| | *See Instructions on Reverse Side | OCT 12 1990 FARMINGTON RESOURCE AREA BY |
|--|--|---|
| APPROVED BY | TITLE | ACCEPTED SOR RECORD |
| SIGNED SIGNED (This space for Federal or State office use) | титью <u>Operations Manage</u> | r DATS 9-26-90 |
| 18. I hereby certify that the foregoing is true and | correct | |
| | | OIL CON. DIV. |
| SEE ATTACHED | | OCT 2 6 1980 |
| SHOOT OR ACIDIZE BEFAIR WELL COther) Drilling Report | X (Other) X (Other) X (Notx: Reporting of Acid (Notx: Report (Notx)) Clearly state all pertinent details, and give pertined, give subsurface locations and measured and t | |
| Check Appropriate NOTICE OF INTENTION TO: | te Box To Indicate Nature of Notice, Rep | SUBSEQUENT REPORT OF: |
| API # 30-045-27839 | VATIONS (Show whether DF, RT, GR, etc.) 6213 GR | San Juan NM |
| 1911 Main Aye. #255, Durango, LOCATION OF WELL (Report location clearly and See also space 17 below.) At surface 2075' FSL, 1285' F | WL | Basin Fruitland Coal 11. SRC., T., B., M., OR BLE. AND SURVEY OR ARBA Sec. 24- T27N-R10W |
| McKenzie Methane Corporation 1911 Main Ave. #255. Durango. | Colorado 81301 | Angel Peak 24 I. |
| WELL X OTHER COAL | bed Methane | 7. UNIT AGREEMENT NAME 8. FARM OR LEASE NAME |
| | AND REPORTS ON WELLS Ill or to deepen or plug back to a different reserv OR PERMIT—" for such proposals.) | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME |
| DEPARTMENT | OF THE INTERIOR (Other Instruction verse side) AND MANAGEMENT | 5. LEASE DESIGNATION AND SERIAL NO |

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.

MCKENZIE METHANE CORPORATION DAILY DRILLING REPORT Durango Office

9/9/90

Angel Peak 24L #9

Sec. 24, T27N, R10W, San Juan Co., N.M. AART: Drilling DEPIH: 170'

DATLY: MIRU Jack D. Cook #3. Drill rat & mouse hole.

SPUD 12-1/4" hole @ 4:00 A.M. 9/10/90.

MUD: Spud Surveys: N/A

9/10/90

Angel Peak 24L #9

Sec. 24, T27N, R10W, San Juan Co., N.M. AART: DRLG DEPTH: 278'

DAILY: Drill to 278' w/ bit #1. Circulate & TOOH. Rig up & run 6 jts. (258') 8-5/8", 24#, K55, STC csg set @ 270'. Cement w/ 250sx (295 cu ft) class B, 2% CaCl. PD @ 11:30 A.M. 9-10-90. Circ. 6 bbl cmt to surface. WOC. Cut off csg & weld on bradenhead. PT to 1000#. NUBOP & PT to 1000#. RIH w/ bit #2.

Drill out plug & open hole to 278'.

MUD: water

SURVEYS: 278'-3/4

9/11/90

Angel Peak 24L #9

Sec. 24, T27N, R10W, San Juan Co., N.M. AART: TFB DEPIH: 1380' DAILY: Drill to 1380' w/ bit #2. TFB #2.

MW: 8.8 Vis: 35

SURVEYS: 876'- 1-1/2, 1218'-1.

9/12/90

Angel Peak 24L #9

Sec. 24, T27N, R10W, San Juan Co., N.M.

AART: Rig repair.

DEPIH: 1798'

DAILY: TIH w/ bit #3 & drill to 1798'. SD for rig

repair. MW: 9.0 Vis: 36 Surveys: 1380' - 2,

1700' - 3/4.

- continued -

MCKENZIE METHANE CORPORATION DAILY DRILLING REPORT Durango Office

9/13/90

Angel Peak 24L #9

Sec. 24, T27N, R10W, San Juan Co., N.M. AART: Logging DEPTH: 2135'

DAILY: Drill to TD @ 12:30 A.M. 9-14-90. Circulate & TOOH. RU Atlas to log openhole. MW: 9.0 Vis: 70

Surveys: 2130' - 1/4

9/14/90

Angel Peak 24L #9 Sec. 24, T27N, R10W, San Juan Co., N.M. AART: Waiting on completion. DEPTH: 2135' DAILY: Log openhole. TIH & circulate for casing. TOOH & LDDP. Run 73 jts (2145') 4-1/2", 10.5#, K55, STC csg. set @ 2128'. Float collar @ 2096'. Cement w/ 320 sx (589 cu ft) 65/35 POZ, 6% gel, 1/4#/sx cellophane flakes followed by 125 sx (151 cu ft) 50/50 POZ 2% gel, 1/4#/sx cellophane flakes. PD @ 12:45 A.M. 9/15/90. Circulate 10 bbl cmt. Set slips & cut off csg. Release rig. MUD: N/A Surveys: N/A

