CONDITION OF APPROVAL, if any:

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT



Sundry Notices and Reports on Wedle 27 PM 12: 32 Lease Number 070 FARMINGTON, NM SF-078423 If Indian, All. or 1. Type of Well Tribe Name GAS 7. Unit Agreement Name 2. Name of Operator San Juan 29-7 Unit OIL & GAS COMPANY 8. Well Name & Number San Juan 29-7 U #520 3. Address & Phone No. of Operator 9. API Well No. PO Box 4289, Farmington, NM 87499 (505) 326-9700 30-039-25635 10. Field and Pool 4. Location of Well, Footage, Sec., T, R, M Basin Fruitland Coal/ 1600'FSL, 900'FWL, Sec.8, T-29-N, R-7-W, NMPM So. Blanco Pict.Cliffs 11. County and State Rio Arriba Co, NM 12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA Type of Action Type of Submission ___ Change of Plans __ Abandonment _X_ Notice of Intent New Construction ___ Recompletion Non-Routine Fracturing ____ Plugging Back Subsequent Report Casing Repair Water Shut off
Altering Casing Conversion to Injection _ Casing Repair Final Abandonment X Other -Describe Proposed or Completed Operations 13. Maximum surface pressure with evacuated hole: 1000 psi (0.22 psi/ft x 3063' TVD = 326 psi. Surface casing needed by Onshore Order #2: 326 psi/1-0.22)psi/ft = 418 ft Burlington Resources requests a variance from this requirement based on the following: The attached 9-Section plat indicates very low production rates in the area. All wells on the 9-Section plat have been hydraulically fractured and do not produce more that 600 MCFGPD, indicating very low permeability. The attached bottom hole pressure test for the offsetting San Juan 29-7 Unit #583 indicates a very low natural permeability. Bottom hole pressure was 572 psi in 173 hours (7.2 days) in 1993. It is intended to set surface casing at 200'. After waiting on cement for 12 hours, dril 10' feet of new hole. Load hole w/8.6 ppg mud. Pressure test the shoe to a pressure equivalent to 326 psi surface pressure. 326 psi + $(210' \times 0.22 \text{ psi/ft}) = 372 \text{ psi equivalent pressure at casing point}$ with evacuated hole. 210' x 8.6 ppg x 0.052 = 94 psi hydrostatic pressure during test. 372 psi - 94 psi = 278 psi surface pressure needed for test. Pressure test shoe to 300 psi. Continued on back I hereby ceptify that the foregoing is true and correct. Title Regulatory Administrator Date 12/27/96___ (This space APPROVED BY Title ____Title _____ Date

Burlington Resources will also conduct a natural production test on the Pictured Cliffs formation before hydraulically fracturing the formation. After perforating the interval, the well will be swabbed and allowed to flow naturally. This data will be reported to the BLM on a subsequent sundry.

RECEIVET BLM

SAN JUAN 29-7 #520 SW/4 29N 7W

96 DEC 27 PM 12: 32 070 FARMINGTON, NM

BG MCF/D	JAN 29-7 UN 9 SAN JUAN 2 230 MCF/1	
18	17 9 2	SAN JUMN 29-7 UN 600 MCF/D



MIDLAND, TEXAS / FARMINGTON, NEW MEXICO

BLM

reservoir engineering data

P. O. Box 5278

Midland, Texas 79704-5278

(915) 694-0477

96 DEC 27 PM 12: 32 Midland Fax (915) 694-7602 Parmington Fax (505) 325-1148

070 FARMINGTO Grand Junction Fax (303) 241-7634

July 28, 1993

Meridian Oil Inc. Box 4289 Farmington, NM 87499

Attention: Mr. Kurt Shipley

Subject: Buildup Measurement

San Juan 29-7 NO. 583

Rio Arriba County, New Mexico

Our File No. 2-25074-BU

Dear Mr. Shipley:

Attached hereto are the results of a bottomhole pressure buildup measurement which was conducted on the above captioned well July 18 through July 25, 1993.

The data presented are in tabular and graphical form.

It has been our pleasure to have conducted this service for you. If we may be of further assistance, please call us at any time.

Respectfully submitted,

TEFTELLER, INC.

Neil Tefteller

NT/lw



TEFTELLER, INC.

RESERVOIR ENGINEERING DATA AND PRODUCTIVITY ENHANCEMENT SERVICES
MIDLAND, TEXAS • FARMINGTON, NEW MEXICO • GRAND JUNCTION, COLORADO

CHRONOLOGICAL PRESSURE AND PRODUCTION DATA

1993			ELAPSED TIME		WELLHEAD PRESSURE		BHP @ 3144'
DATE	STATUS OF WELL	TIME	HRS	MIN	TBG	CSG	PSIG
7-18	Well shut-in	04:00					
	Arrived on location	07:30					
	Rig up tandem						
	equipment						
	Tandem instruments @ 3144'	08:30	0	00	394		
	W 3144	09:00	5	00	334		463
		10:00	6	00			472
		11:00	7	00			478
		12:00	8	00			483
		14:00	10	00			492
		16:00	12	00			498
		18:00	14	00			504
		20:00	16	00			509
		22:00	18	00			514
7-19		00:00	20	00			517
		02:00	22	00			520
		04:00	24	00			523
		08:00	28	00			529
		12:00	32	00			535
		16:00	36	00			539
7.00		20:00	40	00			542 545
7-20		00:00	44	00			548
		04:00	48 54	00 00			550
		10:00 16:00	60	00			552
7-21		02:00	70	00			556
/ - 21		12:00	80	00			559
		22:00	90	00			562

TEFTELLER, INC.

