

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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. 30-049-24989
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG3748
7. Lease Name or Unit Agreement Name State H
8. Well No. 7
9. Pool name or Wildcat Undesignated Graneros Lybrook Gallup West
10. Elevation (Show whether DF, RKB, RT, GR, etc.) GL 6898'

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 checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	2. Name of Operator BCO, Inc.
3. Address of Operator 135 Grant, Santa Fe, NM 87501	4. Well Location Unit Letter F : 2255 Feet From The North Line and 1990 Feet From The East Line Section 2 Township 23N Range 7W NMPM Rio Arriba County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) GL 6898'	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: Completion <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.	

5/15/91

Rigged up. Went in hole with bit on 2
3/8" tubing. Drilled out cement stage tool
located at 4982'. Cleaned out hole to float.

5/16/91

Drilled out 30' of cement in shoe joint below
float collar. Logged cement. Petro Wireline
will provide OCD with copy of log. Logger
determined PBSD is 6395'.

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

SIGNATURE Elizabeth B. Keeshan TITLE President DATE 6/11/91
TYPE OR PRINT NAME Elizabeth B. Keeshan TELEPHONE NO. 983-1228

(This space for State Use)

APPROVED BY Original Signed by FRANK T. CHAVEZ TITLE SUPERVISOR DISTRICT # 3 DATE JUN 12 1991
CONDITIONS OF APPROVAL, IF ANY:

BCO, Inc.
135 Grant
Santa Fe, New Mexico 87501

SUNDRY NOTICES AND REPORTS ON WELLS

STATE OIL & GAS LEASE NUMBER: LG-3748

PAGE TWO

5/17/91 Tested 4 1/2" casing to 5500 psi for 30 minutes. Casing held. Perforated with 3 1/8" select fire gun with one 0.32" shot at 6366, 6360, 6306, 6304, 6282, 6280, 6266, 6264, 6262, 6260. Went in hole with straddle packers on 2 3/8" tubing. Spotted 500 gallons 7 1/2% FE HCL acid. Isolated and broke down all perforations. Came out of hole with tubing and packer.

5/21/91 Treated 32,948 gallons of water with 250 gallons LGC-V, 65 gallons ClayFix II, 162 gallons AQF-2, 92 gallons 3-N, 55 gallons LP-55, 20 gallons BA-20, 7 pounds Optiflo AP, 30 pounds GBW-3, 18 pounds BE-5. Sand water foam fracked (70% quality foam) 6260- 6366 with 108,083 gallons of foam, 199,900 pounds 20-40 Brady sand and 2,168,000 scf of nitrogen. Average treating pressure 4200 psi. Flushed with water. ISIP 2800 psi 5 minutes: 2533 psi, 10 minutes: 2380 psi, 15 minutes: 2272 psi. Flowed frac back. Put to frac tank when had cut of oil and pressures low enough.

5/22/91 Well not flowing. Went in hole with 2 3/8" tubing. Tagged sand at 6367. Cleaned out sand to PBTD. Kicked off well with 107,800 scf of nitrogen.

5/23/91 Well not flowing. Kicked off with 1 swab run. Ran well with intermitted trips.

5/24-27/91 Swabbed well to kick off.

5/28/91 Set wireline bridge plug at 5560 to isolate Graneros in order to complete Gallup. Dropped 5 gallons sand to protect plug. Perforated with one 0.32" perforation at 5304, 5312, 5322, 5428, 5434, 5437, 5440, 5467, 5475, 5490 and 5502. Went in hole with packer.

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PAGE THREE

5/29/91 Spotted 500 gallons FE HCL and broke down perforations. Tripped out of hole.

5/30/91 Prepared to frac Gallup. Equipment problems caused delay.

5/31/91 Treated 46,700 gallons of water with 30 pounds BE-5, 55 pounds GBW-3, 200 pounds Optiflo-AP, 13 gallons BA-20, 107 gallons Clayfix II, 250 gallons AQF-2, 410 gallons LGC-V, 76 gallons AQF-2, 410 gallons LGC-V, 76 gallons 3-N, 50 gallons LP55. Sand water foam fracked (70% quality foam) 5304 - 5502 with 245,000 pounds 16-30 Brady sand, 2,743,190 standard cubic feet of nitrogen, and 157,356 gallons foam at 25 foam barrels per minute. Average treating pressure 3300 psi. Screened off at 5000 psi; ISIP and subsequent pressures represent only trapped pressure. Opened well to blow frac back. Saw mud in recovered fluid late in evening.

6/1/91 Well dead. Tripped in hole with retrieving tool to clean out hole and retrieve bridge plug. Tagged sand at 6411. Because of nature of returns suspected casing failure.

6/3/91 At 7:30 a.m. notified Ernie Busch of OCD of suspected problem. Received verbal permission to proceed with repair. Tripped in hole with bridge plug to test casing. Casing held. Tagged sand at 5356. Began to clean out sand.

6/4/91 Notified Ernie Busch that did not have casing failure and would proceed and place well in production. Cleaned out sand to 5432 where tagged metal. Suspect problem at collar. Tripped out of hole. Tripped in hole with mill. Shaved metal obstruction in about 5 minutes. Cleaned out hole to 5540.

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SUNDRY NOTICES AND REPORTS ON WELLS

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6/5/91	Came out of hole with mill. Tripped in hole with retrieving tool. Swabbed to clean out.
6/6/91	Retrieved bridge plug. Landed 2 3/8" tubing at 6344'.
6/7-9/91	Swabbed to kick well off and clean up.
6/8/91	Potentialed Graneros and Gallup with results of swabbing to kick off and flowing trips. Graneros: 40 barrels oil, 2 barrels water, 80 MCF gas. Gallup: 60 barrels oil, 5 barrels water, 240 MCF gas. Placed well in production to clean up.