

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

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

RECEIVED

2004 APR 7 AM 7:29

SUBMIT IN TRIPLICATE - Other instructions on reverse side

070 Farmington, NM

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Calpine Natural Gas Company L.P.

3a. Address

1200 - 17th Street, Suite 770, Denver, CO 80202

3b. Phone No. (include area code)

720-359-9144

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FNL & 660' FWL Section 29-T30N-R13W

5. Lease Serial No.

SF-078977

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

ERNIE #1

9. API Well No.

30-045-32028

10. Field and Pool, or Exploratory Area

Basin Ft Coal/Fulcher Kutz PC

11. County or Parish, State

San Juan County, NM

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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<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 Operation (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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers 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 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 has determined that the site is ready for final inspection.)

Please see attached WEEKLY REPORT



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Hugo Cartaya

Title

DIRECTOR OF OPERATIONS

Signature

Date

04/05/04

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

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.

Title

Date

APR 12 2004

Office

FARMINGTON FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on reverse)

NMOC
FARMINGTON

RECEIVED

Ernie #1
Field: Basin Fruitland Coal
Operator: Calpine Natural Gas L.P.
Drilling Contractor: L&B Speed Drill
San Juan County, NM

WI: 75.00 %
AFE: # 04-022
Objective: Drill, Complete & Connect Basin Fruitland Coal
Spud Date:

NRI: 59.30%
AFE: \$209,845 (Gross)
Proposed TD: 1600'

2004 APR 7 AM 7:29
070 Farmington, NM

- 03/30/04 Current Operations: WOC. Set and cemented in 16' of 10-3/4" conductor csg during the construction of the well pad. Moved onto location and rigged up L&B Speed Drill. **Spud surface hole @ 1000 hrs 03/29/04** w/ Bit #1 (8-3/4", Varel, L116-RR). Drilled to 130'. Circulated the hole clean and TOH. Ran 4 jts (120.08') of 7", 23#, J-55, ST&C csg and set @ 126' KB. Rigged up Halliburton and cemented w/ 50 sx (59 cu ft) of Class B w/ 2% CaCl₂ and 1/4 #/sk celloflake. Displaced cement w/ 4.0 bbls of water and down at 1530 hrs 03/29/04. Circulated 4 bbls of good cmnt to surface. Hole was staying full. WOC. SDFN.
Daily Cost: \$10,014 Cum Cost: \$10,014
- 03/31/04 Current Operations: Installed Bradenhead and double ram BOP. Attempted to pressure test BOP w/ BLM witness to 600 psi. Could not meet the 10% drop in 30 min criteria. No visible leaks. TIH and tagged 40' of cement. Replaced all of the valves on the wellhead and choke manifold w/ 2000 psi ball valves at the request of BLM. Will attempt to pressure test again this morning. SDON.
Daily Cost: \$3,624 Cum Cost: \$13,638
- 04/01/04 Current Operations: Drilling. Current Depth: 450'. Made 320' past 24 hrs. Replaced the hydraulic fittings on the BOP. BLM witnessed the pressure test of the BOP and every valve of the choke manifold. Pressure test completed at 1300 hrs. TIH w/ Bit #2 (6-1/4", Varel, L116). Drilled 40' of cement and new formation w/ water and polymer. Drilled to 450'. Circulated the hole clean and POH w/ 5 jts of drill pipe. SDON.
Daily Cost: \$5,134 Cum Cost: \$18,772
- 04/02/04 Current Operations: Drilling. Current Depth: 1040' KB. Made 590' past 24 hrs. Drilling ahead w/ water and polymer and Bit #2 (6-1/4", Varel, L116). Drilled to 1040' KB. Circulate hole clean and POH w/ 10 jts of drill pipe. SDON.
Daily Cost: \$8,644 Cum Cost: \$27,416
- 04/03/04 Current Operations: Circulating for logs. Current Depth: 1561'. Made 521' past 24 hrs. TIH - no fill. **Drilled to TD @ 1561' KB** w/ water and polymer and Bit #2 (6-1/4", Varel, L116). Main coal f/ approximately 1335' - 1355'. Circulated the hole clean and POH w/ 10 jts of drill pipe. SDON.
Daily Cost: \$7,747 Cum Cost: \$35,163
- 04/04/04 Current Operations: Drilling. Current Depth: 1561' TD. TIH and circulate hole clean. TOH and LDDP and DC. Rig up Halliburton Logging. Ran IES/GR and SDL/DSN logs from TD (1561' KB) to the surface. Rig up csg crew and run 39 jts (1524.60') of 4-1/2", 10.5#, J-55, ST&C new csg and landed at 1529.60 KB. Insert float is at 1506.70' KB and top of marker jt is at 1085.40' KB. Circulated hole for 1.5 hrs w/ full returns. Had to pull cement crew into location w/ winch truck. RU Halliburton. Preceded cement w/ 10 bbls water. Cemented w/ 135 sx (282 cu ft) of Class 'B' w/ 2% SMS and 1/4 #/sk celloflake and 5 #/sk gilsonite. Tailed w/ 100 sx (123 cu ft) of Class 'B' w/ 1/4 #/sk celloflake and 5 #/sk gilsonite. Reciprocated pipe throughout the job and circ w/ full returns. Displaced plug w/ 24.0 bbls of good cement to surface. ND BOP. Set in slips. RDMO to Elmo #1.
Daily Cost: \$22,021 Cum Cost: \$57,184