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UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993

5. Lease Designation and Serial No. SF 080647

SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals If Unit or CA. Agreement Designation SUBMIT IN TRIPLICATE pe of Well Gallegos Canyon Unit X Gas 8. Well Name and No. Well Other Name of Operator Gallegos Canyon Unit 520 BHP Petroleum (Americas), Inc. 9 API Well No. 30-045-28595 Address and Telephone No 5847 San Felipe, Suite 3600, Houston, TX 77057 (713) 780-5000 10. Field and Pool, or Exploratory Area - Location of Well (Footage, Sec., T., R., M., or Survey Description) W. Kutz Pictured Cliffs 11. County or Parish, State 1843' FSL & 1439' FEL Section 22-T29N-R12W San Juan, New Mexico CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION ___ Notice of Intent Abandonmeni Change of Plans Recompletion New Construction X Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Other Completion History Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 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.) MIRU. Spud well @ 11:00 p.m. on 11-16-91. Drill 8-3/4" hole to 145' KB. RU & ran 3 jts, 7", 20#, J-55, 8R, R3 csg & landed @ 139' KB. Cmt w/ 125 sxs (147.5 cu ft) Class "B" w/ 3% CaCl and 1/4# / sxs Cello Seal. Obtained full returns. PD @ 3:30 p.m. on 11-17-91. NU BOPE and test to 2000#. Test csg and pipe rams to 1000#. Drilled 6-1/4" hole to 1759'. Circ and cond for logs. Ran DIGL/DIFL/DSN/SDL/GR and Coal logs. RU & ran 42 jts 4-1/2", 10.5#, J-55, R3, ST&C csg. Landed @ 1750 KB. Cmt w/ 295 sxs (371.7 cu ft) 50/50 POZ w/ 2% gel, 10% salt and 1/4% / sxs Cello seal. Tail w/ 30 sxs (35.1 cu ft) "B" w/ 1.2% CF-18. Obtained full returns. PD @ 11:30 p.m. on 11-19-91. @ 3:30 a.m. on 11-20-91. ACCEPTED FOR RECORD 14. I hereby certify, that the foregoing is true and correct ·RY σ 2/14/92 Production Technician Date (This space for Federal of State office use) Approved by Conditions of approval, if any: Title Date

****FIRST REPORT****

GCU #520 (D) BHP AFE No. 9201215 SE SEC 22 T29N R12W San Juan County, NM BHP WI 25% NRI 19.5% DHC: \$45,500 TAC: \$148,100 11/17/91- MIRU Fruitland Rig No. 2. Spud well at 11:00 pm on 11/16/91. Drill 8-3/4" hole to 90'. Drilling in boulders. Bit No. 1 8-/34" Reed RR 3/13. DMC: \$600 CMC: \$600 DC: \$9,150 TAC: \$9,150 11/18/91- 145' (55') Drill 8-3/4" hole to 145' KB. RU and ran 3 jts 7" 20# J-55 8R R-3 csg and landed at 139' KB. RU Western and cmtd W/125 sxs Class "B" with 3% CaCl and 1/4# per sx Cello Seal. Obtained full returns w/6 bbl good cmt circ to surf. Plug dn at 3:30 pm 11/17/91. WOC 8 hrs NU BOPE Test BOP to 2000#, OK pipe rams to 1000# OK and annular to 500# ok. PU 6-1/4" bit and TIH. Drop survey at 145' 3/4°. Bit No. 2 6-1/4' Varel V-517 3-12 RR in at 145'. MW 8.8 Vis 55. 13-4-3/4" DCs. Drl 5-3/4 hrs, cond & circ 1/2 hr trip 1 hr survey 1/4 hr run csg & cmt 4 hrs WOC 8 hrs NUBOP/test 4-1/2 hrs. DMC \$0 CMC: \$600 DC: \$7,850 TAC: \$17,000 11/19/91- 1700' (1555') Drill 6-1/4" hole to 1700' with one bit trip and survey . Bit No. 3 6-1/4" Varel V-517 3-12 RR in at 902'. Drlg 20-1/2 hrs, trip 3 hrs, survey 1/2 hr. DMC: \$200 CMC: \$800 DC: \$15,100 TAC: \$32,100

11/20/91- 1755' (55') Drill 6-1/4" hole to 1755' with one survey. Circ and cond mud. Short trip 10 stds POH RU HLS and ran DIG DIFL SDL DSN GR and coal logs. Log TD 1759' KB. RD logger RU and ran 42 jts 4-1/2" 10.5# J-55 R-3 ST&C csg & landed at 1750' KB. RU Western and cmtd w/295 sxs 50-50 poz w/2% gel, 10% salt and 1/4#/sk Cello Seal. Tailed w/30 sx Class "B" w/1.2% CF-18. Obtained full returns w/12 bbl good cmt to surf. Float held ok, plug dn @ 11:30 pm on 11/19/91. ND and jet pits. RR at 3:30 am on 11/20/91. Bit No. 3 6-1/4" Varel V-517 3/12 RR WOB all 80 RPM SPM 65 psi 800. MW 9.4 Vis 53 PV/Y 15/12 gels 5/22 WL 8 pH 9.5 FC/32 2 solids 5 % sand 1/2. DMC: \$900 CMC: \$1700 DC: \$29,290 TAC: \$61,390

12/14/91- Total depth; 1759' RU JC Well Service, NU BOP PU bit and scraper on 2-3/8" tbg and tally in hole. Tag up at 1565'. RU power swivel and drill soft cmt to 1695'. Circ hole clean w/2% KCL. SDFN. DC: \$4,300 TACC: \$4,300 CMC: \$1700 TAC: \$65,690 Day 1 recompletion.

