(N	rm 3160-5 (vember 1983) (mer'v 9-331)	UNITED DEPARTMENT OF BUREAU OF LAN	THE INTERIO	SUBMIT IN TRIPLIC (Other Instructions of P verse side)		Expires August 31, 1985 5. LEASE BESIGNATION AND SERIAL NO. SE 078581		
	SUND (Do not use this fo	RY NOTICES AN	D REPORTS O	N WELLS to a different reservoir.		6 IF INDIAN, ALLOTTEE O		
1.	OIL GAS F			1 大一分		7. UNIT AGREEMENT NAME		
<u>.</u>	WELL WELL WALL OTHER NAME OF OPERATOR Blackwood & Nichols Co., Ltd.					Northeast Blanco		
2.				√ú.	/ -	Northeast Blanco Unit		
3.	ADDRESS OF OPERATOR					9. WBLL NO.		
	P. O. Box	1237, Durango, C	0 81302-1237	D.E.G.E.IV	الحراء	465		
4.	LOCATION OF WELL (Rep See also space 17 below	port location clearly and in	secordance with any	H. G. W. E. J. V.	5	10. FIELD AND POOL, OR V	_	
	At surface		u	LAND CAOO	Ш	Basin Fruitl		
	102	0' FNL, 780' FEL		JAN 08 1990		11. SEC., T., E., M., OR BLE SURVEY OR ARMA	. AND	
				OIL CON. DIV	/	Sec. 1, T30N	, R8W	
14.	PERMIT NO.	15. RLEVATIO	NS (Show whether DF, F	IT. GR. etc. DIST. 3		12. COUNTY OR PARISH 1		
	30-045-27326	6.	432' GL			San Juan	NM	
16.		Check Appropriate B	ox To Indicate Na	ture of Notice, Report,	or Ot	her Data		
	NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:							
	TEST WATER SHUT-OFF	PULL OR ALTER	CASING	WATER SHUT-OFF		REPAIRING WEI	.t	
	FRACTURE TREAT	MULTIPLE COM	PLETE	FRACTURE TREATMENT		ALTERING CASI	NG	
	SHOOT OR ACIDIZE	ABANDON*		SHOOTING OR ACIDIZIN		ABANDON MENT		
	REPAIR WELL	CHANGE PLANS		(Other)	Letio		X	
	(Other)			Completion or Re	ecomplet	f multiple completion on tion 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.) *							
	8-06-89	-89 Moved in and spotted Big "A" Rig No. 25 (12:00 noon, 8-5-89).						
	8-08-89	Tested 7" casing and blind rams to 2000 psig for 15 minutes, held ok. Picked up $6-1/4$ " bit. Drilled cement and stringers to 7" insert float at 3089'. Tested 3 sets of BOP pipe rams to 2000#, held ok.						
	8-09-89	Drilled open hole section from 3132' to 3340' with water.						
	8-10-89	Circulating and working pipe at TD to enlarge coal zones. When the evening tour crew began, the driller by mistake drilled new hole from 3340' to 3358' until the kelly was down. Formation drilled very fast because of the air circulation rate; no mud log, no geolograph. Log correlation indicates approximately 12 feet of the Pictured Cliffs sand was drilled in error.						
	8-11-89	Good gas blow and moderate to heavy coal fines.						
	8-13-89	- 100 psi. FCP stabilized at 390 psi after 1 hour, flowed total of 3 hours. Switched well to test separator. Well on test 10:00 a.m. to 5:00 p.m. (continued on next page)						
18.	I hereby certify that	e foregoing is the par cor						
	SIGNED WILLIAM	am F. Clark	TITLE _Op	erations Manager		DATE		
	(This space for Federa				- AL=	y 	 	
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	APPROVED BYCONDITIONS OF APP	PROVAL, IF ANY:	TITLE /s	. **.	i:	indiante o con consultation de	, ((\L))	
					. 4	Sur		

*See Instructions on Reverse Side

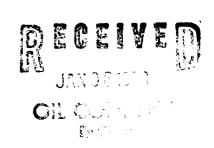
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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Initial Potential Test (8-12-89):

Flowed 3 hours through 3/4" choke: FCP - 390 psig; upstream choke pressure - 350 psig; choke gauge (wet) = 4476 MCFD. Test separator for 7 hours - natural gauge (dry, gas only): 1570 MCFD and 681 BW for an average rate of 2340 BWD; held FCP at 390 psig and a 340 psig back pressure. Gas rate was steady from 1541 to 1626 MCFD. However, the water rate varied significantly due to annualr flow: 1 hour - 145 bbls; 2 hours - 90; 3 hours - 72; 4 hours - 143; 5 hours - 55; 6 hours - 65; 7 hours - 128. Average GLR - 670 CF/bbl.

