

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

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.)		WELL API NO.
1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator BHP Petroleum (Americas) Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 5847 San Felipe, Ste. 3600, Houston, Texas 77057		7. Lease Name or Unit Agreement Name Gallegos Canyon Unit
4. Well Location Unit Letter <u>M</u> : <u>1225</u> Feet From The <u>South</u> Line and <u>1150</u> Feet From The <u>West</u> Line Section <u>25</u> Township <u>29N</u> Range <u>12W</u> NMPM <u>San Juan</u> County		8. Well No. 518
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 5464 GR		9. Pool name or Wildcat W. Kutz Pictured Cliffs

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>Well completion history</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.

See attached - well completion history.

RECEIVED
JUL - 6 1992
OIL CON. DIV
DIST. 3

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

SIGNATURE Carl Kolbe TITLE Reg. Affairs Coordinator DATE 7/2/92
TYPE OR PRINT NAME Carl Kolbe TELEPHONE NO. (713) 780-5000

(This space for State Use)

Original Signed by CHARLES GHOLSON

DEPUTY OIL & GAS INSPECTOR, DIST. #3

APPROVED BY _____ TITLE _____ DATE JUL - 6 1992

CONDITIONS OF APPROVAL, IF ANY:

GCU #518 (D) (BHP) AFE #9201214 SW Sec 25 T29N R12W West Kutz
Pictured Cliffs San Juan, New Mexico (BHP WI 25% NRI 19.5%)
TAC: \$59,400

11/14/91- MIRU Fruitland Rig No. 2. Spud well at 7:00 am on 11/13/91. Hit boulders at 25' and gravel at 40'. Gravel plugging bit. Drl 8-3/4" hole to 138' KB. Circ clean. RU and ran 3 jt 7" 20# J-55 R-3 8R csg and landed at 133' KB. RU Western and cmted w/125 sxs Class "B" w/3% CaCl₂, 1/4# per sk cello seal. Obtained full returns w/5 bbl good cmt circ to surf. Plug dn at 8:00 pm on 11/13/91. WOC. NU BOPE. DC: \$16,400 TAC: \$16,400 Bit #1 8-3/4" Reed 2 RR in at 10' out at 138'. WOB all, RPM 90 psi 800 SPM 65.

11/15/91- Drill 6-1/4" hole to 1600' w/2 surveys. Bit #2 6-1/4" Varel V517 Ser No 56645 in at 138'. WOB all RPM 80 psi 800 SPM 65. DC: \$13,550 TAC: \$29,950 MW 8.4 Vis 80

11/16/91- Day 3. Drl 6-1/4" hole to 1714' w/1 survey. Circ and cond mud. Short trip, POH to log. RU HLS and ran GR DSN SDL DIGL & coal log. Log TD 1714'. RD logger. TIH, circ & cond. POH LD DP. RU and ran 41 jts 4-1/2" 10.5# 8R J-55 R-3 ST&C csg and landed at 1693' KB. RU Western & cmted w/345 sxs 50/50 Poz 2% gel 10% salt 1/4# sk cello seal and tail in w/35 sxs Class "B" w/ 1.2% CF-18. Obtained full returns w/10 bbl good cmt to surf. Plug dn at 10:00 pm 11/15/91. Float held. ND BOPE and jet pits. Rel rig at 2:00 am 11/16/91. MW 9.4 Vis 54 PV/YP 16/10 gels 5/24 WL 10 pH 2 FC/32 5 solids 1/2 DC: \$29,450 TAC: \$59,400

01/25/92- Depth 1714'. Pictured Cliffs. MIRU JC Well Service. NU BOPE PU 3-7/8" bit and 4-1/2" csg scraper on 2-3/8" tbg and tally in hole. Found PBTD at 1606' B. Circ well clean w/2% KCL water. POOH w/tbg. ~~Run 4-1/2" csg & BOPE to 2500' p~~ SDFN. DC: \$3,850 TAC: \$63,250

