Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals.

2000 JAN 18 PM 4:21
070 FARMINGTON NM

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: NMSF-021123

6. If Indian, Allottee or Tribe Name:

7. If Unit or CA, Agreement Designation:

1. Type of Well: [ ] Oil Well [X] Gas Well [ ] [ ] Other

2. Name of Operator: GREYSTONE ENERGY, INC.

8. Well Name and No.: LEEDS #1E

3. Address and Telephone No.: 5802 HIGHWAY 64, FARMINGTON, NM 87401 Phone: (505) 632-8056

9. API Well No.: 30-45-25881

4. LOCATION OF WELL (Footage, Sec., T., R., M., or Survey Description)
1600' FNAL & 1000' FWL
UL "E", SEC. 8, T31N, R12W

10. Field and Pool, Or Exploratory Area: BASIN DK/FLORA VISTA GP

11. County or Parish, State: SAN JUAN COUNTY, NM

12. **CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[X] Abandonment	[ ] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[ ] Other _____	[ ] Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. **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 directionall drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)***

Attached is the P & A procedure for Leeds 1E (Basin DK, Flora Vista GP)
Work will begin as soon as possible.

FEB 2000
RECEIVED
OIL CON. DIV
DIST. 3

14. I hereby certify that the foregoing is true and correct
Signed _____ Title Production Technician Date January 11, 2000

(This space for Federal or State office use)
Approved by /s/ Charlie Beecham Title _____ Date FEB - 1 2000
Conditions of Approval, if any:

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

***See Instruction on Reverse Side**

NMOCD

PLUG AND ABANDONMENT PROCEDURE

12-17-99

Leeds #1E
Basin Dakota / Gallup
1600' FNL & 1000' FWL, Section 8, T31N, R12W
San Juan County, New Mexico

Note: All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures.

1. Install and test rig anchors. Prepare blow pit. Comply with all NMOCD, BLM and Greystone safety rules and regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Blow well down; kill with water as necessary. ND wellhead and NU BOP and stripping head; test BOP.

2. TOH and LD 1-1/2"Gallup tubing, total 6079'. PU on Dakota tubing and attempt to release the packer at 6350'. TOH with tubing and LD packer. If unable to pull packer and tubing does not have a leak, then pump plug #1 down tubing and WOC. Determine freepoint by stretch and then jet cut tubing. Then TOH and LD tubing; if necessary PU workstring.

3. **Plug #1 (Dakota perforations and top, 6756' – 6656'):** If able to pull packer then, TOIH with tubing. Set a 5-1/2' wireline CIBP at 6756'. Pump 50 bbls water down tubing. Mix 17 sxs Class B cement and spot a plug inside the casing above CIBP to isolate Dakota perforations. TOH.

4. **Plug #2 (Gallup perforations and top, 5912' – 5812'):** Seta 5-1/2" wireline CIBP at 5912'. TIH with open ended tubing and tag CIBP. Load casing with water and pressure test to 500#. If casing does not test, spot or tag subsequent plug as appropriate. Spot 17 sxs Class B cement inside casing above CIBP to isolate Gallup perforations and cover top. PUH to 3870'.

5. **Plug #3 (Mesaverde top, 3870' – 3670'):** Mix 17 sxs Class B cement and spot balanced plug inside casing to cover Mesaverde top. PUH to 3040'.

6. **Plug #4 (Chacra top, 3040' – 2940'):** Mix 17 sxs Class B cement and spot balanced plug inside casing to cover Chacra top. PUH to 2310'.

7. **Plug #5 (Pictured Cliffs top, 2310' – 2210'):** Mix 17 sxs Class B cement and spot balanced plug inside casing to cover PC top. PUH to 1682'.

8. **Plug #6 (Fruitland and Ojo Alamo tops, 1682' – 1210'):** Mix 59 sxs Class B cement and spot balanced plug inside casing to cover through Ojo Alamo top. TOH to 320'.

9. **Plug #7 (8-5/8" Surface Casing at 270'):** Establish circulation out casing valve. Mix and pump approximately 36 sxs Class B cement from 320' to surface, circulate good cement out casing valve. Shut in well and WOC.

