

**Working Interest Owners
Kernaghan B 3B**

Conoco Inc. 50%
Attn: Isabel Barron
600 North Dairy Ashford - DU-3076
Houston, TX 77079-1175

Amoco Production Company 50%
P.O. Box 3092
Houston, TX 77253

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

RECEIVED
BLM

99 MAR -5

5. Lease Designation and Serial No.
SF-078387-A

6. If Indian, Allottee or Tribe Name
AM 11: 28

070 FARMINGTON, NM

7. If Unit or CA, Agreement Designation

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
KERNAGHAN B 3B

2. Name of Operator
AMOCO PRODUCTION COMPANY

Attention:
MARY CORLEY

3. Address and Telephone No.
P.O. BOX 3092 HOUSTON, TX 77253 281-366-4491

9. API Well No.
30-045-29719

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1160' FSL 1890' FEL Sec. 29 T 31N R 8W UNIT O

10. Field and Pool, or Exploratory Area
BLANCO MESAVERDE

11. County or Parish, State
SAN JUAN NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other <u>SPUD & SET</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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 directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

MIRU Drilling rig on 2/9/99. Spud a 12 1/4" surface hole. Drill to 290'. Set 9 5/8" 36# surface CSG to 278'. CMT w/297 SXS CLS B CMT. Circ out 20 BBLS of good CMT to surface. Pressure test to 1200 PSI.

Drilled a 8 3/4" hole from 290' to 3420' & set 7" 20 & 23# intermediate CSG to a depth of 3368'. Changed CMT job from single to two stage job after consultation with Jim Lovato of BLM & Ernie Busch of NMOCD. CMT 2nd stage first by dropping opening bomb & circ through DV tool. CMT w/290 SXS CLS B CMT. Displace & close DV tool & held good. Pressure test to 1200 PSI. Held OK. TIH set by DP a CMT retainer @ 3255' & CMT stage one w/ 150 SXS CLS B CMT. Displace to CMT retainer & string out. Good lift pressure & appears CMT did climb. WOC. Drill out retainer & float shoe dry hole up & drill production hole with air.

Drill from 3420' to TD @ 5908'. Set 4 1/2" 10.5# production liner - TOL @ 3170'; BOL @ 5908'. CMT w/303 SXS CLS B CMT. Circ out 23 BBLS good CMT. Pressure test to 3000 PSI.

Drilling rig released 23:59 hrs. on 2/18/99.

Need CMT Tools Behind 7" to CSG and 7" casing.

14. I hereby certify that the foregoing is true and correct
Signed Mary Corley Title SR BUSINESS ANALYST Date 03-02-1999

(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 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.

* See Instructions on Reverse Side

MAR 08 1999

OPERATOR

FARMINGTON FIELD OFFICE
BY Sam

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(See other instructions on reverse side)

FOR APPROVED
OMB NO. 1004-0137
Expires: December 31, 1991

RECEIVED

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *BLM

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER
b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. OTHER

2. NAME OF OPERATOR
AMOCO PRODUCTION COMPANY
Attention: MARY CORLEY

3. ADDRESS AND TELEPHONE NO.
P.O. BOX 3092 HOUSTON, TX 281-366-4491

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 1160' FSL 1890' FEL
At top prod. interval reported below
At total depth

14. PERMIT NO. DATE ISSUED
12. COUNTY OR PARISH San Juan 13. STATE New Mexico

15. DATE SPUDDED 02/09/1999 16. DATE T.D. REACHED 02/18/1999 17. DATE COMPL. (Ready to prod.) 04/02/1999 18. ELEVATIONS (DF, RKB, RT, GR, ETC.) 6368' GR 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 5908 21. PLUG, BACK T.D., MD & TVD 5821' 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY 24. ROTARY TOOLS YES 25. CABLE TOOLS NO

PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*
MESAVERDE 5084' - 5600'
25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN CBL TDT 27. WAS WELL CORED N

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

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
9 5/8" K-55	36#	278'	12 1/4"	297 SXS CLS B TO SURFACE	
7" K-55	20 & 23#	3368'	8 3/4"	440 SXS CLS B LEAD & TAIL TOP 400'	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
4 1/2"	3170'	5908'	303 SXS		2 3/8"	5146'	

PERFORATION RECORD (Interval, size, and number)
5084 - 5600': 1 JSPF. 300 INCH DIAMETE. TOTAL 32 SHOTS (SEE SUBSEQUENT REPORT FOR INDIVIDUAL PERFS.)

