P.O. BOX 1237

DURANGO, COLORADO 81302-1237

(303) 247-0728

May 30, 1990

JUN 6 1990 OIL CON. DIV.

New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, New Mexico 87410

> Northeast Blanco Unit #425R Re: Unit N. Sec. 8 T30N R7W

Rio Arriba County, New Mexico

Gentlemen:

This is to certify the following deviation tests were run while drilling the above well:

> 96' - 1/4° 318' - 1/2° 822' - 1 3/4° 1288' - 1 3/4° 1790' -1 1/2° 2279' - 1 1/2° 2810' - 1 1/2°

> > Very truly yours,

William F. Clark Operations Manager

WFC:as

county of: La Plata State of: Colorado

Signature:

Elizabeth Boyd Notary Public

Commission Expires 8-10-91

484 Jurner Dr.
Dge, Co
81301

CURERYISOR DISTRICT # 8

R. W. Williams

Original Signed by FRANK T. CHAVEZ

TYPE OR PRINT NAME

APPROVED BY

(This space for State Use)

CONDITIONS OF APPROVAL, IF ANY:

TELEPHONE NO. 303-247-0728

ADDENDUM

BLACKWOOD & NICHOLS CO., LTD. P.O. BOX 1237

DURANGO, COLORADO 81302-1237

(303) 247-0728

Completion Report

Northeast Blanco Unit No. 425R - Basin Fruitland Coal

1265' FSL, 1855' FWL Section 8, T30N, R7W, LOCATION:

Rio Arriba County, New Mexico

Nippling up BOP stack. 7-10-90

Wait on daylight to move.

Move in and rig up Big "A" Rig No. 25. Inspect drill pipe, drill collars, and subs. Wait on mud cross until 10:00 p.m. Nipple up BOP stack. Raining; roads and location very muddy.

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LOCATION: 1265' FSL, 1855' FWL

Section 8, T30N, R7W,

Rio Arriba County, New Mexico

7-11-90 7" casing at 2804'; 6-1/4" open hole 2804-2890'.

Drilling Fruitland formation at 2890'.

Finish rigging up; test blind rams, 7" casing, and manifold to 2000 psi - held OK.

Rig up blooie line.

Tally and pick up 6-1/4" Smith Tool F-2 bit, SN# KK-4000 (jets: 24-24-24), float sub, 1 drill collar, N nipple, 9 drill collars, 1 jt drill pipe, F nipple, safety sub (BHA = 306.04' not including drill pipe), and 3-1/2" drill pipe and tag cement at 2759'. Pick up and rig up power swivel.

Test all 3-1/2" pipe rams individually to 2000 psi - OK.

Drill cement, plug, insert float at 2762', cement in shoe jt, and 7" casing shoe at 2804'.

Drill Fruitland formation 2804-2890' with 8000# WOB and 80 RPM @ 1000 psi.

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Section 8, T30N, R7W,

Rio Arriba County, New Mexico

7-12-90 7" casing at 2804'; 6-1/4" open hole 2804-3050' TD.

Circulating and working pipe at TD with 3 BPM water.

Drill Fruitland formation to 3050' TD with 8000# WOB, 80 RPM, and 7.5 BPM water @ 1000 psi.

Circulate and work pipe at TD with 6.5 BPM water. Returns no formation, clear water and gas.

Circulate and work pipe at TD with 6.5 BPM decreasing to 3 BPM water. Returns no formation, clear water and gas (40' flare).

Coal	Intervals:	2817-2818	1'
		2849-2852	3 '
		2859-2860	1'
		2861-2863'	2 '
		2908– 2509 1 <i>4⁹⁰⁹</i>	1'
		2914-2817'	3 1
		2918 -3830 ' <i>29</i> 5	2 1
		2921-2925'	4 1
		2926-2928'	2 1
		2930-2933'	3'
		2950-2957 '	7 '
		2960-2961'	1'
		2965-2966'	1'
		2997 - 3002 '	51
		3009-3010'	1'
		3011-3012'	1'
		3020-3021'	1'
		3029-3031'	2'
		3032-3 938 1 3038	<u>6'</u>
		Total	47 '

Top Main P. C. - 3048'
Total Depth - 3050'

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7-13-90 7" casing at 2804'; 6-1/4" open hole 2804-3050' TD.