| | UNITED STATES SUBMIT IN TRIPLICATE* (Other Instructions on re- receive 3 331) DEPARTMENT OF THE INTERIOR verse side) BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS | Form approved. Budget Bureau No. 1001 0128 Expires August 31, 1985 5. LEASE DESIGNATION AND SERIAL NO. C77952 SF-077320 6 IF INDIAN, ALLOTTEE OR TRIFF NAME |
|------------|--|---|
| | (De not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.) | 7. UNIT AGREEMENT NAME |
| | Coalbed Methane | 8; FARM OR LEASE NAME |
| • | McKenzie Methane Corporation | Angel Peak 24 L |
| | 1911 Main Ave., #255, Durango, Colorado 81301 | #9 10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal 11. SEC., T., R., M., OR BLK. AND |
| | 2075'FSL, 1285' FWL | Sec. 727N, R10W |
| . . | 15. FLEVATIONS (Show whether DF, RT, GR. etc.) 6204 GR | 12. COUNTY OR PARISH 13. STATE San Juan NM |
| | the state of the s | |
| | Check Appropriate Box To Indicate Nature of Notice, Report, or O | INT REPORT OF: |
| 17 | TRACTICE TREAT WHOT OR ACIDIZE DEPAR WELL COther) COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, proposed work. If well is directionally drilled, give subsurface locations and measured and true vertices. | of multiple completion on Well etion Report and Log form.) |
| | SEE ATTACHED | DECT 7 1990 |
| 13 | Hereby certify that the foregoing is true and correct SIGNED D TITLE Operations Manager | DATE _10-16-90 |
| | CTHIS SPACE for Federal or State office use) PEROVED BY | PTED POR RECORD |

*See Instructions on Reverse Side

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FARMINGTON DESCRIBES AREA

NOV 26 1990

the Mattheway false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

MCKENZIE METHANE CORPORATION DAILY COMPLETION REPORT Durango Office

10-10-90

Angel Peak 24L #9 (NEW WELL COMPLETION) SW/4 Sec24-T27N-R10W, San Juan Co., NM

PBID: N/A

TD: 2135'

AART: Log, PT, Perforate, Frac.

DAILY: MIRU Triple P Well Service. NDWH & NUBOP. Tally, pick-up, & RIH w/ 3-7/8" bit on 2-3/8" tbg Tag PBTD @ 2089'. Circulate hole clean & TOOH.

SDON.

10-11-90

Angel Peak 24L #9 (NEW WELL COMPLETION) SW/4 Sec24-T27N-R10W, San Juan Co., NM

PBID: 2089'

TD: 2135'

AART: TIH w/ tbg set RBP.

DAILY: Run GR/CCL/CBL from PBTD to 1700'. PT csq to 3000#. Perforate lower coals w/ 3-1/8" csg gun 4 SPF from 2014-17', 2030-54'. Frac down csg w/30,000 gals 70 Q N2 foam & 39,600# 40/70 & 20/40 sand. Treated @ 30 BPM & 2300#. Max pressure 2500#. Flush to top perf w/water & SD. ISIP = 1040#. Wait 1 hour. Lubricate in hole & set 4-1/2" RBP @ 1993'. PT RBP to 2000#. Perforate upper coals w/3-1/8" csg gun 4 SPF from 1025-43', 1945-55', 1966-71'. Start frac & hit max pressure after 8 bbl. Bleed off pressure. Attempt to break down perfs w/water. Pumped 2 bbl & maxed out @ 3000#. TIH w/ tbg. Well started unloading & died. Tag up @ 1903'. C/O sand to 1999'. Plug moving downhole. TOOH & pick up retrieving head. TIH & tag plug @ 1999'. Release RBP & POOH. Well blowing strong. Open to pit overnight.

10-12-90

Angel Peak 24L #9 (NEW WELL COMPLETION) SW/4 Sec24-T27N-R10W, San Juan Co., NM

PBID: 2089'

TD: 2135'

AART: FWICU

DAILY: Well blowing slightly. TIH w/ RBP & pkr on tbg. Well began flowing sand. Kill well, RIH & set RBP @ 2003'. TOOH w/5 stands. RIH & set pkr @ 2000'. PT RBP to 1000#. Release pkr & reset @ 1875'. Pump into perfs @ 3 BPM @ 600#. SD. Release pkr & POOH. Frac well down csg w/ 27,000 gals 70 0 N2 foam & 31,800# 40/70 & 20/40 sand. Treated @ 30 BPM & 1900#. Max pressure 2110#. Flush to top perf & SD. ISIP = 1555#. Shut well in for 2 hrs & flow back to pit through 1/2" tapped bullplug. Leave well open over weekend.

MCKENZIE METHANE CORPORATION DAILY COMPLETION REPORT Durango Office

10-15-90

Angel Peak 24L #9 (NEW WELL COMPLETION)

SW/4 Sec24-T27N-R10W, San Juan Co., NM

PBTD: 2089'

TD: 2135'

AART: FWICU

DAILY: TIH w/ retrieving head on tbg. C/O to RBP w/ foam. Release RBP & POOH. TIH w/ tlog & SN 1 jt up. C/O to PBID w/ foam. Pull up & land tbg @ 1999'.

NDBOP & NUWH. Kick well around w/ nitrogen & leave flowing to pit to clean-up. RDMOSU.

FINAL REPORT: All costs included.