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5441' - 5600'	24000 GAL. WTR: 70% QUALITY FOAM & 82000# 16/30 ARIZONA SAND
5441' - 5600'	24520 GAL. WTR: 70% QUALITY FOAM & 74084# 16/30 ARIZONA SAND

33.* PRODUCTION

DATE FIRST PRODUCTION 04/02/1999 PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) F WELL STATUS (Producing or shut-in) SI

DATE OF TEST 04/02/1999 HOURS TESTED 12 CHOKE SIZE 3/4" PROD'N FOR TEST PERIOD OIL - BBL. TRACE GAS - MCF. 1950 WATER - BBL. TRACE GAS-OIL RATIO

FLOW TUBING PRESS 110# CASING PRESSURE 300# CALCULATED 24-HOUR RATE OIL - BBL. GAS - MCF. WATER - BBL. OIL GRAVITY - API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TO BE SOLD TEST WITNESSED BY

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 Mary Corley TITLE SR. BUSINESS ANALYST DATE 04-06-1999

ACCEPTED FOR RECORD
DATE 04-06-1999

*(See Instructions and Spaces for Additional Data on Reverse Side)

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.

OPERATOR PCD 4/19/99 MC

FARMINGTON FIELD OFFICE BY Sm

APR 08 1999

KERNAGHAN B # 3B

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):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Ojo Alamo	2026					
Kirtland	2122					
Fruitland Coal	2748					
Pictured Cliffs	3170					
Lewis Shale	3370					
Cliff House	5080					
Menefee	5148					
Point Lookout	5432					
Mancos	5800					

KERNAGHAN B # 3B
COMPLETION SUBSEQUENT REPORT
4/6/99

2/20/99 MIRUSU & ran TDT Logs from bottom to surface for perforating depth control.

2/23/99 NU TBG head and pressure test casing to 3000# for 30 min. Held ok.

3/5/99 MIRUSU & ran CBL log from liner top (3170') to Surface. Good CMT from 400' to 2470' behind 7" CSG. CSG held when tested to 3000#. RU & perf Mesaverde @ the following intervals with 1 JSPF, .300 inch diameter, total 32 shots

<i>5600'</i>	<i>5548'</i>	<i>5506'</i>	<i>5462'</i>	<i>5328'</i>	<i>5252'</i>	<i>5203'</i>	<i>5127'</i>
<i>5586'</i>	<i>5538'</i>	<i>5500'</i>	<i>5425'</i>	<i>5322'</i>	<i>5242'</i>	<i>5188'</i>	<i>5113'</i>
<i>5571'</i>	<i>5531'</i>	<i>5488'</i>	<i>5441'</i>	<i>5268'</i>	<i>5221'</i>	<i>5180'</i>	<i>5096'</i>
<i>5564'</i>	<i>5524'</i>	<i>5477'</i>	<i>5336'</i>	<i>5260'</i>	<i>5216'</i>	<i>5134'</i>	<i>5084'</i>

3/15/99 RU & breakdown formation w/130 ball sealers - Formation broke @ 2200#. Average injection rate 5 BPM. Had complete ball off. MIRUSU & ND frac valve & ND BOP. SDFN.

3/16/99 TIH w/ ret. BP, PKR & TBG. Set BP @ 5630'; set PKR @ 5405'. Pump into Point Lookout zone (5441' - 5600'). Est rate of 1.5 BPM @ 450#. Swab well to drop fluid level to seating nipple. RU slickline & set TBG plug. Shutin well overnight for pressure buildup.

3/17/99 Pull TBG plug & unseat PKR & Ret BP. Reset Ret. BP @ 5405' & reset PKR @ 5170'. Pump down TBG an est. rate of 3.3 BPM @ 750#. RU & swab down to & reset TBG plug to test the Menefee zone (5180' - 5336'). Shutin well overnight for pressure buildup.

3/18/99 Pull TBG plug & unseat PKR & Ret BP. Reset Ret. BP @ 5160' & reset PKR @ 5406'. Pump down TBG an est. rate of 2.7 BPM @ 8750#. RU & swab down to & reset TBG plug to test the Cliffhouse zone (5084' - 5134'). Shutin well overnight for pressure buildup.

