Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED

Budget Bureau No. 1004-0135

Expires:	March 3	1. 1993

Exp	ires:	March 31,	1993

Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

SUNDRY NOTICES AND RE	PORTS ON WELLS	SF	lease Designation and Serial No. #2-078464
Do not use this form for proposals to drill or to deepe Use "APPLICATION FOR PERMIT		6.	If Indian, Allottee or Tribe Name
SUBMIT IN TRIF	PLICATE		
1. Type of Well Oil Gas Well X Well	Other	7.	If Unit or CA, Agreement Designation
2. Name of Operator		8.	Well Name and No.
GREYSTONE ENERGY, INC.			TRUE GRIT 1
Address and Telephone No.		9.	API Well No.
5802 HIGHWAY 64, FARMINGTON, NM	87401 Phone: (505) 632-8056		# 30045 25514
4. LOCATION OF WELL (Footage, Sec., T., R., M., or Survey Descripti	on)	10.	Field and Pool, Or Exploratory Area BASIN FRUITLAND COAL
910' FSL, 880' FEL, Sec. 35, T31N, R13\	N	11.	County or Parish, State
			SAN JUAN, NM
12. CHECK APPROPRIATE BOX(s) TO	INDICATE NATURE OF NOTICE, RI	EPOR	T, OR OTHER DATA
TYPE OF SUBMISSION	,	TYPE	OF ACTION
Notice of Intent	Abandonment Recompletion		Change of Plans New Construction
[] a	<u> </u>	Non-Routine Fracturing	
Subsequent Report SEP 1	1999 - X Plugging Back Casing Repair		Water Shut-Off
Final Abandonment (0)	Altering Casing		Conversion to Injection

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 directionall drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

This well was called the Payne #4 in the past. This well's name is changed to the True Grit #1.

The Fruitland Sand will be plugged and abandoned due to uneconomic production rates. The Fruitland Sand will be plugged on or about September 20, 1999 per attached procedure.

On or about October 15, 1999 the Fruitland Coal will be completed in this well utilizing a single stage frac consisting of 73,000 lb. of 12/20 proppant with 32,000 gallons of Delta 20 fluid.

	Re	greated Chy	in clo	11
14. I hereby certify that the foregoing is true and correct Signed Signed	_ Title	SUPERINTENDENT	Date	September 2, 1999
(This space for Federal or State office use) Approved by Conditions of Approval, if any:	Title	Peh Eng	Date _	9-13-99

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and wilfully to make any department or agency of the United States any false, fictious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side



District I
P.O. Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87505

District III

State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-102 Revised October 18, 1994 Instructions on back

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505 Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACERAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Po	ol Name	
30-045-25514	71629	BASIN FRUIT	LAND COAL	
4 Property Code 24069	5 F TRUE	Property Name GRIT	6 Well Number #1	
7 OGRID No. 173252		Operator Name	9 Elevation 5975'	-

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	35	31N	13W		910	SOUTH	880	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

11 Dollotti i toto Ecoalisti ii Bineretiti i cin										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North	/South line	Feet from the	East/West line	County
						<u> </u>				
12 Dedicated	Acres	13 Joint or	Infili	14 Consolidation Code			15 Order No	o .		
320		l N								

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR

	NON-STANDARD UNIT HAS	BEEN APPROVED	BI THE DIVISION
16			17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
	LIJ SEP 1	EIVED 6 1999 101. DIV	Signature CHESTER L. DEAL Printed Name SUPERINTENDENT Title September 2, 1999
	DIS	ૄ	Date 18 SURVEYOR CERTIFICATION If hereby certify that the well location shown 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.
		O+880'-	September 9, 1982 Date of Survey Signature and Seal of Professional Surveyor: Signature on File Certificate Number



Fruitland Sand PLUG AND ABANDONMENT PROCEDURE

8-23-99

Payne #4

910' FSL & 880' FEL, Section 35, T31N, R13W San Juan County, New Mexico

Note: All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures.

- 1. Install and test rig anchors. Prepare blow pit. Comply with all NMOCD, BLM and Greystone safety rules and regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Blow well down; kill with water as necessary. ND wellhead and NU BOP and stripping head; test BOP.
- Unseat pump and determine if rods are free. Reseat pump and pressure test tubing to 1000#.
 Pull and LD rods with pump. Release anchor and TOH with 2-3/8" tubing. Roundtrip 4-1/2" casing scraper to 2115' PBTD, or as deep as possible. TIH with Baker AD-1 packer and set at 1750' (above top perf at 1792'). Load casing annulus with water and pressure test to 1000#. Release packer and TOH, LD packer.
- 3. RIH with open ended tubing to 2090' and attempt to establish circulation to surface. Mix 50 sxs Class B cement and spot a balance plug in the 4-1/2" casing covering the Fruitland sand perforations; PUH to 1200' and fill casing, hesitation squeeze approximately 4 bbls of displacement down the casing filling the perforations. WOC 4 hours.
- 4. TOH and PU 3-7/8" bit. TIH and drill out cement. Clean out to PBTD. Pressure test squeeze to 1000#.

Fruitland Coal COMPLETION PROCEDURE

- 5. If necessary run CCL and perhaps Neutron log to identify the Fruitland Coal intervals.
- 6. Perforate and frac the Fruitland coal zones per procedure.
- 7. Blow well after frac and then clean out to PBTD.
- 8. Land tubing near bottom perforation.
- 9. RD rig and move off location.

12-1/4" hole

6-1/4" hole

Payne #4

Current

Basin Fruitland Coal

SE, Section 35, T-31-N, R-13-W, San Juan County, NM

Today's Date: 8/23/99 Spud: 11/10/82 Comp: 12/30/82 Elevation: 5975' GR 5979' KB

Ojo Alamo @ 370'

Kirtland @ 510'

Fruitland Coal @ 1785'

Pictured Cliffs @ 2122'

PBTD 2115'

TD 2260'

Cement Circulated to Surface

8-5/8" 20#, Casing set @ 163' 150 sxs cement (Circulated to Surface)

WELL HISTORY

Dec '82: Initial Completion: Perforate, frac and test PC zone then set CR at 2115' and squeezed with 30 sxs. Perforate frac and test Farmington zone then sqzd with 50 sxs. Completed Fruitland sand zones.

May '97: Swabbed well.

May '99: Pull 1-1/2" tubing and LD. Ran 2-3/8" tubing with anchor, then rods and pump.

Farmington Sands Perforations: 1218' - 1228', Sqz'd with 50 sxs cmt (12/82)

2-3/8" Tubing set at 1876' (60 joints with anchor at 1803', 73 3/4" rods and pump)

Fruitland Sand Perforations:

1792' - 1799'

1856' - 1866'

2066' - 2076'

Cmt Retainer set at 2115' (12/82)

Pictured Cliffs Perforations: 2130' - 2145' Sqz'd with 30 sxs cmt (12/82)

4-1/2" 10.5, K-55 Casing set @ 2257' Cement with 250 sxs Circulated 25 sxs to Surface