- 8-14-89 Rigged up Cudd Pressure Controls equipment to strip drillpipe. Found tight spot at 3320'. Cleaned out to bottom and circulated hole clean.
- 8-15-89 Snubbing Baker inflatable bridge plug into well. Snubbed 20 jts 3-1/2" drillpipe.
- 8-16-89 PU Baker/Lyons 6-1/4" permanent inflatable bridge plug. Work packer down to 3338'. Bridge plug set with top at 3333'.
- 8-17-89 Washing and reaming hole at 3346'. Snubbed out drillpipe and found 4-5/8" Baker inflatable bridge plug still on setting tool. Apparently plug did not set properly, no external damage noted. Picked up 6-1/4" bit Ran in hole. Found fill at 3331'. Cleaned out to 3346'. Cleaned out to 3348', pipe stuck. Worked free. Well making heavy flow of coal.
- 8-18-89 Stripping 3-1/2" drillpipe out of hole. Cleaned out to 3353'. Returns heavy with coal fines.
- 8-19-89 Snubbing 2-7/8" tubing into hole.
- 8-20-89 Snubbed and stripped 2-7/8" tubing in hole.
- 8-21-89 Cleaned out hole from 3092' to 3353'. Very heavy flow coal fines in returns. Rigged up Howco and mixed 2 bbls. (11.2 cf) of Class G cement with 2% CaCl₂ as an isolation plug. Pumped 4 bbls. of water around then cement followed by 15 bbls. of water displacement; then tubing pressured up to 1900 psig. Worked pipe, pressured up; pulled 2 jts, pressured up to 2500 psig. Rigged down Howco cement truck. Stripped 2-7/8" tubing out of hole. Found 12 jts. of tubing from 2289' to 2629' filled with cement.



- 8-22-89 Snubbing out of hole with 4-5/8" inflatable bridge plug. Pick up inflatable bridge plug. Unable to spud inflatable bridge plug below bridge in open hole at 3307' stripped out of hole.
- 8-23-89 Picked up and snubbed in hole with 2-7/8" saw tooth collar.
- 8-24-89 Continued snubbing in hole with 2-7/8" tubing. Tagged casing bridge at 1081'. Circulated out a total of five bridges from 1081' to 1578'.
- 8-26-89 Clean out casing at 2878'. Heavy returns of fine to large coal.
- 8-27-89 Clean out to 3353'. Rig up Halliburton and mix 4 bbls Class G neat cement. Pump 5 bbls. water through cementing lines followed by 1/2 bbl. cement. Pump 2.5 bbls. cement plug down tubing and displace with 19 bbls. water. Pump cement and displacement at 1.5 BPM holding 250 to 275 psi back pressure on casing. Laid 1 jt. down. WOC 4 hours.
- 8-28-89 WOC, holding back pressure at 250 psi. Strip 2-7/8" tubing out of hole holding back pressure. Pick up 6-1/4" bit.
- 8-30-89 RIH to 3214', tag fill. Drill to 3340'; 3337' to 3340' drilled hard. Open hole PBTD 3340'. Unloading large amounts of coal.
- 8-31-89 Pipe stuck at 3228'. Worked pipe free.
- 9-01-89 Pipe stuck; backed off drillpipe at 3035'; loading hole with mud. Built mud to 10.4 ppg.
- 9-02-89 Jarring on fish.
- 9-03-89 Lay down and load out fishing tools. TIH with bit, bit sub with float, and drillpipe to clean out down to fish. Found top of fish at 3173'. Recovered entire fish.
- 9-04-89 7" casing at 3132'; open hole PBTD at 3340'. Picked up 6 1/4" bit. Found bridge in 7" casing at 2933'; picked up power swivel and circulated hole clean. Well started making moderate gas blow with very heavy returns of coal and shale.
- 9-05-89 Cleaning out casing from 3175' to 3195' with calcium carbonate weighted XCD polymer mud.
- 9-07-89 Rotate and circulate hole clean to TD at 3340' Rig up tools to run 5-1/2" liner.

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- 9-08-89 Rotated and circulated liner at 3242' for 3-1/2 hours, no progress. TOH and laid down liner and liner hanger; hanger springs damaged; liner shoe was badly damaged. Picked up bit. Cleaned out fill to 3235' then pipe became tight. Working pipe slowly up hole. Appears junk in hole which hung up liner has fallen into main wellbore.
- 9-10-89 Work tight spot until free. Pushed metal piece of junk to TD at 3340' during reaming operations.
- 9-11-89 Rigged up and ran 5-1/2" liner. Ran 6-1/4" bit, crosssover to casing, 8 jts. 5-1/2" 23.0# P-110 casing, then Brown Hi-Flow liner hanger. Set liner hanger and packed off.

Liner summary: top at 3062'; bottom at 3339'. Liner - 8.10'; 2 blank jts. - 84.57'; 1 perfed jt. - 18.08'; 1 blank jt. 19.99'; 2 perfed jts. - 81.90'; 1 blank jt. - 19.82'; 1 perfed jt. - 42.50'; 5 1/2" float - 0.65'; crossover - 1.25'; bit 0.66'; float at 3338'.

Perforations; 3154' - 3173' 3193' - 3275' 3295' - 3337'

TOH with 3-1/2" drillpipe and lay down. Ran 2-7/8" tubing with 4-1/2" mill.

- 9-12-89 Milled off perforation plugs circulating 4 BPM mud. TOH with mill and bit sub. Picked up 2-7/8" Baker expendable check. TIH to top of liner and displaced mud with water. Circulated hole with water at 4 BPM until gas flow increased.
- 9-13-89 Landed 100 jts. 2-7/8" 6.5# J-55 EUE new tubing (3098.68'), set expendable check at 3101', and Baker F nipple (ID 2.25") at 3070'. Nippled down double BOP. Nippled up wellhead. Pumped off expendable check with water.

Released rig 9-12-89.