened on a 1/2" positive choke.

4/26/94 Killed well, went in with tubing to clean sand to PBTD at 5780'. Land 2 3/8", 4.7#, J-55 tubing at 5723'. Kicked well off with 62,100 standard cubic feet of Nitrogen and placed well in production to test tank to clean up.

4/29/94 . Determined initial potential of well to be 35·BOPD, 9 BWPD; 140·MCF/DAY.

FLOWING TUBING PRESSURE = 400·PSIG
CASING PRESSURE = 620·PSIG
CHOKE = (24/64)".