

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. 30-043-20807	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. LG3924	
7. Lease Name or Agent's Name Alamito	
8. Well No. #1	
9. Pool name or Wildcat Basin Fruitland Coal	

RECEIVED
SEP 15 1989
OIL CON. DIV
DIST. 3

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	2. Name of Operator BCO, Inc.
3. Address of Operator 135 Grant, Santa Fe, NM 87501	
4. Well Location Unit Letter 0 : 840 Feet From The South Line and 1840 Feet From The East Line Section 32 Township 23N Range 7W NMPM Sandoval County	

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6883 GR	
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11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: Perforate and Test Fruitland Coal <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.

8/31/89 Moved on location and rigged up. Pulled tubing.

9/5/89 Set drillable bridge plug at 1750'. Ran dump boiler and dumped 11 feet of cement on top of bridge plug. ~~Chacra zone is temporarily abandoned.~~ Perforated with one 0.39" select fire shot at 894', 1386', 1387', 1388', 1389', 1390', 1391', 1392', 1393', 1394'.

Went in hole with straddle packer and tubing. Tested packer. Came out of hole to change by-pass. Went in hole with packer. Tested tools. Set packer at 1380'. Spotted 750 gallons 15% acid. Broke down perforations from 1386' - 1394' at rate of 7.8 barrels per minute at 1640 psi. ISIP 600 psi 5 minute 230 psi 10 minute 20 psi. Moved packer up hole and set at 890'. Spotted remaining acid to break down perforation at 894' at rate of 1.6 barrels a minute at 2030 psi. ISIP 600 psi 5 minutes 420 psi. Set packer at 1383'.

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

SIGNATURE Elizabeth B. Keeshan TITLE Vice President DATE 9-14-89

TYPE OR PRINT NAME Elizabeth B. Keeshan

(This space for State Use)

TELEPHONE NO.

Original Signed by FRANK T. CHAVEZ

APPROVED BY _____ TITLE _____ DATE SEP 15 1989

CONDITIONS OF APPROVAL, IF ANY:

- 9/6/89 Swabbed. No show of gas. Set packer at 892'. Swabbed. Perforation at 894'; is making water. Halliburton took sample of water to analyze. Came out of hole with straddle packer. Went in hole with tubing and Baker Model G production packer. Set packer at 1360'. Tubing is landed at 1392'. Swabbed bottom perforations.
- 9/7/89 Pressure on tubing 5 psi, on casing 0 psi. When opened tubing, smell was of acid gas. Swabbed bottom perforations. No show of gas. Released rig. Called Ernie Busch. Notified him that perforation at 894' was fresh water. This was confirmed by Halliburton water analysis. A water sample taken from the lower perforations was analyzed as recovered acid water from the breakdown.
- 9/8/89 Talked to Charles Ghoullson. Received verbal permission to observe well for a few months to see if anything shows from perforations in coal and leave production packer in place.
- 9/13/89 Pressure on Casing 0 psi. Pressure on tubing 0 psi per gauge but very slight blow when opened. Pumper estimates 2 psi.