

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

UNITED STATES
 (Other instructions on reverse side)

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug a well. Use "APPLICATION FOR PERMIT" for such purposes.)

RECEIVED
MAY 10 1993

OIL CON. DIV.
DIST. 3

1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. SF-078272
2. NAME OF OPERATOR BCO, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR 135 Grant, Santa Fe, New Mexico 87501		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 2070' FNL 2260' FWL Sec 10 T23N R7W NMPM		8. FARM OR LEASE NAME Dunn
14. PERMIT NO.		9. WELL NO. 2
15. ELEVATIONS (Show whether OF, RT, GR, etc.) 7265 GR		10. FIELD AND POOL OR WILDCAT Undesignated Graneros/ Lybrook Gallup Basin
		11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA K-10
		12. COUNTY OR PARISH Rio Arriba
		13. STATE NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	(Other) <input type="checkbox"/>
(Other) <input type="checkbox"/> Recomplete Abandoned Zone <input checked="" type="checkbox"/> XX		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. 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.)

On May 22, 1984 set cement retainer at 6631 and pumped 200 sacks into Lower Graneros perms (6642 to 6647) and Dakota perms in shoe joint (6724 to 6729) and open hole.

Request approval to drill cement retainer and cement. Then intend to perforate 6724 to 6728. Intend to spearhead frac with 500 gallons 15% double inhibited acid and frac with gelled nitrified water and 39,000 pounds 20/40 sand.

Intend to place well in production with Lybrook Gallup, Undesignated Graneros and Dakota commingled.

Attached is a copy of Oil Conservation Division Order R-6929 authorizing downhole commingling of the pools.

Plan to commence operations about May 17, 1993.

18. I hereby certify that the foregoing is true and correct

SIGNED Elizabeth B. Keeshan TITLE President DATE 4/29/93

(This space for Federal or State office use)

APPROVED BY _____
 CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

NMOCD

APPROVED

MAY 06 1993

Ken Towne
DISTRICT MANAGER

*See Instructions on Reverse Side

IN THE MATTER OF THE ESTATE OF
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7505
Order No. R-6929

APPLICATION OF BCO, INC. FOR
DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 16, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 26th day of March, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, BCO, Inc., is the owner and operator of certain wells and leases in Sections 2, 3, 4, 9, and 10, Township 23 North, Range 7 West, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle Lybrook-Gallup (including the Greenhorn formation) and Basin-Dakota production within the wellbore of its current and future wells in said five sections.

(4) That from each of said zones, wells within the subject area are and are expected to be capable of low marginal production only.

(5) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

subject zones are such that underground waste would not be caused by the proposed commingling provided that any well therein is not shut-in for an extended period.

(7) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time any commingled well in the subject area is shut-in for 7 consecutive days.

(8) That in order to allocate the commingled production each of the commingled zones in any well in the subject area, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED: ---

(1) That the applicant, BCO, Inc., is hereby authorized to commingle Lybrook-Gallup (including the Greenhorn formation and Basin-Dakota production within the wellbore of its current or future wells in Sections 2, 3, 4, 9, and 10 of Township 23 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

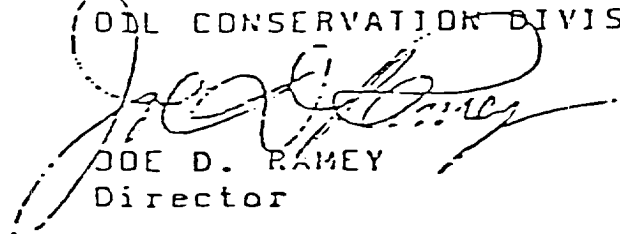
(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in any well downhole commingled under terms of this order.

(3) That the operator shall immediately notify the Division's Aztec district office any time any well downhole commingled under terms of this order has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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