10. ND BOP and cut off well head below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Leeds #1E

Current

Basin Dakota / Gallup

NW, Section 8, T-31-N, R-12-W, San Juan County, NM

Longitude_____ / Latitude:_____

Today's Date: 12/17/99
Spud: 3/16/84
Comp: 5/29/84
Elevation: 5899' GL
5911' KB

Ojo Alamo @ 1260'

Fruitland @ 1632'

Pictured Cliffs @ 2260'

Chacra @ 2990'

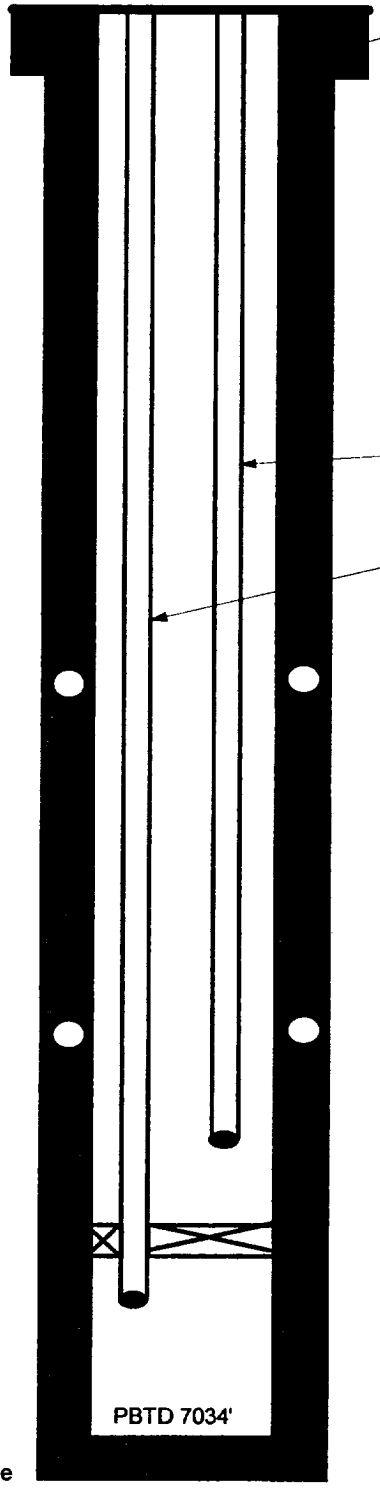
Mesaverde @ 3820'

Gallup @ 5958'

Dakota @ 6784'

12-1/4" Hole

7-7/8" Hole



TD 7082'

Circulated 59 bbls Cement

8-5/8" 24# Casing set @ 270'
250 cf cement (Circulated to Surface)

GL Tubing: 1-1/2" Set at 6079'
(2.9#, J-55, SN at 6047')

DK Tubing: 1-1/2" Set at 6936'
(2.9#, J-55, SN at 6902')

DV tool @ 2477'
Cmt w/1200 cf (circulated 59 bbls)

Top of Cmt @ DV Tool (Calc, 75%)

DV tool @ 4982'
Cmt w/680 cf

Top of Cmt @ DV tool (Calc, 75%)

Gallup Perforations:
5962' - 6226'

Baker Retrievable "D" Packer @ 6350'

Dakota Perforations:
6806' - 6952'

5-1/2" 15.5&17#, J-55 Casing Set @ 7079'
Cmt with 400 sxs (504 cf)

Form 3160-5
(June 1990)

UNITED STATES
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Expires: March 31, 1993

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SUBMIT IN TRIPLICATE

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6. If Indian, Allottee or Tribe Name:
7. If Unit or CA, Agreement Designation:
1. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other
2. Name of Operator: GREYSTONE ENERGY, INC.
8. Well Name and No.: LEEDS #1-E
3. Address and Telephone No.: 5802 HIGHWAY 64, FARMINGTON, NM 87401 Phone: (505) 632-8056
9. API Well No.: 30-045-25881
4. LOCATION OF WELL (Footage, Sec., T., R., M., or Survey Description): 1600' FNL & 1000' FWL - UL "E" SEC. 8, T31N, R12W
10. Field and Pool, Or Exploratory Area: BASIN DK/~~ELORA VISTA~~ GP
11. County or Parish, State: SAN JUAN

12. **CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

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	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
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(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. **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 directional drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)***

Attached is Plug & Abandonment Report for above referenced well.

