

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
EXPIRES: July 31, 1996

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

**SUBMIT IN TRIPLICATE - Other instruction on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM83503
2. Name of Operator CNG PRODUCING COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address 1450 POYDRAS ST, NEW ORLEANS, LA 70112-6000	3b. Phone No. (include area code) (504) 593-7080	7. If Unit or CA/ Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: 2,430' FEL & 815' FNL of Sec. 34 T32N-R7W B-31		8. Well Name and No. GRASSY CANYON #3 (CNG #3954)
		9. API Well No. 30-045-28454
		10. Field and Pool, or Exploratory Area BASIN FRUITLAND COAL
		11. County or Parish, State SAN JUAN, NEW MEXICO

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

TYPE OF SUBMISSION		TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other: SUMMARY OF WORKOVER OPERATIONS	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandonment	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent marker and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation have been completed, and the operator has determined that the site is ready for final inspection.)

**SUMMARY OF OPERATIONS FOR NOVEMBER 28, 1999 - DECEMBER 1, 1999**

Cudd coil tubing unit tagged up on fill at 3,569' (inside 2 7/8" tubing). Connected up 2 1/8" mud motor assembly, would not fit in lubricator and height clearance of unit. Connected up 1 11/16" assembly. Had clearance problems, and weight indicator not operating. Rig down unit. Cudd will replace unit. Drilled on metal with 2.20" OD mill, no progress. Ran overshot to catch fish (believe it is a bumper spring assembly). Latch onto fish, but not secured. Ran impression block, no definite conclusions. Trip in hole and recovered the bumper spring fish. Ran mill and mud motor to PBTD (3,680') - no fill in well. Blew dry air on hole to recover pumped fluids. Trip out of hole with coiled tubing. Well flowing very lightly. Rig down Cudd. Dropped soap sticks in well. Shut-in wellhead pressure = annulus = 620 PSIG, tubing pressure = 380 PSIG. Opened tubing to production tank, well blew down. Rocked pressure between casing and tubing several times in attempt to get well kicked off - no success. Dropped more soap sticks, again rocked well. Recovered 5-7 bbls water but not flowing continuously. Shut-in wellhead pressures: annulus = 615 PSIG and tubing pressure = 345 PSIG. Opened tubing to production tank, well blew down - did not unload fluids. Rig up swabbing unit. Fluid level at 1,900', pulled from seating nipple at 3,572'. Made 2 runs - kicked well off. Flowed to tank for 20 minutes to unload water. Rig down swabbing unit. Blew well to tank for another 30 minutes. Recovered 41 bbls of fluid. Put well through production unit and into sales at 2:30 PM on 12/1/99.

14. I hereby certify that the forgoing is true and correct	
Name (Printed/Typed) SUSAN H. SACHITANA	Title REGULATORY REPORTS ADMINISTRATOR
Signature <i>Susan Sachitana</i>	Date 20000107

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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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