N2 - TO DTILI HILD I DAK I MAG INK I Budget Bureau No. 1004-0135 Form 3160-5 UNITED STATES SUBMIT IN TRIPLICATE® Expires August 31, 1985 DEPARTMENT OF THE INTERIOR verse side) (November 1983) 5. LEASE DESIGNATION AND SERIAL NO. (Formerly 9-331) MASTER BUREAU OF LAND MANAGEMENT NM 6682 ° 6. IF INDIAN, ALLOTTEE OR TRIBE NAME 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—" for such proposals.) 7. UNIT AGREEMENT NAME 12: 39 WELL X, WELL OTHER 8. FARM OR LEASE NAME 2. NAME OF OPERATOR Federal B BCO, Inc. 9. WELL NO. 3. ADDRESS OF OPERATOR 135 Grant, Santa Fe, NM 87501 LOCATION OF WELL (Report location clearly and in accordance with any State; requirements) See also space 17 below.) 10. FIELD AND POOL, OR WILDCAT At surface Lybrook Gallup an CON. DIV. 11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA 790' FNL & 890' FEL ' Dist. 3 Bec 21, T23N,R7W,NMPM · 15. ELEVATIONS (Show whether DF, RT, GR, etc.) 12. COUNTY OR PARISH | 18. STATE 14. PERMIT NO. Sandoval ' NM 7390' GL · 16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PULL OR ALTER CASING WATER SHUT-OFF REPAIRING WELL TEST WATER SHUT-OFF ALTERING CASING MULTIPLE COMPLETE PRACTURE TREATMENT FRACTURE TREAT SHOOTING OR ACIDIZING ABANDONMENT* SHOOT OR ACIDIZE ABANDON* (Other) Complete & place in production REPAIR WELL CHANGE PLANS (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) (Other) 17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) Moved rig to location. Picked up tubing to drill out cement. June 28, 1989 Tagged float collar at 5880' which is PBTD. Rolled hole with KCL. June 29, 1989 Came out of hole with tubing. Halliburton Logging Services went in to log cement from 5862' to 5300' June 30, 1989 and 1850' to 1350' and 1250' to 750'. Halliburton Logging Services identifies top of cement as 1040'. BCO personnel identify 1040' as top of fair bond to pipe not top of cement which would be higher but was not logged. Halliburton Logging Services will mail two copies of the Cement Bond Log to the BLM and one copy to the OCD. Tested casing at 2500#s for 30 minutes. Casing held. Perforated with one 3-1/8" 0.39 select fire shot at 5810', 5797', 5782', 5766', 5744', 5726', 5717', 5714', 5712', 5608', 5605', and 5602'. Went in with straddle packers. Tested tools. Spotted 1700 gallons 15% HCL double inhibited acid. Broke down 5810', 5797', 5782', 5766', 18. I hereby certify that the foregoing is true and correct mes Danned TITLE SIGNED (This space for Federal or State office use) ACCEPTED FOR RECORD APPROVED BY CONDITIONS OF APPROVAL, IF ANY: JUL 1 2 1989 MMOCU **FARMINGTON RESOURCE AREA**

BY KIL

*See Instructions on Reverse Side

Operator: BCO, Inc.

135 Grant Ave.

Santa Fe. N.M. 8750

SUNDRY NOTICES AND REPORTS ON WELLS

Lease No: NM 6682

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5744' and 5726' individually. Broke down 5717', 5714' and 5712' as a group and 5608', 5605' and 5602' as a group. Swabbed.

July 1, 1989 Swabbed hole down and came out of hole with tools and tubing.

July 5, 1989 Treated 68,846 gallons of water with 60 gallons of Clay Fix II, 335 gallons TRI-S, 130 gallons of 3N, 15 gallons LP55 scalecheck, 330 gallons of LGC-V.

Sand water foam fracked (70% quality foam) 5602' - 5810" with 197,119 gallons of foam, 410,000 lbs 20-40 sand, 4,030,600 standard cubic feet of nitrogen. Average treating pressure 4100 lbs at 42 foam barrels per minute, ISIP 2500. 5 min 2100, 10 min 2050, 15 min 2010.

July 6, 1989 Well flowing to tank. Went in with expandable check and notched collar on 2-3/8" tubing. Tagged sand at 5812'. Cleaned out to 5871'. Landed 2-3/8" tubing at 5796'. Pumped expandable check. Put well in production to clean out. Well flowing on 18/64 choke.

July 11, 1989 Well flowing on 16/64 choke. Dropped piston and tripped well.

Initial potential is 47 barrels of oil per day with 31.33 barrels recovered frac water, 313 MCF, with tubing pressure of 210, casing pressure of 445 on at 16/64 choke.