FEB 2001
RECEIVED
OIL CON. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct
Signed Ray L. Carter Title PRODUCTION TECHNICIAN Date February 20, 2001

(This space for Federal or State office use)
Approved by _____ Title _____ Date _____
Conditions of Approval, if any:

ACCEPTED FOR RECORD

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

***See Instruction on Reverse Side**

FEB 23 2001

NMOCD

BY _____

A - PLUS WELL SERVICE, INC.

P.O. BOX 1979
FARMINGTON, NM 87499
505-325-2627 • FAX: 505-325-1211

Greystone Energy, Inc
Leeds #1E
Unit E, SW,NW, Section 8, T-31-N, R-12-W
San Juan County, NM
NMSF-0211230, API 30-45-25881

February 12, 2000

Plug & Abandonment Report

Cementing Summary:

Plug #1 with retainer at 6340', spot 17 sxs Class B cement inside the 5-1/2" casing above the CR up to 6190' to isolate Dakota perforations.
Plug #2 with retainer at 5766', spot 17 sxs Class B cement inside above CR to 5616' to isolate Gallup.
Plug #3 with 18 sxs Class B cement inside casing from 3876' to 3720' to cover Mesaverde top.
Plug #4 with 20 sxs Class B cement inside casing from 3164' to 2990' to cover Chacra top.
Plug #5 with 20 sxs Class B cement inside casing from 2333' to 2160' to cover Pictured Cliffs top.
Plug #6 with 20 sxs Class B cement inside casing from 1986' to 1810' to cover Fruitland top.
Plug #7 with 19 sxs Class B cement inside casing from 570' to 400' to cover Ojo Alamo top.

Note: The planned plugging procedure anticipated 7 cement plugs, two CIBP (or cement retainers) and no perforating. Due to a casing leak below 3843' cement plug #3 fell back and plug #3b was necessary. Then at the start of plugging operations each day the bradenhead had approximately 10# gas pressure. However, a pump rate could not be established into the bradenhead as it would pressure up to 1000# and then bleed down to 0# in 2 minutes. This suggests the 5-1/2" X 8-5/8" annulus had poor cement quality. Consequently the BLM required significant additional work to plug this well as follows:

Plug #8 with retainer at 270', mix 32 sxs Class B cement, squeeze 26 sxs below retainer outside from 320' to 220', pressured up to 1500#, then spot 6 sxs above retainer to 220'.
Plug #9 with 80 sxs Class B cement pumped down the 5-1/2" casing into squeeze holes at 160', squeezed away at 1-1/2 bpm at 1400#, no pressure increase.
Plug #10 with 20 sxs Class B cement from 36' to surface, circulate good cement out bradenhead.

Plugging Summary:

2-02-00 Road rig to location. Safety Meeting. MO, RU. Pressures: Gallup casing and tubing 1200# and the Dakota tubing 1500#. Layout relief line to pit and blow Gallup tubing and casing down to 100#. Then blow the Dakota tubing down to 250#. Pump 60 bbls down Dakota tubing and 60 bbls down Gallup tubing to kill well. Noted that was foaming out bradenhead after pumping down Gallup tubing. ND wellhead and attempt to NU BOPs. Found rental offset rams for 1-1/2" tubing would not fit. NU wellhead again and SDFD.

2-3-00 Safety Meeting. Pressures: Gallup tubing 350# and Dakota tubing 300#. Blow Dakota tubing down to 0# and Gallup tubing down to 100#; pump 40 bbls water down Gallup and 40 bbls down the Dakota tubing to kill well. ND wellhead and install 1-1/2" string float on Dakota tubing. NU BOP & test. TOH and LD 188 joints 1-1/2" Gallup tubing with turned down collars. Pump 30 bbls water down Dakota tubing and work Baker Retriev-A-D packer free. TOH with Dakota tubing: tallied 197 joints, 1 – 4' sub, 1 – 8' sub, 1 seal assembly, 17 joints tail pipe, seating nipple and 1 joint; for a total of 215 joints tubing. SI well and SDFD.

