

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.	30-039-24320
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	E-289-3
7. Lease Name or Unit Agreement Name	Northeast Blanco Unit
8. Well No.	415
9. Pool name or Wildcat	Basin Fruitland Coal

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	
2. Name of Operator Blackwood & Nichols Co., Ltd.	
3. Address of Operator P.O. Box 1237, Durango, Colorado 81302-1237	
4. Well Location Unit Letter G : 1540 Feet From The North Line and 1480 Feet From The East Line Section 2 Township 30N Range 7W NMPM San Juan County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6392' GL	

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

10-24-89 Move on, rig up. Rigged up and nipple up BOP stack and blooie lines. Tested 7" casing and BOP blind rams to 2000 psig for 30 minutes - held OK. Picked up 6-1/4" bit and 3-1/2" drill pipe.

10-25-89 Tag cement at 2937'. Drill plug, float, and cement to 2973'. Mix mud. Pressure test manifold, BOP pipe rams, and casing to 2000 psi. Drilled formation to 2981'.

10-26-89 Drilling in siltstone and shale with 6-1/4" bit.

10-27-89 Drilled from 3221' to 3271'. Will drill 25 to 30 feet to DST point.

Continued on next 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 19 Dec '89
TYPE OR PRINT NAME William F. Clark TELEPHONE NO. 303-247-0728

(This space for State Use)

Original Signed by FRANK T. CHAVEZ

SUPERVISOR DISTRICT #

JAN 12 1990

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

- 10-28-89 Drilling from 3271' to 3306'. Short trip into 7" casing. TIH. Tag - no fill. Logging with Halliburton Logging Services. Run sidewall cores with HLS and rig down.
- 10-29-89 Circulate hole on bottom 45 minutes. POOH. Pick up and make up DST tools. Run drill stem test tools in hole on drill pipe. Run drill stem test. POOH and lay down DST tools.

DST No. 1: Upper Pictured Cliffs Sand (tongue) from 3263' to 3306' on 10-28-89; packers set 3258' and 3263'. Mud weight - 10.5 ppg; viscosity - 54 sec; bottom choke 3/4"; surface choke 1/4" adjustable. Initial mud hydrostatic - 1850 psig. Initial flow - 18 minutes; initial pressure - 62.5 psig; final pressure 83.4. First shut-in - 32 minutes; final pressure 1059 psig. Second flow - 16 minutes; initial - 83 psig; final 97 psig. Final shut-in - 62 minutes; final pressure 1140 psig. Final mud hydrostatic - 1850 psig.

Initial flow: open tool at 1517 hours - good blow 4" bucket; 1519 hours - 1/8" choke - 3#; 1521 hours to 1529 hours - blow increasing; 1531 hours - 1/8" choke - 40#. Closed tool at 1534 hours. Final flow, 1/4" adjustable choke: at 1612 hours - 45 psig; at 1617 hours - 45 psig; at 1622 hours - 45 psig; at 1628 hours - 45 psig, then shut tool. Final shut-in - 1628 to 1730 hours. At 1730 hours open bypass. Recovery: sample chamber - 900 psig, 4.06 cf of gas, 1100 cc mud, no oil, no water, bottom hole temperature - 115°; drill pipe - 250' of gas-cut mud.

TIH with 6-1/4" bit. Displaced mud with water. Drilling Fruitland from 3306' to 3310' with water.

- 10-30-89 Drilling Fruitland coal from 3310-3343'. Blow open hole with water. Work pipe, blow hole with 3.0 MMSCF air, 10 Bbls water sweeps every 15 minutes, light 1/16" - 3/4" coal and black water.
- 10-31-89 Blow hole with 3.0 MMSCF air, 10 Bbl water sweeps every 15 minutes. Shut-in, monitor pressure build up: 3 hr - 975.

Surge well. TIH. Tag at 3200', clean out 3200-3220' and 3332 3343'. Blow on bottom with 3.0 MMSCF and 1.3 BPM water with 15 Bbls water sweeps every 15 minutes. Water production - 400 BWD.

- 11-01-89 Shut in. Build to 1000 psi, surge well, repeated. TIH. Tag bridge at 3222', blow well with 3.0 MMSCF and 1.3 BPM water. Blow on bottom. Pull into 7" casing. Shut-in well: 3 hrs - 1150 psi.

Surge well. TIH. Tag bridge from 3225' to 3230', fill 3326' to 3343'. Blow on bottom 3.0 MMSCF, 1.3 BPM water with Bbl sweeps. Bucket test 274 BWD.

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11-02-89 Blow well with 3.0 MM air and 1.3 BPM water with 15 Bbl sweeps every 1/4 hour. Returns moderate decreasing to light coal, water black with coal dust.

Pulled into 7". Shut well in for 2 hours: SICP = 1075 psig. Surged well. TOH and clean out bridge from 3222' to 3232' and 14' of fill at TD. Blow well with 2.0 MM air and 0.8 BPM water. Water production, bucket gauge - 365 BWD.

11- 03-89 TIH and clean out bridge from 3222' to 3233'. Blow well with 3.0 MM air and pumped three 20 Bbls sweeps of water with soap. TOH with drill pipe. Pick up 5-1/2" casing and liner hanger and TIH with 3-1/2" drill pipe. Liner went to 3338' with no hole problems.. Cleaned out 5' of fill to TD at 3343'. Blew hole clean, set liner and packed off.

Ran 11 jts (395.4') 5-1/2" 17.0# K-55 LT&C new Voest Alpine casing with 7" x 5-1/2" Baker/Brown CMS liner hanger (10.11') with up and down slip and goal seal pack off; Brown V-set guide shoe; casing drilled and plugged with 4 HPF.

Liner Summary:
Top @ 2936'
PBD @ 3340'
Shoe @ 3342'

Perforations:
3021' to 3057'
3096' to 3132'
3189' to 3224'
3301' to 3338'

TOH and lay down drill pipe.

11-04-89 Pick up 2-3/8". Hit top of plugs at 3025'. Drilling all plugs to 3342' PBD

11-05-89 Strap out of hole. Pick up 2-3/8" expendable check, one jt 2-3/8", and F nipple and TIH with 105 jts 2-3/8" tubing 106 jts. Land tubing in head.

Ran 106 jts (3242.56') 2-3/8" 4.7# J-55 EUE USS FBNAU and set expendable check at 3256', F nipple at 3226'.

Nipple down blooie lines and BOP stack, nipple up tree, drop ball and pump off expendable check. Blow back until gas at surface, shut in well. Rig down.