

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

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--" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> Non-producing well	7. UNIT AGREEMENT NAME N/A
2. NAME OF OPERATOR KERNS OIL & GAS, INC.	8. FARM OR LEASE NAME Crane Federal
3. ADDRESS OF OPERATOR 2600 N. Fernbrook Lane, Suite 138, Plymouth, MN 55447	9. WELL NO. 3
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface Unit Ltr D, 820 FNL & 1050 FWL	10. FIELD AND POOL, OR WILDCAT Blanco, Pictured Cliffs
14. PERMIT NO.	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA T24N, R1W, Sec. 32
15. ELEVATIONS (Show whether on or below ground) OIL CON. DIV DIST. 3	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"/>	WATER SHUT-OFF	<input type="checkbox"/>
FRACURE TREAT	<input type="checkbox"/>	FRACURE TREATMENT	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	SHOOTING OR ACIDIZING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	(Other)	<input type="checkbox"/>
(Other) Long-term shut-in	<input checked="" type="checkbox"/>	(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.)

Wellbore is presently shut-in and considered uneconomic to produce. Kerns Oil & Gas, Inc., as operator, is actively evaluating its options for establishing commercial production:

1. Through access to better gas markets via transportation on El Paso Natural Gas Company pipelines under construction or being re-routed.
2. By reduction of gathering system line pressure through an arrangement with El Paso Natural Gas Company. Line pressure has been high in the San Juan Basin.
3. By recompletion of the well in other prospective zones including the Fruitland Coal.

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

SIGNED <u>Kerry A. Johnston</u> Kerry A. Johnston	TITLE <u>Vice President</u>	DATE <u>11/11/91</u>
APPROVED BY _____ CONDITIONS OF APPROVAL, IF ANY:		DATE <u>NOV 29 1991</u> <u>John Kelly</u> AREA MANAGER FARMINGTON RESOURCE AREA

*See Instructions on Reverse Side