RESERVOIR ENGINEERING DATA AND PRODUCTIVITY ENHANCEMENT SERVICES
MIDLAND, TEXAS • FARMINGTON, NEW MEXICO • GRAND JUNCTION, COLORADO

CHRONOLOGICAL PRESSURE AND PRODUCTION DATA

1993			ELAPSED TIME		WELLHEAD PRESSURE		BHP @ 3144'
DATE	STATUS OF WELL	TIME	HRS	MIN	TBG	CSG	PSIG
7-22		08:00	100	00			563
7-23		04:00	120	00			566
7-24		00:00	140	00			569
		20:00	160	00			571
7-25	Gradient traverse	09:00	173	00	496		572

PANSYSTEM V1.6 (C) EPDS 1989.

- CARTESIAN PLOT SAN JUAN 29-7 #583

File.....SJUAN583.01L

Analyst name..... KENT WILLIAMS-TEFTELLER, INC.

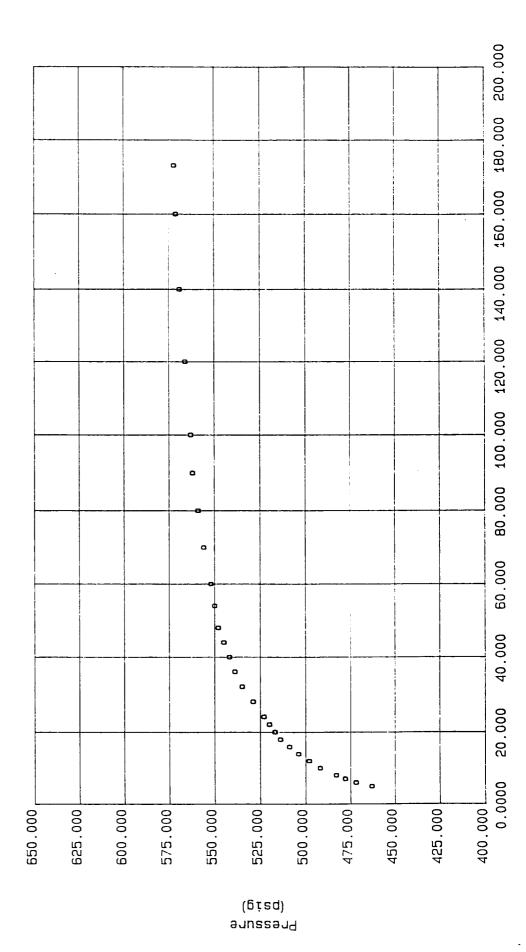
Company...... MEHIDIAN OIL, INC.

Well SAN JUAN 29-7 #583

Field.....

Rig Name/Number.....

Test...... 173 HOUR BI4PBU



PANSYSTEM V1.6 (C) EPDS 1989.

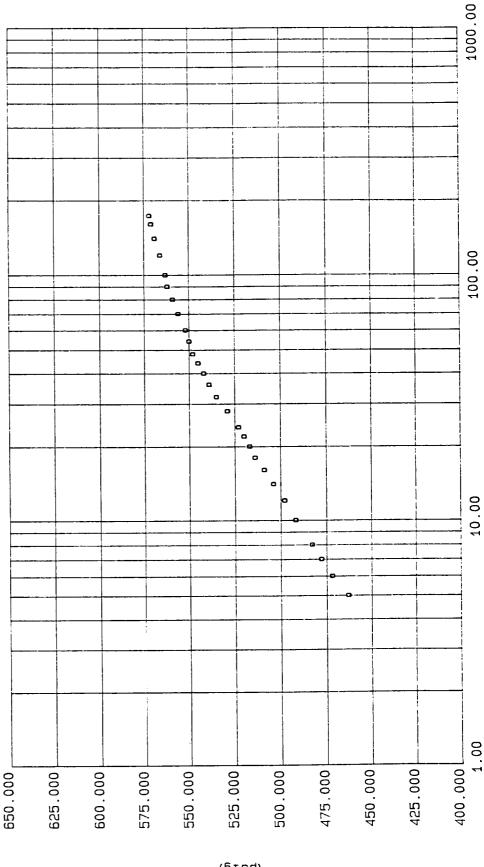
Analyst name..... KENT WILLIAMS-TEFTELLER, INC. File..... SJUAN583.0IL

MeII...... SAN JUAN 29-7 #583

SAN JUAN 29-7 #583 - SEMILOG PLOT

Rig Name/Number.....

Test......173 HOUR BIPPUL



(pizq) Pressure



Page _____5 of ___5 File _____2-25074-BU

MIDLAND, TEXAS San Juan 29-7 Meridian Oil Inc. Company ___ Well No. Lease State New Mexico Rio Arriba Field County Pictured Cliffs July 25, 1993 Test Date Formation Status of Well Shut-in 173 hours **DEPTH PRESSURE GRADIENT** 800 -Feet **Psig** Psi/Ft. 496 0 1000 0.014 510 2000 522 0.012 2744 0.012 531 2944 534 0.015 700 -3144 572 0.190 PRESSURE POUNDS PER SQUARE INCH GAUGE 600 500 400 300 200 -Elev. Datum Ft. Perf. 3080-3208 Ft. Total Depth 2 3/8 Ft. Tubing in. to Casing in. to Ft. Tubing Press. 496 Casing Press. 3061 Oil Level Water Level 100 -3144 Temperature 116 °F @ Ft. Range Element No. Last Test Date PSIG @ Ft. Pressure Last Test Date B.H.P. Change Psi 7000 6000 5000 20C0 3000 4000

DEPTH: FEET