Circulating and working pipe at TD with .7 MM air and 3.5 BPM water.

Circulate and work pipe at TD with 3 BPM water, reducing pump rate 1/2 BPM every 2 hours down to 1 BPM. Returns light coal 1/8" and less (98%) and shale in clear water.

Circulate and work pipe at TD with .7 MM air and 5 BPM water, reducing pump rate 1/2 BPM every 2 hours down to 2.5 BPM. Returns moderate to heavy 1/2" and less coal (80%) with shale, siltstone, and claystone in gray to clear water. Pipe became sticky.

Circulate and work pipe at TD with .7 MM air and 3.5 BPM water with 15 Bbl water sweeps when hole became sticky. Returns heavy 1/2" to dust coal (90%), shale, siltstone, and claystone in black water. Had some torque and drag.

Circulate and work pipe at TD with .7 MM air and 3.5 BPM water. Returns heavy to moderate 3/8" and less coal (90%), shale, siltstone, and claystone in gray water.

Estimated 8 MMCFD gas.

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7-14-90 7" casing at 2804'; 6-1/4" open hole 2804-3050' TD.

Circulating and working pipe at TD with 1.4 MM air and 4 BPM water.

Circulate and work pipe at TD with .7 MM air and 3.5 BPM water, reducing pump rate 1/2 Bbl every 2 hours to 1 BPM water. Returns moderate to heavy 1/4" coal (95%), shale and siltstone. When water got down to 1 BPM, well unloaded heavy coal and coal dust in black viscous water.

Circulate and work pipe at TD with .7 MM air and 4 BPM water. Cleaned up hole, started reducing water rate 1/2 Bbl every 2 hours. Returns moderate to heavy 1/4" coal and coal dust (95%), shale and siltstone in black water.

Reduce water rate to 1 BPM, hole became sticky. Ran 5 and 10 Bbl water sweeps. Returns heavy 1/4" and less coal, shale and siltstone, then reduced to moderate to light, added second compressor.

Estimated gas - 10 MMCFD.

7-15-90 Circulating and working pipe at TD with 1.4 MM air and 1-1/2 BPM water with 5 to 10 Bbl water sweeps every hour.

Circulate and work pipe at TD with 1.4 MM air and 5 BPM water. Reduced water 1 BPM each hour down to 1 BPM. Returns moderate to heavy 1/4" and less coal (95%), shale and siltstone in black to clear water.

Circulate and work pipe at TD with 1.4 MM air and 10 Bbl water sweeps every 15 minutes. Returns moderate 1/4" and less coal (95%), shale and siltstone in gray water.

(Cont'd) 7-15-90

Circulate and work pipe at TD with 1.4 MM air and 10 Bbl water sweeps every 30 minutes. Returns moderate to heavy 1/4" and less coal (95%), shale and siltstone in black water on sweeps, then clear water.

Circulate and work pipe at TD with 1.4 MM air and 10 Bbl water sweeps each hour. Returns heavy 1/4" and less coal (95%), shale and siltstone in black water on sweeps, some torque and drag, pipe sticky.

Circulate and work pipe at TD with 1.4 MM air and 5 BPM water. Cleaned well up, pipe stuck three times. Returns heavy 1/8" and less coal (95%), shale and siltstone in black water. Reduce pump rate 1/4 BPM per hour to 1.5 BPM with 5 to 10 Bbl water sweeps every hour.

7-16-90 Circulating and working pipe at TD with 1.4 MM air and 1 BPm water with 5 to 20 Bbl water sweeps hourly.

Circulate and work pipe at TD with 1.4 MM air and 1.5 BPM water with 5 to 10 Bbl water sweeps hourly. Reduce water to 0 BPM. Run bucket test. Returns moderate to light 1/8" and less coal (95%), shale and siltstone in black water on sweeps. Swivel packing leaking.

Pull into 7" casing for pitot test #1 and shut in test #1. Pitot test: no good, pitot tube plugged. Shut in test: 1/4 hr - 700 psi; 1/2 hr - 950; 3/4 hr - 1125; 1 hr - 1160 psi. TIH, 8' fill.