12/15/91- TD: 1759' PBTD 1695' POOH w/bit and tbg. RU Electric Line and ran a GR/CCL correlation log. GIH w/ 3-1/8" csg gun loaded 4 JSPF, 90 deg phased, premium charged and perf the Pictured Cliffs from 1574' to 1598'. No change in surf pressure. POH all shots fired. Shut well in, waiting on frac crew. SDFN. Fill filter and heat frac water. Day 2 completion. DC: \$5,050 TACC: \$9,350 TAC: \$70,740

<u>12/16/91-</u> TD: 1759' PBTD: 1695". Wait on frac crew. Day 3 completion. DC: \$200 TACC: \$9,550 TAC: \$70,940

12/17/91- TD: 1759' PBTD: 1695". 0 pressure on well. RU BJ and frac stimulate the Pictured Cliffs dn 4-1/2" csg w/ a 35 liner gel system, 16,170 gal 70 quality foam and 94,700# 12/20 Brady sand. Max press 2100 psi, min 1303 psi avg 1550 psi avg rate 30 BPM max sand conc 6 ppg. ISIP 1244 psi. Bleed back to induce closure. Load to recover 312 bbl. 4 hr SICP 575 psi open well to frac tank on a 3/8" pos choke. BLTR 312 Day 4 completion. DC: \$28,400 TACC: \$37,950 TAC: \$99,340

12/18/91- TD: 1759' PBTD: 1695'. 14 hours flowing through a 3/8", pos. choke, FCP 300, recovered 114 BBL, load water with a gas rate of 1,000 MCF/D. (no sand to surface) BLTR 198 Day 5 completion. DC: \$1,000 TACC: \$38,950 TAC: \$100,340

12/19/91- TD: 1759' PBTD: 1695'. Kill well with 20% KCL, PU and tally in hole with 2 3/8" TBG and expendable check, no sand below perfs, pull up and land TBG with 52 jts 2 3/8" J-55, 8R EUE at 1603' KB, ND BOPE NU well head, drop ball and pump off check, unload well with N/2, put well on test through a 3/8" pos. choke, 14 hours flowing through a 3/8" pos. choke, recovered 25 BBL, load water with a gas rate of 1,000 MCF/D and a FTP of 315 psi, csg., 422 psi., BLTR 173 Day 6 completion. DC: \$10,600 TACC: \$49,550 TAC: \$110,940

12/20/91- TD: 1759' PBTD: 1695'. Move in, set and hook up a 3 phse test unit with a 3" meter run, 21 hours flowing well on 24/64" choke, recovered 25 BBL, load water with a gas rate of 1,200 MCF/D, FTP 250 psi., csg. 375 psi., BLTR 148 Day 7 completion. DC: \$1,000 TACC: \$50,550 TAC: \$111,940

12/21/91- TD: 1759' PBTD: 1695'. 24 flowing well through a 3 phase test unit with a 3" meter run on a 24/64" choke, recovered 17 BBL, load water with a gas rate of 1,138 MCF/D, FTP 250 psi., csg. 365 psi, BLTR 131, Day 8 completion. DC: \$1,000 TACC: \$51,550 TAC: \$112,940

12/22/91- TD: 1759' PBTD: 1695'. 24 flowing well through a 3 phase test unit with a 3" meter run on a 24/64" choke, recovered 13 BBL, load water with a gas rate of 1,080 MCF/D, FTP 250 psi., csg. 355 psi, BLTR 118 Day 9 completion. DC: \$1,000 TACC: \$52,550 TAC: \$113,940

12/23/91- TD: 1759' PBTD: 1695'. 24 hours well flowing through a 3 phase test unit with a 3" meter run on a 24/64" choke, recovered 09 BBL, load water with a gas rate of 1,036 MCF/D, FTP 250 psi., csg. 345 psi., shut well in, release test unit BLTR 109 Day 10 completion. DC: \$1,000 TACC: \$53,550 TAC: \$114,940

12/24/91- TD: 1759' PBTD: 1695'. 24 hour SITP, 400 psi., SICP 400 psi., BLTR 109, Day 11 completion. DC: \$0 TACC: \$53,550 TAC: \$114,940

12/25/91- TD: 1759' PBTD: 1695'. 48 hour SITP, 430 psi., SICP 430 psi., BLTR 109 Day 12 completion. DC: \$0 TACC: \$53,550 TAC: \$114,940

12/26/91- TD: 1759' PBTD: 1695'. 72 hour SITP, 430 psi., SICP 430 psi., BLTR 109 Day 13 completion. DC: \$15,000 TACC: \$68,550 TAC: \$129,940 DROP FROM REPORT, WAITING ON PIPELINE