

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.	30-045-27340
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	E-3707-4

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 type="checkbox"/> OTHER Water Disposal	7. Lease Name or Unit Agreement Name Northeast Blanco Unit
2. Name of Operator Blackwood & Nichols Co., Ltd.	8. Well No. Pump Mesa SWD #1
3. Address of Operator P. O. Box 1237, Durango, Colorado 81302	9. Pool name or Wildcat Wildcat Morrison-entrada
4. Well Location Unit Letter <u>N</u> : <u>990</u> Feet From The <u>South</u> Line and <u>1600</u> Feet From The <u>West</u> Line Section <u>36</u> Township <u>31N</u> Range <u>8W</u> NMPM San Juan County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6430' GR	

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: <u>OIL CON. DIV</u> <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 checked="" type="checkbox"/> OTHER: <u>DIST. 3</u> <input 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.

8-23-90 TIH, found hard stringers of cement, float at 5943'. Drill float collar and cement to 5984'. POOH to 3600', unload hole. Trip to 5958', unload hole. Drill 3' of shoe and blow hole; drill 5', blow hole; drill 5', blow hole. Hole making pencil size stream of water. Soap sweeps (5 gal. water - 5 gal. soap - 5 gal. water). Hole dry and dusting. Drilling ahead.
8-24-90 Drill to 7120', lost 35,000# of weight and all torque. POOH, drill string parted in 3rd jt of heavy weight pipe above collars. Left bit, square drill collar, 10 drill collars, and 2-1/2 jts of heavy weight drill pipe in hole, hole was dusting.

(Continued on attached pages)

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

SIGNATURE R. W. Williams TITLE Administrative Manager DATE 9/20/90
TYPE OR PRINT NAME R. W. Williams TELEPHONE NO. 303-247-1028

(This space for State Use)

APPROVED BY Original Signed by FRANK T. CHAVEZ TITLE SUPERVISOR DISTRICT #3 DATE OCT 01 1990
CONDITIONS OF APPROVAL, IF ANY:

8-25-90 Dusting with air at 180 psi. Finish TIH with OS. Catch fish and chain out. Lay down all heavy wall drill pipe and square drill collar. Bit and fish were dry. Two jets in bit missing. TIH, break circulation and drill ahead. Rotating head locked up. Drilling in Mancos.

8-26-90 Drill to 7948'. Hole appeared to encounter moisture. Dried up. Drilled ahead, encountered drilling break from 7994' to 8003', well making large amount of gas, tried to gauge well. Unable to obtain. Put well through 3 choke lines. Well flowing 520 psi against 2" choke, 3/4" choke and 2" line. Estimate 25-30 MMCFPD. Tops: Dakota - 7742'; Burrow Canyon - 7927'

8-27-90 Trip out to 9-5/8" casing at 5997'. Rig up flow line. Load hold with mud and circulate. Did not lose any mud. POOH for new bit and change BHA. Pick up eight 7" drill collars and 6 jts weight pipe. TIH, break circulation at 5031'. TIH, hit bridge at 7352'. Wash down to 7642'. TIH to 7820', hit bridge. Wash and ream to 7946'. Circulation pressure increased. Pipe became tight. Work pipe up hole.

8-28-90 Work pipe free, pull 5 stands. Circulate hole for 2 hours to clean up. Lost returns, pull 10 stands drill pipe. Mix 100 Bbl pill with 20% LCM, pump in hole, got returns. TIH 10 stands, wash and ream 7478-7820', hole got tight. Increase viscosity to 70 sec, wash and ream to TD. Drill ahead. Lost 200 Bbls mud.

8-29-90 Drilling in Morrison - top at 8026'.

8-30-90 Drill ahead at 8340', work BOPs. Had increase in torque @ 8315' - possible fracture. Background gas 420 units.

8-31-90 Drilling ahead at 8482'.

9-01-90 Drilling at 8523'. Drill to 8469', drop survey. POOH to weight pipe, inspect all weight pipe and drill collar connections. Pick up bit no. 30, TIH. Break circulation @ 3200' and 7200'. Wash and ream 60' to TD.

9-02-90 Drill to 8527', lost circulation, mix two 80 Bbl pills, spot on bottom, did not regain circulation. POOH 19 stands, mix mud and LCM, 350 Bbls of 55 sec viscosity, 25% LCM. Regain circulation after 50 Bbls. TIH to 7800', hit bridge and clean out bridge. TIH to 8150', circulate well. TIH to 8350', hit bridge, clean out bridge. TIH one stand, wash to TD, lost total of 500 Bbls mud.