3/19/99 Pull TBG plug & Ret. bombs. Unseat PKR & Ret BP & TOH. TIH w/PKR & TBG & set PKR @ 5370'. RU & breakdown Point Lookout w/500 gallons 7 1/2% acid & dropped 25 ball sealers. Est. rate of 1200# @ 6.5 BPM. Finished @ 900# @ 6.5 BPM. Had complete ball off @ 3000#. Unseat PKR & TIH knocking balls off perfs. PU & reset PKR.

3/20/99 RU & set pressure bombs. RU & swab down to changeover. RU to set TBG plug. Unable to get plug thru heavy duty changeover from 2 7/8" to 2 3/8". SI well @ surface.

3/22/99 RU slickline & pull downhole pressure gauges. RU & frac Point Lookout w/24000 gallons of WTR & 70% quality foam & 82000# of 16/30 Arizona sand. RU & start flow back with 1/4" choke & watchman, upsize to 1/2", then 3/4" choke. FTP 110#. Flowed well overnight.

KERNAGHAN B # 3B
COMPLETION SUBSEQUENT REPORT
4/6/99

3/23/99 Unseat PKR & TOH. LD frac string & RU & TIH w/CIBP & PKR. Set BP @ 5390'. PU & set PKR @ 5370' to pressure test. Held OK. Start TOH w/TBG & PKR.

3/24/99 Finish TOH w/TBG & PKR. RU tree saver. RU & Frac Point Lookout with 24520 gallons of WTR & 70% quality foam & 74084# of 16/30 Arizona sand. ISIP 1337#. RU to flowback Frac w/watchman & 1/4" choke, FCP 500#. Upsize choke to 1/2" - FCP 300#. Upsize to 3/4" choke - FCP 110#.

3/25/99 Flowed well overnight with watchman & upsized to 3/4" choke - FCP 110#. Flow well overnight with 3/4" choke - FCP 83#.

3/26/99 Flowed well overnight with watchman & 3/4" choke - FCP 97#. TIH w/mill & tag fill @ 5200'. Clean out fill to 5390'. Drill up CIBP @ 5390'. Circ clean. TIH to bottom & tag fill @ 5500' & clean up sand to 5728'. PU TBG above liner top & SI for weekend.

3/29/99 Well SI over weekend. SICP 490#. Blow well down. TIH & tag fill @ 5698'. Clean out to 5761'. PU & flow well for 1 hr. & tagged 5' fill. Cleanout & PU to flow well w/watchman overnight.

3/30/99 TIH w/mill & TBG. TIH w/production TBG. Tagged fill @ 5726'. Cleanout fill to 5771'. Pull up to liner & flow well overnight.

3/31/99 TIH & Tag 0 fill. PU & land TBG @ 5146'. ND BOP 7 NU wellhead. Pull TBG plug. Rig released @ 1700 hrs 3/31/99.

4/1/99 Open well to check for flow. Ok. RU & set gauges. SI well overnight.

4/2/99 Prepare for Del test. SICP 430#, SITP 420#. Flow well up TBG for 12 hrs. for Del test. Gas 1,950 MCF, trace oil, trace water, FFCP 300#, FFTP 110# on 3/4" choke. SI well @ 2200 hrs.

TABULATION OF DEVIATION TEST
AMOCO PRODUCTION COMPANY

<u>DEPTH</u>	<u>DEVIATION</u>	<u>DEPTH</u>	<u>DEVIATION</u>
290'	0.250		
786'	0.750		
1307'	1.000		
1806'	1.500		
23018'	1.000		
4373	1.250		
4933	1.000		
546	0.750		
5901	2.000		

AFFIDAVIT

THIS IS TO CERTIFY that to the best of my knowledge, the above tabulation details the deviation test taken on AMOCO PRODUCTION COMPANY'S:

Kernaghan B #3B
1160' FSL & 1890' FEL; Sec. 29 T31N R8W
San Juan County, New Mexico

Signed: *Mary Corley*
 Title: SR. Business Analyst

THE STATE OF TEXAS)
) SS.
 COUNTY OF HARRIS)

BEFORE ME, the undersigned authority, on this day personally appeared MARY CORLEY known to me to be SR. Business Analyst for Amoco Production company and to be the person who name is subscribed to the above statement, who being by me dully sworn on oath, states that she has knowle of the facts stated herein and that said statement is true and correct.

SUBSCRIBED AND SWORN to before me, a Notary Public in and for said County and State this 6th day of April, 1999.

Ann Evans
 Notary Public

My Commission Expires: 3-21-2001

