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OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501
JAN 09 1989

Form C-103
Revised 10-1-78

OIL CON. DIV
DIST. 3

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. E-178-1
7. Unit Agreement Name Northeast Blanco
8. Farm or Lease Name Northeast Blanco Unit
9. Well No. 427
10. Field and Pool, or Wildcat Basin Fruitland Coal
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 DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER- <input type="checkbox"/>
Name of Operator Blackwood & Nichols Co., Ltd.
Address of Operator P. O. Box 1237, Durango, CO 81302-1237
Location of Well UNIT LETTER <u>N</u> , <u>1140</u> FEET FROM THE <u>South</u> LINE AND <u>1330</u> FEET FROM THE <u>West</u> LINE, SECTION <u>16</u> TOWNSHIP <u>30N</u> RANGE <u>7W</u> NMPM.

15. Elevation (Show whether DF, RT, GR, etc.)

6245' UG

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"/>
CULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>

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.

11-22-88 Spud 12 1/4" hole at 12:00 noon, 11-21-88. Drilled to 317'. Ran 7 jts 9 5/8" 36# K-55 ERW casing, set at 313'. Cemented with 175 sx (207 cf) Class B neat with 2% CaCl2. Circulate 14 Bbls good cement to surface. WOC.

11-24-88 Pressure tested 9 5/8" casing to 600 psig - held OK.

11-27-88 Drilled to TD of 3400'. Ran GR-Induction, Density, and Neutron logs. Logger's TD - 3398'. Ran 87 jts 5 1/2" 17# K-55 LT&C casing, set at 3397'. Float collar at 3356'. Stage collar at 2687'. Cement 1st stage with 20 Bbls mud flush followed by 50 sx (63 cf) Class G 50/50 POZ mix with 2% gel. Tail in with 85 sx (119 cf) Class G 50/50 POZ mix with 2% gel, 10% salt, 10% gypseal, 0.5 D60 FLA, 1/4# flocele per sack. Bump plug to 1330 psi. Float held OK. 1st stage PD at 5:00 am, 11-27-88. Dropped bomb and opened DV tool at 2687'. Circulated with rig pump for 4 hours. 2nd Stage: 20 Bbls water spacer, 420 sx (773 cf) Class G 65/35/6 with 1/4# flakes/sx, then 50 sx (59 cf) Class G neat with 1/4# flakes. Bumped plug to 2500 psi to close DV tool. PD at 10:30 am, 11-27-88. Circulated 73 Bbls cement to surface. No temperature survey.

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

SIGNED William F. Clark TITLE Operations Manager DATE 1/5/89

Original Signed by CHARLES GHOLSON

TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3

DATE JAN 09 1989