

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
EXPIRES: July 31, 1998

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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
CNG PRODUCING COMPANY

3a. Address
1450 POYDRAS ST, NEW ORLEANS, LA 70112-6000

3b. Phone No. (include area code)
(504) 593-7000

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
634' FSL & 507' FNL Sec 30 - 32N - 24W

5. If Unit or CA/ Agreement, Name and/or No.

6. Well Name and No.
Grassy Canyon #2 (CNG #3953)

7. AP Well No.
90-045-28560

8. Field and Pool, or Exploratory Area
Basin Fruitland Coal

9. 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 WEEKLY REPORT OF 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. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers. 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 recompleat 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 determined that the site is ready for final inspection.)

SUMMARY OF OPERATIONS SEPTEMBER 5, 1998 - SEPTEMBER 11, 1998

Flow test well for 1 hr on 3/4" choke with 65 PSIG. Well producing 1,120 MCFD dry gas flow. In 2 hrs the well had 425 PSIG. Cavitation cycles 19-22. Trip out of hole. Cavitation cycles 23-24 are natural gas buildup. No drill pipe in well. Cycle #24 bridge in 7" casing at 2,249' and 3,200'. Trip in hole and cleaned up bridges and fill. Cleaned hole to TD with air and mist using 1700 SCFPM, with 800 PSIG. Well producing 10 bbls/hr mist. Getting coal fragment returns. Poor fluid returns. Worked hole from 3,522' to 3,583'. Large amounts of cuttings and fines are unloading. Trying to stabilize hole in interval from 3,491' to 3,522' but sample returns decreasing. Worked hole from 3,522' to 3,583'. Cleaning up much better from yesterday's activities. Worked hole from 3,614' to 3,676'. Circulating coal cuttings. No torque or drag on drill pipe. Worked and cleaned hole from 3,676'-3,770'. Circulated coal samples - no torque or drag on drill pipe.

| | |
|---|---|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) SUSAN H. SACHITANA | Title REGULATORY REPORTS ADMINISTRATOR |
| Signature Susan H. Sachitana | Date 980911 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------|-------------|
| Approved by | Title | Date |
| | | SEP 21 1998 |
| 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.

ARMINGTON DISTRICT OFFICE

NMOC

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

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SUBMIT IN TRIPLICATE - Other instruction on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
CNG PRODUCING COMPANY

3a. Address
1450 POYDRAS ST, NEW ORLEANS, LA 70112-6000

3b. Phone No. (include area code)
(504) 593-7000

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
639' FSL + 507' FWL 30-32N-7W

5. Lessee Serial No.
NMS3503

6. If Indian, Alottee or Tribe Name

7. If Unit or CAV Agreement, Name and/or No.
070 FARMINGTON, NM

8. Well Name and No.
Grassy Canyon #2 (CNG #3953)

9. API Well No.
30044-28560

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

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 |
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| <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 WEEKLY REPORT OF OPERATIONS |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandonment <input type="checkbox"/> Temporarily Abandon |
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SUMMARY OF OPERATIONS SEPTEMBER 1, 1998 - SEPTEMBER 4, 1998

Set CW plug in tubing at 3,211' KB after blowing well down and pumping 140 bbls formation water down annulus. Rig up workover rig and air plg equipment. Nipple up BOP system and lay out dual 7" blooie lines to burn pit. Trip out of hole and lay down 2 7/8" and 2 3/8" tubing. Ran bridge plug to 2,909'. Tested plug and casing to 1,200 PSI with rig pump. Filled hole. Trip out of hole. Tested BOP to 2,000 PSI high and 250 PSI low. Trip in hole and retrieve bridge plug. Trip out of hole. Trip in hole with 4 3/4" metal muncher. Milled up 3' of liner top - liner fell loose. Trip out of hole. Trip in hole with grapple spear. Caught liner and trip out of hole. Recovered completed liner and 1 1/4" CT fish in the bottom of liner. Pick up 6 1/4" bit and 4 drill collars and trip in hole. Tag at 3,495' - cleaning hole with air mist to 3,769'. Trip out of hole. Pick up 9 1/2" underreamer and trip in hole reaming form 3,363' - 3,770'. Trip in hole with 6 1/4" bit. Found several bridges in bottom 250' of hole. Cleaned up hole. Tripped up into 7" casing (32' above shoe). Tested gas flow for 1 hr on 3/4" flow nipple. Well had 46 PSIG, 847 MCFD. Shut in for 2 hrs. Well had 460 PSIG and building. Ran cycles 3 - 8 on cavitation stimulation. Trip in hole to TD. Circulate with air and mist. Cleaned hole. Shut mist off, dried hole. Tripped up into 7" casing shoe. Flowed well for 1 hr on 3/4" flow nipple with 70 PSIG and 1,191 MCFD. Ran cycles 9 - 14 on cavitation stimulation. Trip in hole to TD. Circulate with air and mist. Cleaned hole. Circulate at TD - hole bridging off. Worked string cleaning out coal fines and cuttings. Ran flow test with 3/4" pos ck. 1 hr = 90 PSI with well producing 1,550 MCFD with heavy mist. Shut-in for 2 hrs with 270 PSIG. Ran cavitation cycles 15-18. Tripped to bottom. Cleaned up hole. Dried up hole for another test.

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|--|---|
| 14. I hereby certify that the forgoing is true and correct Name (Printed/Typed) SUSAN H. SACHITANA | Title REGULATORY REPORTS ADMINISTRATOR |
| Signature <i>Susan H. Sachitana</i> | Date 980904 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------|---------------------|
| Approved by | Title | Date |
| | | ACCEPTED FOR RECORD |
| 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 | SEP 21 1998 |

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FARMINGTON DISTRICT OFFICE

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