

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

RECEIVED  
See copy in  
Bureau on  
reverse side)

FORM APPROVED  
OMB NO. 1004-0137

Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

NM83503

6. INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. NAME OR LEASE NAME, WELL NO.

GRASSY CANYON #4 (CNG #3955)

9. API WELL NO.

30-045-28480

10. FIELD AND POOL, OR WILDCAT

FRUITLAND COAL CO.

11. SEC., T., R., M., OR BLOCK AND SURVEY  
OR AREA

Sec. 31-T32N-R7W

1a. TYPE OF WELL:

OIL WELL ☐ GAS WELL ☒ DRY ☐ Other ☐

1b. TYPE OF COMPLETION:

NEW WORK DEEP- PLUG DIFF. ☐ Other REDRILL  
WELL ☐ OVER ☒ EN ☐ BACK ☐ RESVR. ☒

2. NAME OF OPERATOR

CNG Producing Company

3. ADDRESS AND TELEPHONE NO.

CNG Tower - 1450 Poydras St., New Orleans, LA 70112-6000 (504) 593-7260

4. LOCATION OF WELL

At surface 834' FNL & 2,505' FEL of Sec. 31-T32N-R7W

At top prod. interval reported bei 1,047' FNL & 1,605' FWL of Sec. 31-T32N-R7W

At total depth

14. PERMIT NO.

30-045-28480

DATE ISSUED

11/23/92

12. COUNTY OR  
PARISH  
SAN JUAN

13. STATE

NEW MEXICO

15. DATE SPUDDE

12/18/90

16. DATE T.D. REACHED

6/26/91

17. DATE COMPL. (Ready to prod.)

10/28/98

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)

6,769' GR

20. TOTAL DEPTH, MD & TVD

3,926'

21. PLUG, BACK T.D., MD & TVD

3,925'

22. IF MULTIPLE COMPL.,  
HOW MANY\*

23. INTERVALS  
DRILLED BY

ROTARY

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)\*

3,763'-76', 3,825'-27', 3,831'-53', 3,910'-16', 3,724'-3,728', 3,728'-42', 3,764'-74', 3,832'-52', & 3,905'-11'

26. TYPE ELECTRIC AND OTHER LOGS RUN

CCL - PERF LOG

27. WAS WELL CORED

NO

28. CASING RECORD (Report all strings set in well)

| CASING SIZE/GRADE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | TOP OF CEMENT, CEMENT RECORD     | AMOUNT PULLED |
|-------------------|-----------------|----------------|-----------|----------------------------------|---------------|
| 9 5/8" K-55       | 36#             | 307'           | 12 1/4"   | 265 FT3 CLASS B 2% CaCl 3        |               |
| 7" K-55           | 23#             | 3,598'         | 8 3/4"    | 1,548 FT3 CLASS G WITH ADDITIVES |               |
|                   |                 |                |           |                                  |               |
|                   |                 |                |           |                                  |               |

29. LINER RECORD

| SIZE         | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE   | DEPTH SET (MD) | PACKER SET (MD) |
|--------------|----------|-------------|---------------|-------------|--------|----------------|-----------------|
| 5 1/2" P-110 | 3,499'   | 3,925'      | N/A           | N/A         | 2 7/8" | 3,852'         |                 |

31. PERFORATION RECORD (Interval, size and number)

ZONE #1 - 3,763'-76', 3,825'-27', 3,831'-53' & 3,910'-16'  
ZONE #2 - 3,724'-3,728', 3,728'-42', 3,764'-74', 3,832'-52', &  
3,905'-11'

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|----------------------------------|
| N/A                 |                                  |
| N/A                 |                                  |
|                     |                                  |
|                     |                                  |
|                     |                                  |

ENTERED  
AFMSS

DEC 04 1998

BY

33. PRODUCTION

|                                   |                         |                                                                                                     |                             |                 |                 |                              |                    |
|-----------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------|-----------------|-----------------|------------------------------|--------------------|
| DATE FIRST PRODUCTION<br>10/31/98 |                         | PRODUCTION METHOD<br>FLOWING<br><small>(Flowing, gas lift, pumping - size and type of pump)</small> |                             | PRODUCING<br>✓  |                 |                              |                    |
| DATE OF TEST<br>10/31/98          | HOURS TESTED<br>24      | CHOKE SIZE<br>10/64                                                                                 | PROD'N FOR TEST PERIOD<br>▶ | OIL-BBL<br>0    | GAS-MCF.<br>650 | WATER-BBL<br>80              | GAS-OIL RATIO<br>- |
| FLOW. TUBING PRESS.<br>150        | CASING PRESSURE<br>1200 | CALCULATED 24 HOUR RATE<br>▶                                                                        | OIL-BBL<br>0                | GAS-MCF.<br>650 | WATER-BBL<br>80 | OIL GRAVITY-API (CORR.)<br>- |                    |
| TEST WITNESSED BY<br>1000         |                         |                                                                                                     |                             |                 |                 |                              |                    |

34. DISPOSITION OF GAS

(Sold, used for fuel, vented, etc.)  
SOLD

TEST WITNESSED BY  
KEN SECREST

DEC 04 1998

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

SIGNED Ralph Hamrick/phs  
RALPH HAMRICK

TITLE PRODUCTION ENGINEER

DEC 04 1998

DATE 11/18/98

\*(See Instruction and Spaces for Additional Data on Reverse)

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.

