

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
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 <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, Alottee or Tribe Name
3a. Address 1450 POYDRAS ST, NEW ORLEANS, LA 70112-6000	3b. Phone No. (Include area code) (504) 593-7000	7. Unit or CAV Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 3 624' FSL & 507' FNL of Sec. 30-T32N-R7W		8. Well Name and No. Grassy Canyon #2 (CNG #3953)
		9. API Well No. 30-045-28560
		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 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 recompleate 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 recompleation 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 OCTOBER 3, 1998 - OCTOBER 9, 1998

Flow tested well for 24 hrs at 1,478 MCFD with 0 BOPD and BWPD. Well had 300 PSI on tubing and 460 PSI on casing. Flowing to sales line. Rig up wireline. Ran bombs making gradient stops at 0', 500', 1,500', 2,100', 2,500', 3,000', 3,594'. Set bombs at 3,594'. Trip out of hole. Had to unload well to get it back on production. Put well down sales line with estimated rate of 1,881 MCF/D at 3:30 PM 10/4/98 with 240 PSI on tubing and 460 PSI on casing. Location restored, well on production. Spot check at 10:00 AM 10/5/98 well had 195 PSI on tubing and 340 PSI on casing producing 1,770 MCFD gas.

RECEIVED
OCT 26 1998
OIL CON. DIV.
DIST. 3

14. I hereby certify that the forgoing is true and correct Name (Printed/Typed) SUSAN H. SACHITANA	Title REGULATORY REPORTS ADMINISTRATOR
Signature Susan H. Sachitana	Date 981009

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

ACCEPTED FOR RECORD

OCT 22 1998

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.

NMOCD