

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. 30-045-25575
5. Indicate Type of Lease STATP <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. SE-013642
7. Lease Name or Unit Agreement Name Blancett Com
8. Well No. 1
9. Pool name or Wildcat Blanco Mesa Verde

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 checked="" type="checkbox"/> OTHER	2. Name of Operator Koch Exploration Company
3. Address of Operator P.O. Box 489 Aztec, NM 87410	4. Well Location Unit Letter <u>G</u> : <u>1320</u> Feet From The <u>North</u> Line and <u>1740</u> Feet From The <u>East</u> Line Section <u>27</u> Township <u>32N</u> Range <u>9W</u> NMPM <u>San Juan</u> County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) GR-6614, 6626KB	

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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <u>OIL CONSERVATION</u> <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>
	OTHER: <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.

While attempting to complete this well for a dual completion well, we found a casing leak and the following action steps were taken as follows.

12/16/95 Pressure tested casing- at 630 psi we had a leak taking 3.3 bbl's/min.
Squeezed casing leak between 2897' to 2970' KB with 180 sacks class B cement and 50 sacks class B cement with 2% CaCL2. 12/17/95 Drilled out and still leaked (same footages) from 1000 psi down to 800 psi in 15 minutes.
12/18/95 Squeezed casing leak again in same spot with 200 sacks of class B cement and 50 sacks of class B 2% CaCL2. 12/19/95 Drilled out and tested 7" 23# casing @ 1,050 psi (surface pressure). Casing help pressure.

Continued with dual completion.

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

SIGNATURE Don Johnson TITLE Foreman DATE 12/22/95
TYPE OR PRINT NAME Don Johnson (505) 334-9111 TELEPHONE NO.

(This space for State Use)

APPROVED BY Johnny Robinson TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE DEC 22 1995
CONDITIONS OF APPROVAL, IF ANY: 0