2-4-00 Safety Meeting. Open up well and blow down 10# bradenhead pressure. RU A-Plus wireline truck and round trip 5-1/2" gauge ring to 6350'; tag packer. S. Mason, BLM approved procedure change. TIH and set 5-1/2" PlugWell wireline retainer at 6340'. TIH with tubing and sting into retainer. Attempt to pressure test 1-1/2" tubing, unable to find CR neutral point with tubing. Sting out and pump 40 bbls water down tubing. Plug #1 with retainer at 6340', spot 17 sxs Class B cement inside the 5-1/2" casing above the CR up to 6190' to isolate Dakota perforations. TOH with tubing. Shut in well and SDFD.

A - PLUS WELL SERVICE, INC.

P.O. BOX 1979
FARMINGTON, NM 87499
505-325-2627 • FAX: 505-325-1211

Greystone Energy, Inc
Leeds #1E
Unit E, SW,NW, Section 8, T-31-N, R-12-W
San Juan County, NM
NMSF-0211230, API 30-45-25881

Plug & Abandonment Report

Plugging Summary Continued:

2-7-00 Safety Meeting. Blow down 15# on bradenhead and 80# on Gallup casing. TIH with 5-1/2" Downhole retainer and set down at 5797', unable to get deeper. Planned to set CR at 5912'. J. Ruybalid with BLM approved procedure change. Set retainer at 5766' and pressure test tubing to 500#, held OK. Sting out of retainer and circulate hole clean with 80 bbls water. Attempt to pressure test casing, seal on BOP door leaked, no test. Wait on replacement BOP. ND old BOP and NU new BOP, tested OK. Load casing with 1-1/2 bbl water and attempt to pressure test to 500#; bleed down to 100# in 1 min. Plug #2 with retainer at 5766', spot 17 sxs Class B cement inside casing above CR to 5616' to isolate Gallup perforations. PUH to 3876'. Plug #3 with 18 sxs Class B cement inside casing from 3876' to 3720' to cover Mesaverde top. TOH with tubing. PU plugging sub and TIH with 40 joints. Shut in well and SDFD.

2-8-00 Safety Meeting. Open up well and blow down 10# on bradenhead. TIH and tag cement at 3843', cement fell back. Load casing and pressure test to 950#, held OK. Plug #3b with 16 sxs Class B cement inside casing from 3843' to 3720' to cover top of Mesaverde. PUH to 3164'. Plug #4 with 20 sxs Class B cement inside casing from 3164' to 2990' to cover Chacra top. PUH to 2333'. Plug #5 with 20 sxs Class B cement inside casing from 2333' to 2160' to cover Pictured Cliffs top. PUH to 1986'. Plug #6 with 20 sxs Class B cement inside casing from 1986' to 1810' to cover Fruitland top. PUH to 570'. Plug #7 with 19 sxs Class B cement inside casing from 570' to 400' to cover Ojo Alamo top. TOH and LD tubing. RU A-Plus wireline truck and perforate 3 HSC squeeze holes at 320'. Attempt to establish circulation out bradenhead with 20 bbls, no circulation. Attempt to pump down bradenhead with 1-1/2 bbls; pressured up to 800#. TIH and set 5-1/2" PlugWell wireline retainer at 270'. Sting into retainer and establish rate into squeeze holes 1 bbl per min at 750#. Plug #8 with retainer at 270', mix 32 sxs Class B cement, squeeze 26 sxs below retainer to which pressured up to 1500#, then sting out of CR and spot 6 sxs above retainer to 220'. TOH and LD tubing. Shut in well and SDFD.

2-09-00 Safety Meeting. Open up well. RU wireline truck and tag cement at 174'. WOO from BLM. J. Ruybalid, BLM, required perforation at 160'. Perforate 3 HSC squeeze holes at 160'. Establish rate into squeeze holes 1-1/2 bpm at 1000#. Pump into BH and it pressured up to 1000#; no rate, bleed down to 0# in 2 minutes. Plug #9 with 80 sxs Class B cement pumped down the 5-1/2" casing into squeeze holes at 160', squeezed away at 1-1/2 bpm at 1400#; no pressure increase. Pump ½ bbl water at 1200# and pressure dropped to 0# in 30 seconds. Shut in and did a hesitation squeeze: ¼ bbl at 500#, bleed down to 0#, SI and wait. Squeeze ¼ bbl at 500#, bleed down to 0#; SI and wait. Squeeze ¼ bbl at 800#, bled down to 100#; SI. Squeeze ¼ bbl at 1000#, held. SI well & SDFD.