FARMINGTON COPY

FARMINGTON DISTRICT OFFICE

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

| FORMATION | TOP    | BOTTOM | DESCRIPTION, CONTENTS, ETC.                                                                              | NAME      | TOP         |                  |
|-----------|--------|--------|----------------------------------------------------------------------------------------------------------|-----------|-------------|------------------|
|           |        |        |                                                                                                          |           | MEAS. DEPTH | TRUE VERT. DEPTH |
| Ojo Alamo | 2,834' | 3,078' | Sandstone quartzite, white, medium to coarse grain, angular, medium sorted, predominately unconsolidated | San Jose  | Surface     | 2,531'           |
|           |        |        |                                                                                                          | Ojo Alamo | 2,834'      | (+4,253')        |
|           |        |        |                                                                                                          | Kirtland  | 3,078'      | 2,763'           |
|           |        |        |                                                                                                          | Fruitland | 3,408'      | (+4,021')        |
|           |        |        |                                                                                                          |           |             | 3,080'           |
|           |        |        |                                                                                                          |           |             | (+3,704')        |

CONFIDENTIAL

38.

GEOLOGICAL MARKERS

# GRASSY CANYON # 04

COMPLETED:  
WORKED OVER:

SEC: 31, T: 32N R: 07W

API: 30-045-28480

DATE: September 1998

## PRESENT

51' plug

NOTE: Unless Stated All  
Depths are Measured.  
NOT DRAWN TO SCALE.

T&A November 1991

## PROPOSED

12-1/4" hole 307'  
9 5/8", 36# K-55 @ 307'  
Cmt'd to surface w/ 450 skc  
Class B

100' cement plug from 257' - 357'

2-7/8 6.5# J-55 Tubing Surface to 3900'

**CONFIDENTIAL**

100' cement plug from 1,050' - 1,150'

|            |             |     |
|------------|-------------|-----|
| COAL:      |             |     |
|            | 3733 - 3734 | 1'  |
| 3' Flare   | 3770 - 3771 | 3'  |
|            | 3780 - 3783 | 3'  |
|            | 3823 - 3824 | 1'  |
|            | 3833 - 3834 | 1'  |
|            | 3838 - 3849 | 11' |
|            | 3850 - 3854 | 4'  |
| 3' Flare   | 3857 - 3859 | 2'  |
|            | 3917 - 3919 | 2'  |
|            | 3921 - 3923 | 2'  |
| Total Coal |             | 31' |

344' cement plug from 2,784' - 3,128'

Cement retainer set @ 3,450'  
20' cement set on Top

8-3/4" hole  
7" K-55 23# Casing @ 3,598' MD  
Cemented w/ 1548 Class G Additives

Perfs:  
3,763' - 76 MD 2 SPF  
3,825' - 27 MD 2 SPF  
3,931' - 53 MD 2 SPF  
3,910' - 16 MD 2 SPF

Perfs:  
3,763' - 3,776 MD 4 SPF  
3,825' - 3,876 MD 4 SPF  
3,831' - 3,853 MD 4 SPF  
3,910' - 3,916 MD 4 SPF

5-1/2" P110 23# liner top @ 3492' MD

TOTAL DEPTH: 3925' MD 3,603' TVD

GRASSY CANYON # 04

SEC: 31, T: 32N R: 07W

API: 30-045-28480

COMPLETED: 10/28/98

WORKED OVER:

DATE: November 17, 1998

PRESENT

PROPOSED

NOTE: Unless Stated All  
Depths are Measured.  
NOT DRAWN TO SCALE.

12-1/4" hole 307'  
9 5/8", 36# K-55 @ 307'  
Cmt'd to surface w/ 450 skc  
Class B

2-7/8 6.5# J-55 Tubing Surface to 3852'

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8-3/4" hole  
7" K-55 23# Casing @ 3,598' MD  
Cemented w/1548 Class G Additives

PERFS:

3724' - 3728' 16 HOLES 3728' - 3742' 16 HOLES  
3764' - 3774' 40 HOLES 3832' - 3852' 80 HOLES  
3905' - 3911' 24 HOLES

TOTAL 176 HOLES

EOT @ 3,852'

5-1/2" P110 23# liner top @ 3492' MD

TOTAL DEPTH: 3925' MD 3,603' TVD

COAL:

|                      |     |
|----------------------|-----|
| 3733 - 3734          | 1'  |
| 3' Flare 3770 - 3771 | 3'  |
| 3780 - 3783          | 3'  |
| 3823 - 3824          | 1'  |
| 3833 - 3834          | 1'  |
| 3838 - 3849          | 11' |
| 3850 - 3854          | 4'  |
| 3' Flare 3857 - 3859 | 2'  |
| 3917 - 3919          | 2'  |
| 3921 - 3923          | 2'  |
| Total Coal           | 31' |