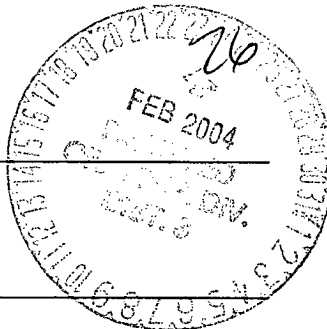


State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division

Sundry Notices and Reports on Wells

<p>1. Type of Well GAS</p> <hr/> <p>2. Name of Operator Manana Gas, Co.</p> <hr/> <p>3. Address & Phone No. of Operator 1002 Tramway Lane NE, Albuquerque, NM 87122</p> <hr/> <p>4. Location of Well, Footage, Sec., T, R, M Unit N, Sec. 22, T-29-N, R-11-W, NMPM, San Juan County</p>	<p>API # (assigned by OCD) 30-045-07940</p> <p>5. Lease Number Fee</p> <p>6. State Oil&Gas Lease #</p> <p>7. Lease Name/Unit Name</p> <p>8. Well No. Cook #1</p> <p>9. Pool Name or Wildcat Basin Dakota</p> <p>10. Elevation:</p>
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Type of Submission	Type of Action
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment	<input checked="" type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other - Evaluate Well

13. **Describe Proposed or Completed Operations**

Manana Gas worked over this well per the attached report.

In summary, the tubing was pulled and found to be plugged with sand. Also, drilling mud was observed on the tubing. A RBP and packer were RIH to attempt to isolate the casing leak(s). A tight spot in the casing was found at 5129' and subsequently the RBP became stuck. The RBP would not come up hole, so it was pushed down to 6219', and covers the lowest set of perforation (6218' to 6226'). Since the extent of the casing problems was greater than originally anticipated, a packer was set at 4488' with the 2-3/8" tubing set at 6208'.

Manana proposes to evaluate the well and determine the economics of performing an extensive casing repair workover. If the repair is not economic then the well would be plugged.

SIGNATURE William F. Clark Contractor February 25, 2004
William F. Clark

(This space for State Use)

Approved by [Signature]

DEPUTY OIL & GAS INSPECTOR, DIST. # 23
Title

Date

FEB 26 2004

Exp. Res 3-15-04

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
Farmington, New Mexico 87499
505-325-2627 * fax: 505-325-1211

Manana Gas Inc.

February 24, 2004

Cook #1

Page 1 of 2

790' FSL 7 1850' FWL, Section 22, T-29-N, R-11-W

San Juan County, NM

WORKOVER SUMMARY

Fee Lease, API #30-045-07940

Well History and Performance Before Recent Workover:

Well drilled in 1960 and completed in the Dakota formation.

In June 2001, a workover to repair the tubing was successfully completed.

Well produced during 2003 an average of 110 MCFD and ½ bbl oil per day.

In January 2004, well stopped producing up the tubing and production significantly dropped. Recovered plunger from tubing with a slick line unit and ran an impression block which indicated sand in the tubing. Waited three weeks to get a well servicing rig.

Workover Activities – Phase One:

(Contractor - Jimmy's Swabbing Service, single derrick rig; this information provided by Ed Bond and the Downhole Service packer man on location.)

Pulled 2-3/8" tubing and found on joint to be filled with sand. TIH with tubing and then pulled it out and observed drilling mud on tubing.

2/2/04 Start to TIH with 5-1/2" (4.641" OD) fullbore packer and retrievable bridge plug (RBP, Type C with cups).

2/3/04 Continue to RIH with packer and RBP. Hit a tight spot at 5129' in the 4-1/2" casing. Pulled 15,000 to 20,000# over string weight to pull free of tight spot. TOH with tubing and LD packer and RBP.

2/4/04 PU Baker string mill (4-7/8" OD), 4-3/4" blade bit and 4 drill collars. TIH with 2-3/8" tubing to 6208' (??) and tagged bottom. Fill covering lower set of perforations.

2/5/04 TIH with fullbore packer and RBP. Tagged tight pipe at 5129' again. Unable to work plug up or down. RBP stuck. Attempt to release from RBP: set down to un-jay and RBP went down hole. Unable to move RBP up hole. Work plug down hole to 5235' and then plug stopped. Release from RBP and pull packer up to 5028'. SDFD.

2/6/04 Set fullbore packer at 5028'. Pressure test 4-1/2" casing from 5028' to RBP at 5235' up to 1000# for 10 minutes, held OK. Release packer and PUH up to 4481'. Set packer at 4481' and pressure test below packer to 1000#, held OK. Fill annulus with water, wait on water truck to bring water. Re-set packer at 4140' and pump down the tubing, circulated out annulus. Released packer and TOH.

2/7/04 TIH with retrieving head and land tubing. NU wellhead. RD and MOL.

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Page 2 of 2

790' FSL 7 1850' FWL, Section 22, T-29-N, R-11-W

San Juan County, NM

Fee Lease, API #30-045-07940

WORKOVER SUMMARY

Workover Activities – Phase Two:

2/11/04 MOL. Held JSA. Spot rig and rig up. SDFD.

2/12/04 Held JSA. Open up well, no pressure. Connect casing valve to relief line to production pit. Open casing valve. Change tools to handle 2-3/8" tubing. ND wellhead. NU BOP and test. PU on tubing and remove hanger. PU 4 joints tubing and tag RPB at 5235' with 169 joints tubing. Attempt to work RBP up hole, pulling up to 50,000# on tubing. RBP will go down hole but not come up. PU a joint of tubing and work RBP, will go down but not up. Unable to work RBP free. Establish circulation to surface with 80 bbls of water. Pumping down tubing and returns to surface had some gas; continued to work tubing to free RBP. Same results, RBP will go down but not come up. Pump additional 20 bbls of water down tubing while working the tubing to free the RBP. Continue to RIH with joints of tubing and pushed RBP down to 6219'. Tagged hard - possibly fill covering bottom perforations. Release retrieving head from RBP and TOH with 195 joints tubing. Tally 195 joints 2-3/8" tubing, total 6189'; LD retrieving head. Note: top of RBP at 6219' (with 8' KB correction) according to tally. SDFD.
Perforations (per Sundry): 6052-60', 6062-68', 6144-46', 6062-66', 6072-76', 6218-26'

2/13/04 Held JSA. Open up well, no pressure. RU A-Plus wireline truck. RIH with 5-1/2" (4.767") gauge ring to 3403', hit tight spot. POH with wireline and RD. Observed metal shavings on CCL and the fluid level at approximately 1800'. PU and TIH with 5-1/2" DHS casing scraper. TIH to 4508', work through tight spots from 3427' to 3490', TOH. PU new muleshoe collar, seating nipple with standing valve and TIH with 2-3/8" tubing to 1775'. Rabbit tubing while TIH. Rig up pump and pressure test tubing to 1000# for 5 minutes. PU 5-1/2" single grip Model R packer and continue to TIH with 2-3/8" tubing. Land total of 195 joints 2-3/8" tubing with mule shoe/seating nipple set at 6208'. Note: there are 54 joints (1713') tail pipe below the 5-1/2" Model R packer set at 4488' and 141 joints above. Pressure test all tubing to 1000#, held OK. Note: Model R packer set with 12,000# compression. ND BOP. NU wellhead. SDFD.

2/14/04 Held JSA. RD rig and move equipment off location.

Plan to swab well and then restore the production. Then determine if it is economic to repair the casing. If production is not re-stored or is insufficient then the well will be plugged.