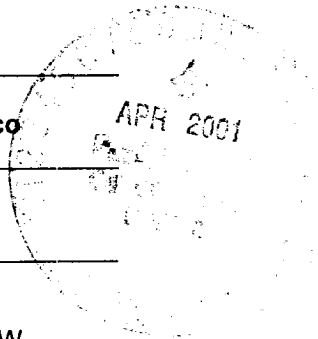


submitted in lieu of Form 3160-5

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Sundry Notices and Reports on Wells

2001 APR -3 PM 2: 58

<p>1. Type of Well Oil</p> <hr/> <p>2. Name of Operator San Juan Coal Company, BHP Coal New Mexico</p> <hr/> <p>3. Address & Phone No. of Operator PO Box 561, Waterflow, NM 87421</p> <hr/> <p>Location of Well, Footage, Sec., T, R, M 1980' FSL and 1980' FEL, Section 34 , T-30-N, R-15-W,</p>	<p>5. Lease Number NM-078108</p> <p>6. If Indian, All. or Tribe Name</p> <p>7. Unit Agreement Name</p> <p>8. Well Name & Number Federal K #2</p> <p>9. API Well No. 30-045- 08997</p> <p>10. Field and Pool Undesignated</p> <p>11. County & State San Juan County, NM</p>
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12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action	
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input checked="" type="checkbox"/> Subsequent Report	<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"/> Final Abandonment	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other -	

13. Describe Proposed or Completed Operations

BHP New Mexico re-entered this abandoned well and re-plugged the wellbore from 491' to the surface per the attached plug and abandonment report.

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

Signed [Signature] Title Tech. Serv. Coordinator Date 3/27/01

(This space for Federal or State Office use)
APPROVED BY _____ Title _____ Date _____
CONDITION OF APPROVAL, if any:

APR 01 2001
OFFICE

BHP New Mexico

March 14, 2001

Federal K #2

Page 1 of 1

1980'FSL and 1980' FEL, Section 34,T-30-N, R-15-W

San Juan County, NM

Plug & Abandonment Report

Lease No. SF-078107

Cementing Summary:

Plug #1 with IBP at 493', spot 50 sxs Type II cement with 18% salt (expanding) from 493' to 377'.

Plug #2 with tubing at 318', spot 95 sxs Type II cement with 18% salt from 318' to surface, circulate good cement to surface out casing valve.

Plug #3 with 40 sxs Type II cement with 18% salt form 120' to surface, circulate good cement out casing.

Plugging Summary:

- 02-21** Drive to location and dig out wellhead stub. No conductor pipe. Weld 30" piece 8-5/8" casing onto stub. Dig pit.
- 03-09** MO, RU. NU wellhead, flange and 7-1/16" BOP. Test BOP. NU 3" flow line from wellhead to steel pit. RU drilling equipment. PU 6-1/4" bit, bit sub and a 3-1/8" drill collar. Fill pit with fresh water. Tag cement at 4'. Drilling cement down to 22'. Add one drill collar and PU 2-7/8" tubing workstring. Wash down to 92'. Drill from 92' to 120', then wash down to 183'. Circulate hole clean, returns of paper sacks. PUH to 152'. Shut in well. SDFD.
- 03-12** Safety Meeting. Open up well, no pressure. PU power swivel and tag at 185'. Mix 40 sxs mud with 2 sxs soda ash. Circulate mud pit. Load hole with mud. Drill to 196' and then wash out to 230'. Continue to drill to 396' and then wash down to 527'. Circulate hole clean. TOH and LD drill collars and bit. RU Southwestern Geophysical. Run density, deviation and caliper logs. RD. TIH with Baker 5-3/8" to 11-3/4" inflatable bridge plug to 493' (determined set depth from caliper log) and set IBP. Release from IBP. Pump 20 bbls fresh water spacer. Plug #1 with IBP at 493', spot 50 sxs Type II cement with 18% salt (expanding) from 493' to 377'. TOH with tubing. Shut in well. SDFD.
- 03-13** Safety Meeting. Open up well. TIH with tubing and tag cement at 318'. Establish circulation with 5 bbls fresh water. Plug #2 with tubing at 318', spot 95 sxs Type II cement with 18% salt from 318' to surface, circulate good cement to surface out casing valve. TOH and LD tubing. Shut in well and WOC. RD power swivel, mud pit and lines. TIH with tubing and tag cement at 120'. Load casing with 5 bbls fresh water. Plug #3 with 40 sxs Type II cement with 18% salt form 120' to surface, circulate good cement out casing. TOH and LD tubing. ND BOP and wellhead. RD and MOL.
No BLM representative was on location.