2-10-00 Safety Meeting. Open up well and bleed down 10# on bradenhead. Bradenhead leaking gas. Tag cement in 5-1/2" casing at 40'. S. Mason, BLM required perforation at 40'. RU A-Plus wireline and perforate 3 HSC squeeze holes at 36'. Establish circulation out bradenhead. Plug #10 with 20 sxs Class B cement from 36' to surface, circulate good cement out bradenhead. Cut off wellhead. Found cement at surface in 5-1/2" and 8-5/8" casings. Mix 20 sxs Class B cement and install P&A marker. RD rig & MOL.
J. Ruybalid with BLM was location.

Leeds #1E

Proposed P&A

Basin Dakota / Gallup

NW, Section 8, T-31-N, R-12-W, San Juan County, NM

Longitude_____ / Latitude:_____

Today's Date: 12/17/99
Spud: 3/16/84
Comp: 5/29/84
Elevation: 5899' GL
5911' KB

12-1/4" Hole

Ojo Alamo @ 1260'

Fruitland @ 1632'

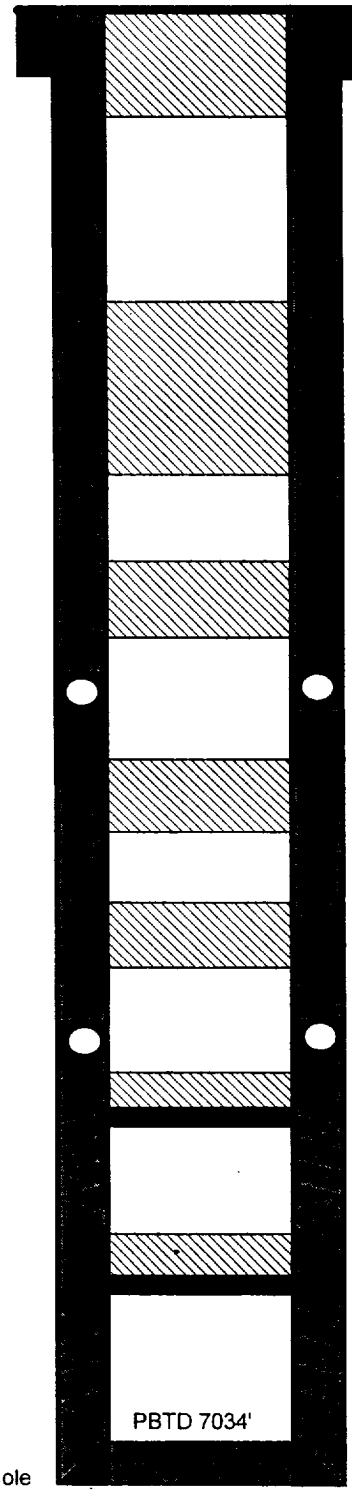
Pictured Cliffs @ 2260'

Chacra @ 2990'

Mesaverde @ 3820'

Gallup @ 5958'

Dakota @ 6784'



7-7/8" Hole

TD 7082'

Circulated 59 bbls Cement

8-5/8" 24# Casing set @ 270'
250 cf cement (Circulated to Surface)

Plug #7 320' - Surface
Cmt with 36 sxs Class B

Plug #6 1682' - 1210'
Cmt with 59 sxs Class B

Plug #5 2310' - 2210'
Cmt with 17 sxs Class B

DV tool @ 2477'
Cmt w/1200 cf (circulated 59 bbls)

Top of Cmt @ DV Tool (Calc, 75%)

Plug #4 3040' - 2940'
Cmt with 17 sxs Class B

Plug #3 3870' - 3670'
Cmt with 17 sxs Class B

DV tool @ 4982'
Cmt w/680 cf
Top of Cmt @ DV tool (Calc, 75%)

Set CIBP @ 5912'

Plug #2 5912' - 5812'
Cmt with 17 sxs Class B

Gallup Perforations:
5962' - 6226'

Baker Retrievable "D" Packer @ 6350'

Set CIBP @ 6756'

Plug #1 6756' - 6656'
Cmt with 17 sxs Class B

Dakota Perforations:
6806' - 6952'

5-1/2" 15.5&17#, J-55 Casing Set @ 7079'
Cmt with 400 sxs (504 cf)