Form 3160-5
(November 1983)
(Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR (Other instructions on reverse side)
BUREAU OF LAND MANAGEMENT

Expires August 31, 19

5. LEASE DESIGNATION AND SERIAL NO.: SF 078046

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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.)

RECEIVED
BLM

7. UNIT AGREEMENT NAME:

OIL WELL [ ] GAS WELL [X] OTHER

STATED

8. FARM OR LEASE NAME: Hughes 29 L

NAME OF OPERATOR: McKenzie Methane Corporation

9. WELL NO.: # 1

ADDRESS OF OPERATOR: 1911 Main #255, Durango, Colorado 81301

10. FIELD AND POOL, OR WILDCAT: Basin FT COAL

LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface: 1465' FSL, 1065' FWL

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec29-T29N-R8W

API NO.: 30-045-28427

15. ELEVATIONS (Show whether DF, RT, GR, etc.): 6420' GL

12. COUNTY OR PARISH: San Juan

13. STATE: NM

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
TEST WATER SHUT-OFF	[ ]	PULL OR ALTER CASING	[ ]	WATER SHUT-OFF	[ ]	REPAIRING WELL	[ ]
FRACTURE TREAT	[ ]	MULTIPLE COMPLETE	[ ]	FRACTURE TREATMENT	[ ]	ALTERING CASING	[ ]
SHOOT OR ACIDIZE	[ ]	ABANDON*	[ ]	SHOOTING OR ACIDIZING	[ ]	ABANDONMENT*	[ ]
REPAIR WELL	[ ]	CHANGE PLANS	[ ]	(Other) Drilling Report			[X]
(Other)				(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.)*

SEE ATTACHED

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

SIGNED: Ky Slagle/CS TITLE: Operations Manager DATE: 2-12-91

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ACCEPTED FOR RECORD

FEB 20 1991

FARMINGTON RESOURCE AREA

BY _____

*See Instructions on Reverse Side

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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD

McKENZIE METHANE CORPORATION
DAILY DRILLING REPORT
Durango Office

11-21-90

Hughes 29 L #1
SW 4/Sec29-T29N-R8W, San Juan Co., NM
AART: Waiting on drlg rig. DEPTH: 24'
DAILY: MIRU spud unit. **Spud 12-1/4" hole @ 10:00 A. M. 11/20/90.** Drill to 24' KB & SD. Move off spud unit. Mud: N/A Surveys: N/A

11-24-90

Hughes 29 L #1
SW 4/Sec29-T29N-R8W, San Juan Co., NM
AART: WOC DEPTH: 274'
DAILY: MIRU 4 States Drilling. Drill to 274'. Circ. TOH. R & C 6 jts (257') 8-5/8, 24#, K 55, csg set @ 269'. Cmt w/ 200 sx (236 cu ft) Class B, + 2% CaCl + 1/4#/sx cellophane. PD @ 3:15 A.M. 11-24-90. Circ 15 bbl cmt to surf. WOC.
MUD: spud Surveys: 274' - 1-1/4.

11-25-90

Hughes 29 L #1
SW 4/Sec29-T29N-R8W, San Juan Co., NM
AART: TFB #4 DEPTH: 1557'
DAILY: WOC. NUBOP -test same- OK. Drill 7-7/8" hole @ 3:15 P.M. 11-24-90. TFB #3. Drilling TFB #4 in-complete @ report time.
MUD: Benex & water. Surveys: 784'-1-1/2, 1124' - 2-1/2, 1500' - 3/4, 1557' - 2-1/4.

11-26-90

Hughes 29 L #1
SW 4/Sec29-T29N-R8W, San Juan Co., NM
AART: Drilling DEPTH: 2200'
DAILY: Drilling
MUD: 8.9 Vis: 33
Surveys: 2049' - 2-1/4.

11-27-90

Hughes 29 L #1
SW 4/Sec29-T29N-R8W, San Juan Co., NM
AART: Drilling DEPTH: 2955'
DAILY: Drill to 2955'. MW: 8.9 Vis: 40
Surveys: 2535' - 2.

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McKENZIE METHANE CORPORATION
DAILY DRILLING REPORT
Durango Office

11-28-90

Hughes 29 L #1
SW 4/Sec29-T29N-R8W, San Juan Co., NM
AART: RR @ 7:00 A.M. DEPTH: 3020'
DAILY: Drill to TD 3020' 9:45 A.M. 11-27-90. Circ, TOOH, & log w/ Atlas. TIH & circ. LDDP & drill collars. Run 71 jts (3008') 4-1/2, 11.6#, K55, LTC csg set @ 3020'. Cmt w/ 450 sx (828 cu ft) 65/35 POZ, 1/4#/sx cellophane flakes, followed by 150 sx (182 cu ft) 50/50 POZ, 1/4#/sx cellophane. BP @ 1500 PSI -OK. PD @ 5:30 A.M. 11-28-90. Circ 7 bbl cmt to surf. NDBOP, set slips, cut off csg. RR 7:00 A.M.
Surveys: 3020' - 1.