9-03-90 Drill ahead at 8712', shaker bypassed. Estimated top of Bluff at 8576'.

9-04-90 Drill ahead at 8803', work BOP. Top of Summerville at 8709'.

9-05-90 Drill ahead. Drill into anhydrite at 8838'. Lost circulation at 8852' (100 Bbls). POOH with 20 stands. Mix LCM and mud. Pump 100 Bbls in hole with no returns. POOH with 12 more stands to 6846'. Pump 40 Bbls in hole, got returns. Circulate and treat out anhydrite. TIH with 12 stands; bridge at 7571'. Circulate and clean out bridge to 7603'. Treat out anhydrite. Wash and ream to 7820'. Estimated top of Summerville 8722'. Estimated top of Todilto 8819'.

9-06-90 TIH to 8808', wash and ream 44' to bottom. POOH for bit change. Entrada top at 8852'.

9-07-90 TIH to 5000', try to break circulation, bit plugged. POOH, lay down bottom collar plugged with LCM, change jets in bit to 14s and TIH. Break circulation at 970', 5000', and 7500'. TIH to 8790', bit appeared to hit bridge, drilling assembly stuck. Work pipe while waiting on free point truck. Make up kelly and circulate hole until trip gas circulates to surface. Rig up to run freepoint - weight pipe and first drill collar free, 40-60% movement at 8586'. Rig down freepoint and make up kelly, good circulation.

9-08-90 Work stuck pipe; spot 2000 gal. diesel with 25 gal. pipe lax; work pipe, pump 1 Bbl pipe lax every hour for 18 hours. Break off kelly, run free point. Drill collar mostly free to 8674'. Plan to back off 14 drill collars leaving bit, bit sub, and four 7" drill collars.

9-09-90 Finish running free point, run string shot, back off 7" drill collars between 14th and 15th collar. Well back flowing. Pull 10 stands, circulate well, POOH. Lay down 7 drill collar and pick up fishing tools. Cut 410' of drilling line, strap in hole, break circulation at 800', 5000', 7800', and 8600'; circulate bottoms up at 8640'. Screw into fish, jar free, POOH.

9-10-90 POOH with fish, lay down fishing tools and one 7" drill collar, pick up 2 drill collars, TIH. Pick up drilling jars, TIH. Break circulation at 900', 5000', and 7500'. Wash and ream 180' to TD. Drill ahead.

9-11-90 Drilling at 9087'.

9-12-90 Drill to 9130', circulate 2-1/2 hours, short trip 10 stands; no drag, no fill. Circulate 2-1/2 hours. POOH for logs. Top of Chinle - 9084'.

9-13-90 Rig up and run dual induction, gamma ray, compensated neutron-formation density, digital sonic, and microlog from 9130-5700'. TIH to condition before running 7" casing. Break circulation at 800' and 4500', plugged bit. POOH and unplug bit, circulate and TIH 30 stands. TIH to TD, no fill. Circulate 2-1/2 hours. POOH. Lay down drill pipe.

9-14-90 Lay down drill pipe, weight pipe, jars, and drill collars. Change pipe rams in BOPs and run 217 jts 7" 26# CF-95, L-80, and N-80 casing totaling 9128.64'. Land casing at 9124.74' KB and cement first stage with 610 sx Class G containing 0.8% fluid loss additive and 0.1% retarder. Stage tool at 7617.31' KB. Used 23 turbo-centralizers and three cement baskets. Bumped plug with 500 psig over circulating pressure. Began slowly losing returns in last half of job. Lost approximately 75-100 Bbls mud. Reciprocate pipe 5' each minute throughout job. Mud did not fall after shutting down. Drop bomb to open stage tool and circulate for second stage. Plug down at 4:30 a.m.

Cement Sundry - NEBU PM SWD #1
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9-15-90 Circulate until 12:45 and cement second stage with 500 sx (910 cf) 65/35 Poz mix containing 6% gel, 0.5% fluid loss additive, and 1/4 #/sk cellophane. Tail in with 130 sx (150 cf) Class G with 0.8% fluid loss additive and 0.1% retarder. Displace with 20 Bbls water followed by mud. Bump plug and pressure up to 2500 psig. Bleed off and tool not holding. Pressure up to 2900 psig and bleed off. Tool held. Good returns throughout job and plug down at 3:00 p.m., Strip cellar and set slips. Rig released at 8:00 p.m., 9-14-90.