Circulate and work pipe with 1.4 MM air and 5 BPM water. Returns heavy black viscous water, 1/8" and less coal, shale and siltstone for 1 hour.

Circulate and work pipe with 1.4 MM air and 1 BPM water with 5 to 20 Bbl water sweeps hourly. Returns on sweeps, moderate to heavy coal (95%), shale and siltstone in black water.

Hole sticky at 8:00 p.m., 1:00 a.m., and 4:00 a.m.

Bucket test - 735 BPD water.

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Section 8, T30N, R7W,

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7-17-90 7" casing at 2804'; 6-1/4" open hole 2804-3050' TD.

Circulating and working pipe at TD with 1.4 MM air and 2.5 BPM water with 20 bbl. sweeps each hour.

Circulate and work pipe at TD with 1.4 MM air and various water rates from 1/2 to 6 BPM. Various sweeps each hour from 5 to 20 bbl. Hole becomes sticky approximately each hour.

Returns when well unloads; heavy coal fines, shale and siltstone in black viscous water then light coal fines in grey water. Shale and siltstone increasing in size and quantity.

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LOCATION: 1265' FSL, 1855' FWL Section 8, T30N, R7W,

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7-18-90 7" casing at 2804'; 6-1/4" open hole 2804-3050' TD.

Stripping out and laying down drill collars. Circulating across stack @ 400 psi.

Circulate and work pipe at TD with 2.1 MM air and 2 BPM water with 15 Bbl water sweeps hourly. Returns light coal fines in gray water. Shut down one compressor, hole became sticky. Continue to blow with 2.1 MM air and 2 BPM water with 15 Bbl water sweeps hourly.

Kill well with water.

Displace drill pipe with air. Pull into 7" casing and hang drill pipe in #1 rams.

Rig up Cudd Pressure Control, pump across stack @ 450 psi @ 1/2 BPM.

Strip and strap drill pipe out of hole. Lay down drill collars. Pump across stack @ 450 psi @ 1/2 BPM. Losing approximately 20 Bbls/hour to formation. (MLS/MD)

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7-19-90 7" casing at 2804'; 5-1/2" liner 2721-3048'.

Picking up swivel to drill perf plugs at 2792'.

Rig up and snub 8 jts 5-1/2" 23# L-80 8rd LT&C USS casing (320.51') with 6-1/4" RR FDT, crossover sub with float, and a Brown hydraulic set liner hanger. Load liner with water. Total liner length - 326.65'.

Rig down snubbing equipment and strip 3-1/2" drill pipe in hole. Tag bridge at 2960'. Push through bridge with 8,000#. Tag 6' of fill on bottom. Pick up swivel, circulate and rotate to TD at 3050'. Pick up 2' drop ball, pressure to 1750#, set and pack off liner hanger. Pressure to 3000# release running tool, shift sleeve and pull pipe dry. Lay down 4 jts of drill pipe. Hang drill pipe in rams.

Rig down Cudd Pressure Control.

Rig up and lay down 3-1/2" drill pipe and load out liner setting tool.

Change rams, pick up expendable mill with check valve, 1 jt 2-7/8" tubing, F nipple (2.25" ID), and 90 jts of 2-7/8" tubing. TIH, tag plugs at 2792' and pick up power swivel.

Run 8 jts 5-1/2" 23# L-80 8rd LT&C USS casing: 6 jts fully perforated; 1 full blank jt; 1 half blank jt drilled and plugged with 8 HPF. Liner set at 3048'; top of liner at 2721.35'; overlap with 7" casing 82.65'. Perfs 2792.57-3044.31'.

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7-20-90 Rig released.

Pick up swivel and load hole. Drill plugs through 3/4" fixed choke. Final flowing pressure through 3/4" fixed choke - 1050 psi.

Land 2-7/8" tubing. Nipple down BOP. Nipple up upper tree. Pump off expendable mill and check and flow well back through tubing.

Rig down and release rig at 6:00 p.m., 7-19-90.

Final gauge: 1050 psi through 3/4" fixed choke = 13.2 MMCFD.