01/26/92- Depth 1714'. RU Electric Line and GIH w/GR/CCL tools. Wireline TD was 1601'. Ran GR/CCL log from 1601-1250'. POH, GIH w/3-1/8" csg gun loaded 4 JSPF, 90 deg phased premium charged and perf the Pictured Cliff from 1488' to 1512'. POH all shots fired. RD Electric Line. Set frac tank and fill and filter w/2% water and biocide. SDFN. DC: \$4,800 TACC: \$8,650 TAC: \$68,050

01/27/92- Depth 1714'. Heat frac water to 90 deg. Wait on frac crew. DC: \$1100 TACC: \$9,750 TAC \$69,150

01/28/92- 0 Press on well. MIRU Western and frac stimulate the Pictured Cliff dn 4-1/2" csg w/289 bbl 70Q N/2 foam and 86,000# 12/20 mesh Brady sand at 30 BPM. Max sand conc 6 ppg. Max treating press 2400 psi. Min 1020 psi, avg 1050 psi, avg rate 30-BPM. ISIP 890 psi, bleed back to induce closure. 3 hr SICP 718 psi. Open well to test separator on a 19/64" choke. Load to recover 289 bbl. Day 4 DC: \$24,200 TACC: \$33,950 TAC: \$93,350

01/29/92- 16 hrs flowing on a 19/64" choke rec 110 bbl load wtr w/ a FCP of 155 psi. No gas to surf. Could nto light flare. TBLR 110 BLTR 179 Day 5 DC: \$1,500 TACC: \$35,450 TAC: \$94,850

01/30/92- RU and kill well w/2 % KCL wtr. TIH w/tbg and expendable check. Tag sand at 1480' KB. Clean out to PBRD w/N/2. Kill well w/KCL wtr and land tbg at 1524' KB w/49 jts 2-3/8" 4.7# 8R J-55 EUE. ND BOPE and NU well head. Drop ball and pump off check. Unload well w/ N/2 and put on test. Flowing well thru a 2 phase test separator w/ a 2" meter run and 40' flare stack. Choke set

on a 19/64". TBLR 110 BLTR 179 Day 6 DC: \$9,950 TACC: \$45,400 TAC: \$104,800

01/31/92- Depth 1714'. 19 hours flowing well thru test separator w/ a 2" meter run on a 21/64" choke. Rec 56 bbl load wtr w/ a gas rate of 152 MCF/D. FTP 260 psi, csg press 400 psi. TBLR 166 BLTR 123 Day 7. DC: \$800 TACC: \$46,200 TAC: \$105,600

02/01/92- 24 hrs flowing well thru test separator w/ a 2" meter run on a 24/64" choke. Rec 134 bbl load wtr w/ a gas rate of 300 MCF/D. FTP 190 psi, csg press 273 psi. TBLR 300 BLTR +11 Day 8 DC: \$800 TACC: \$47,000 TAC: \$106,400

02/02/92- 24 hrs flowing well thru test separator w/ a 2" meter run on a 22/64" choke. Rec 104 bbl wtr w/ a gas rate of 265 MCF/D. FTP 159 psi, csg press 265 psi. TBLR 404 BLTR +115 Day 9 DC: \$800 TACC: \$47,800 TAC: \$107,200

02/03/92- 24 hrs flowing well thru test separator w a 2" meter run on a 22/64" choke. Rec 85 bbl wtr w/ a gas rate of 228 MCF/D. FTP 155 psi, csg press 265 psi. TBLR 489 BLTR +200 Day 10 DC: \$800 TACC: \$48,600 TAC: \$108,000.

02/04/92- 04 hrs flowing well thru test separator w a 2" meter run on a 23/64" choke. Rec 12 bbl wtr w/ a gas rate of 245 MCF/D. FTP 150 psi, csg press 260 psi. TBLR 501 BLTR +212 Day 11 DC: \$1600 TACC: \$50,200 TAC: \$109,600.