

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.	30-045-27341
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	E-178-1

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	7. Lease Name or Unit Agreement Name Northeast Blanco Unit
2. Name of Operator Blackwood & Nichols Co., Ltd.	8. Well No. Northeast Blanco Unit No. 502
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>G</u> : <u>1650'</u> Feet From The <u>North</u> Line and <u>1480</u> Feet From The <u>East</u> Line Section <u>32</u> Township <u>23N</u> Range <u>7W</u> NMPM San Juan County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6370' GL	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO: RECEIVED APR 20 1990 OIL CON. DIV DIST. 3	SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/> OTHER: <input 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.

11-28-89 Pressure test 13-3/8" casing and BOP pipe rams to 1500 psi.
12-02-89 Drill to 5779'. Rig up Halliburton Logging Services and run GR-Induction-Density-Neutron log. Well logger's TD - 5785'.
12-03-89 Run 9-5/8" liner on 4-1/2" drill pipe. Run 59 jts (2377.54') 9-5/8" 40.0# K-55 Brt, LT&C and ST&C new CF&I casing with Brown 13-3/8" x 9-5/8" Hyflo liner hanger (13.60'). Set shoe at 5783' with float collar at 5739'. Top of liner at 3390'. Cement with 40 Bbls gelled water, then 600 sx (1090 cf) 65/35 Class G lite with 6% gel, 0.6% D-112 FLA, 6-1/4 #/sk gilsonite, and 1/4 #/sk cellophane flake, followed by 200 sx (230 cf) Class G neat with 0.8% D-60 FLA. Displace with 221 Bbls water at 10 BPM @ 500 psig. Bump plug to 1000 psig, float held OK. Fill annulus with 375 Bbls and reverse out 15 Bbls good cement. Good job, plug down at 8:30 p.m., 12-2-89. WOC 18 hours.

(continued on attached page)

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

SIGNATURE William F. Clark TITLE Operations Manager DATE _____
TYPE OR PRINT NAME William F. Clark TELEPHONE NO. _____

(This space for State Use)

APPROVED BY Original Signed by FRANK T. CHAVEZ TITLE SUPERVISOR DISTRICT 3 DATE APR 20 1990
CONDITIONS OF APPROVAL, IF ANY:

Q 3V1227
DEPT 0 5112
VIG MOD JO
C 1213

0001 0 8 R9A

04 1200 20121000 240 1 NO TTU00

010000 11 200000 00 000000 0000

12-04-89 Pressure test 9-5/8" liner and 13-3/8" casing to 1500 psig for 15 minutes - held OK.
12-07-89 Drill 8-3/4" air hole to 7690'. Mudded up, then lost 100-150 Bbls mud.
12-11-89 Drilling at 8098'. Lost circulation at 8067' - lost 200 Bbls fluid.
12-14-89 Drilling at 8370'. Lost circulation at 8370', lost 40-50 Bbls mud. Cumulative lost circulation 830 Bbls.
12-15-89 Drilling at 8436' in Morrison formation. Lost circulation at 8376', regained after 40 Bbls mud lost. Drilled 1/2' and lost circulation again, regained after 10 Bbls. Cumulative mud lost 880.
12-16-89 Drilling at 8500'. No lost circulation in past 24 hours.
12-17-89 Drilling at 8634'. No mud lost in past 24 hours.
12-18-90 Drilling at 8717'. No mud lost in last 24 hours.

Lost Circulation Summary:

<u>Date</u>	<u>Depth</u>	<u>Bbls Lost</u>
12-7	7690'	350 (mud up)
12-9	7749'	300
12-11	8065'	200
12-14	8370'	<u>50</u>
		900

12-19-89 Drilling at 8797'. Top of Todilto at 8743'; top of Entrada at 8785'.
12-22-89 TD hole at 9050'.
12-23-89 Rig up Halliburton Logging Service and run DIGL, GR, DSN, and SDL logs.
12-24-89 Run 208 jts (9032.34') 7" 26# S-95 LT&C World Star casing, set at 9044'. Guide shoe set at 9043'; float collar at 8998'; cement stage tool at 7351'. Lost circulation. Wait on mud. Mix and pump mud.
12-25-89 Mix and pump LCM. Full returns, circulated hole 1 hour. Rig up Dowell and pump 30 Bbls mud flush, 275 sx Class G 50/50 Poz + 2% gel, 10% salt, 0.7% D-12 fluid loss, 0.2% D-13 fluid retarder. Tail in with 250 sx Class G + 35% D-66 Silica + 2% KCl + 0.8% D-60 fluid loss additive + 0.2% D-112 FL + 0.2% D-136 + 0.5% D-133 retarder. Did not bump plug. Drop bomb, open DV tool. Circulate 4 hours. Circulate approximately 80 sx cement in return. Cement stage 2 with 375 sx Class G 65/35 Poz + 6% D-20 gel + .6% D-112 + 6.25#/sk D-24 gilsonite + 1/4#/sk D-20 cellophane flake. Tail in with 125 sx Class G + 0.8% D-60 FL + 0.2% D-13 retarder. Plug down at 6:30 p.m., 12-24-89. Nipple down BOP and set slips and cut off. Release rig at 10:00 p.m., 12-24-89.