Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT OIL CON." DIV.

AUG116.1993

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993

5. Lease Designation and Serial No.

NM-088040-A 6. If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS DIST. 3 Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT—" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE Escrito Galluf I. Type of Well 8. Well Name and No. 7 Oil Gas Well Formerly Nancy # 1 2. Name of Operator BCO, Inc.

3. Address and Telephone No. 3*0*04*505 118* 10. Field and Pool, or Exploratory Area 135 Grant Avenue Santa Fe. NM. 87501
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 7245 GR Escrito Sallup

11. County or Parish, State 790 FSL, 790 FEL San Juan, NM SIZ, TZ4N, R8W NMPM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Change of Plans Abandonment Notice of Intent New Construction Recompletion Non-Routine Fracturing Plugging Back Subsequent Report Water Shut-Off Casing Repair Conversion to Injection Altering Casing Final Abandonment Notice Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13. 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.)* The Plug and abandonment was completed July 17,1993. July 17, 1993. Attachments: Detailed Report of operations Approved as to plugging of the well bore. Liability under and is retained until surface restoration is completed. Senior Field Engineer Date 07/24 (This space for Federal or State office use) Approved by ________ Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United Salary Sec. Ict MANAGER atements

or representations as to any matter within its jurisdiction.

ESCRITO GALLUP UNIT NUMBER 1 (FORMERLY THE NANCY 1) DETAILED REPORT OF OPERATIONS

7-14-93

A-PLUS WELL SERVICE MOVED RIG AND CEMENTING EQUIPMENT TO THE NANCY NUMBER 1 AND RIGGED UP RIG AND CEMENT EQUIPMENT. NIPPLED DOWN WELL HEAD AND UNSEATED TUBING DONUT AND NIPPLED UP THE BOP. TRIPPED OUT OF THE HOLE WITH 194 JOINTS OF 2 3/8" TUBING.

7-15-93

TRIPPED IN HOLE TO 6062' AND MIXED AND PUMPED 18 SX OF CLASS "B" CEMENT. THE CEMENT WAS ALLOWED TO SET UP FOR THREE HOURS AND THEN TUBING WAS TRIPPED BACK IN HOLE AND CEMENT WAS TAGGED AT 5923'. THERE ARE PERFORATIONS AT 5910' WHICH REQUIRED ANOTHER PLUG TO BE PUMPED. MIXED AND PUMPED 20 SX OF CLASS "B" CEMENT, TRIPPED TUBING OUT OF THE CEMENT, CLEANED UP EQUIPMENT AND SHUT DOWN FOR THE DAY.

7-16-93 TRIPPED IN HOLE AND TAGGED CEMENT AT 5736', MIXED AND SPOTTED 26 BARRELS OF 8.4 PPG, 40 VIS GELLED MUD FROM 5700' TO 4050'. ATTEMPTED TO TEST CASING WITH NO SUCCESS, THE INJECTION RATE WAS 3 BPM AT 200 MIXED AND PUMPED 22 SX OF CLASS "B" CEMENT FROM 4083 TO 3795'. PULL UP OUT OF THE CEMENT AND MIXED AND SPOTTED 19 BARRELS OF 8.4 PPG, 40 VIS GELLED MUD FROM 3700' TO 2503'. LAID DOWN TUBING TO 2493' AND TRIPPED OUT OF THE HOLE. RIGGED UP WIRELINE AND PERFORATED WITH 4 SPF, .5" HOLES AT 2553' AND 1873'. RIGGED WIRELINE UNIT DOWN AND TRIPPED IN THE HOLE WITH 4 1/2" DOWNHOLE SERVICES CEMENT RETAINER AND SET AT 2493', ESTABLISHED AN INJECTION RATE IN PERFS OF 300 PSIG AT 3 BARRELS PER MINUTE. MIXED AND PUMPED 88 SX OF CLASS "B" CEMENT, PUMPED 83 SX BELOW RETAINER, STUNG OUT OF RETAINER AND PUMPED 5 SX ON TOP OF RETAINER. PULL UP OUT OF THE CEMENT AND MIXED AND SPOTTED 8.3 BARRELS OF 8.4 PPG, 40 VIS GELLED MUD. LAID DOWN TUBING TO 1807', CONTINUED TRIP OUT OF HOLE, STANDING TUBING BACK IN DERRICK AND SHUT DOWN FOR THE DAY.

7-17-93

TRIPPED IN THE HOLE WITH 4 1/2" DOWNHOLE SERVICES CEMENT RETAINER AND SET AT 1807', ATTEMPTED TO ESTABLISH AN INJECTION RATE BUT COULD NOT, PRESSURE HELD AT 2000 PSIG. RECEIVED APPROVAL FROM WAYNE TOWNSEND WITH THE BLM AT 9:30 AM TO PUT A 100' PLUG ON TOP OF THE CEMENT RETAINER, JOE SANCHEZ WITH THE BLM WAS ON LOCATION AND WITNESSED THE PROCEDURE. MIXED AND PUMPED 12 SX OF CLASS "B" CEMENT ON TOP OF RETAINER, CEMENT PLUG FROM 1807' TO 1657'. PULLED UP AND MIXED AND SPOTTED 22 BARRELS OF 8.4 PPG, 40 VIS GELLED MUD FROM 1600' TO 206'. LAID DOWN TUBING AND CEMENT RETAINER SETTING TOOL. RIGGED UP WIRELINE AND PERFORATED 2, .5" HOLES AT 256', RIGGED DOWN WIRELINE. DUG OUT AROUND CASING HEAD, 8 5/8" CASING HAD CEMENT IN IT FROM PREVIOUS SQUEEZE. MIXED AND PUMPED 34 SX OF CLASS "B" CEMENT DOWN THE 4 1/2" CASING, PRESSURE INCREASED TO 1300 PSIG, BLED PRESSURE OFF. NIPPLED DOWN BOP, CUT WELL HEAD OFF AND INSTALLED DRY HOLE MARKER. RIGGED DOWN RIG AND EQUIPMENT AND MOVED OFF OF LOCATION. AS SOON AS PRACTICAL BUT NO LATER THAN ONE YEAR AFTER THE COMPLETION OF THIS PLUG AND ABANDONMENT, BCO, INC. SHALL RESTORE THE LOCATION TO A SAFE AND CLEAN CONDITION.