

UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT

5. Lease Designation and Serial No.
SF-065557

6. If Indian, Allottee or Tribe Name.

7. If Unit or CA, Agreement Designation.

8. Well Name and No.
Payne #4

9. API Well No.
30-045-29945

10. Field and Pool, or Exploration Area
Basin-Fruitland Coal (Gas)

11. County or Parish, State
San Juan County, New Mexico

SUNDRY NOTICES AND REPORTS ON WELLS
(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 3160-3 for such proposals.)

1. Oil well [] Gas Well [X] Other []
Gas Well

2. Name of Operator
Producing Royalties, Inc.

3. Address & Telephone No. (505) 334-2555
c/o A. R. Kendrick, Box 516, Aztec, NM 87410

4. Location of Well (Footage & S.T.R.)
1790' FNL 790' FEL
H-11-29N-12W

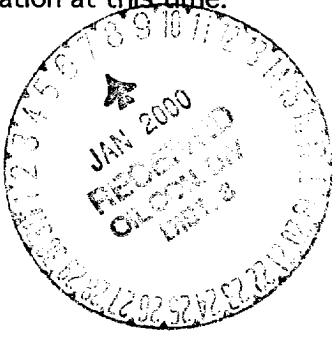
12 CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Change completion formation</u>	<input type="checkbox"/> Dispose Water

17. Describe Proposed or Completed Operations (Give Pertinant Details and Dates.)

The decision was made to complete the Pictured Cliffs formation at this time. See enclosed dedication plat.

The well will not be completed in the Fruitland Coal formation at this time.



1997 DEC -9 PM 1:23
000 RECEIVED 1/17

NOTE: This format is issued in lieu of U.S. BLM Form 3160-5.

14. I hereby certify that the foregoing is true and correct.
Signed A.R. Kendrick Title _____ Agent _____ Date 12/7/99

Approved by _____ Title _____ **ACCEPTED FOR RECORD**

Conditions of approval, if any:
chc

JAN 05 2000

State of New Mexico
 Energy, Minerals & Mining Resources Department
 OIL CONSERVATION DIVISION
 2040 South Pacheco Street
 Santa Fe, New Mexico 87505

Form C-102

AMENDED REPORT
 12/11/99 1:28

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-29945	Pool Code 77200	Pool Name Fulcher Kutz-Pictured Cliffs
Property Code 009419	Property (Well) Name Payne	
Well Number 4		Elevation 5778' GR
OGRID No. 018154	Operator Name Producing Royalties, Inc.	

Surface Location

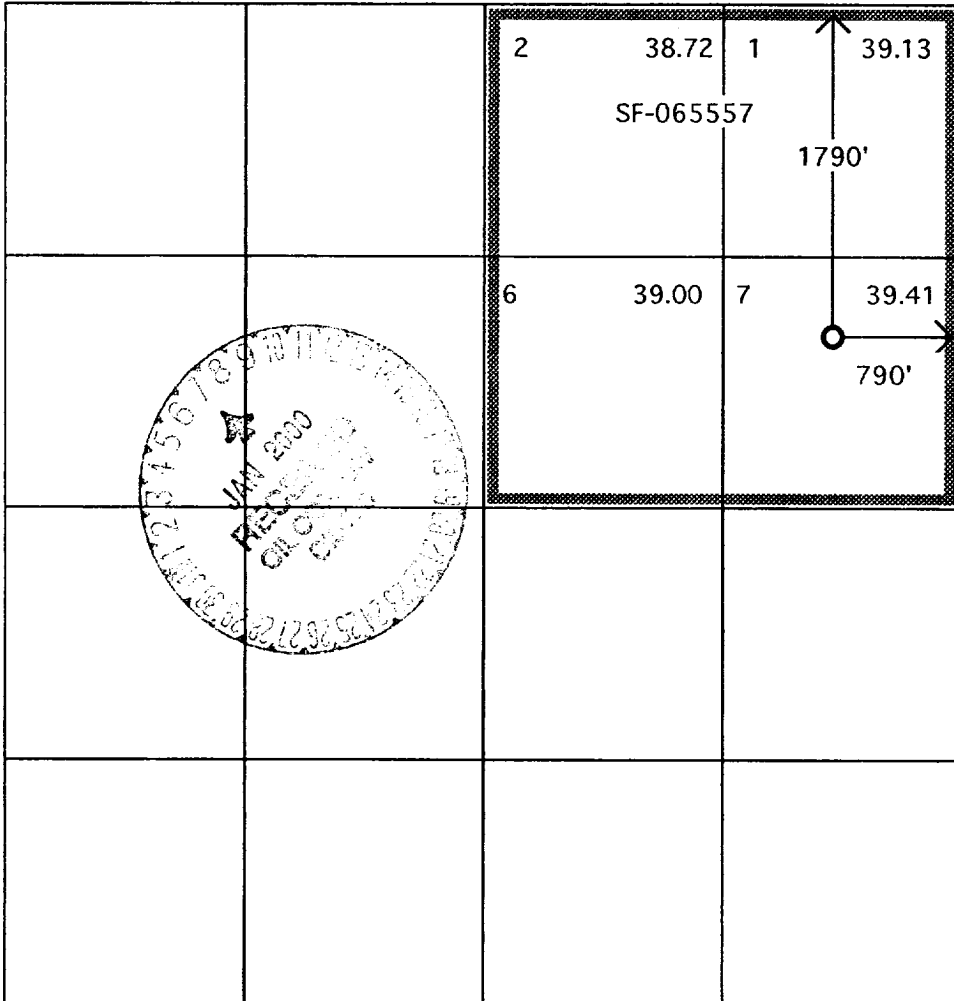
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County
H	11	29N	12W		1790'	North	790'	East	San Juan

Bottom Hole Location If Different From Surface

UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County

Dedication	Joint?	Consolidation	Order No.
156.26	N		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>A. R. Kendrick</i>
Printed Name	A. R. Kendrick
Title	Agent
Date	12/7/99
SURVEYOR CERTIFICATION	
I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
Date of Survey	
Signature and Seal of Professional Surveyor	
Certificate Number	