

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
BLM

FORM APPROVED  
OMB No. 1004-0135  
EXPIRES: July 31, 1996

**SUNDRY NOTICES AND REPORTS ON WELLS**  
Do not use this form for proposals to drill or to deepen or re-enter an  
abandoned well. Use form 3160-3 (APD) for such proposals.

**SUBMIT IN TRIPLICATE - Other instruction on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM83503
2. Name of Operator CNG PRODUCING COMPANY		6. If Indian, Alottee or Tribe Name
3a. Address 1450 POYDRAS ST, NEW ORLEANS, LA 70112-6000	3b. Phone No. (include area code) (504) 593-7000	7. If Unit or CAI Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: 834' FNL & 2,505' FEL of Sec. 31-T32N-R7W Bottom hole location: 1,047' FNL & 1,605' FWL of Sec. 31-T32N-R7W		8. Well Name and No. GRASSY CANYON #4 (CNG #3955)
		9. API Well No. 30-045-28480
		10. Field and Pool, or Exploratory Area BASIN FRUITLAND COAL
		11. County or Parish, State SAN JUAN, NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 checked="" type="checkbox"/> Other CAVITATION WORK AND WORKOVER
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandonment	<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 Operations (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 marker 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 with 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be fil once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation have been completed, and the operat has determined that the site is ready for final inspection.)

**SUMMARY OF OPERATIONS FOR OCTOBER 10, 1998 - OCTOBER 16, 1998**

Cleaned up well from 3,865' to 3,925'. Ran flow test on 3/4" positive ck - 25 PSIG. Gas rate of 517 MCF/D in 1 hr. Trip out of hole with single drill pipe in BOP. Ran cavitation cycles 8, 9, 10 & 11. Hole bridged off on #10. Blind rams were plugged with coal cuttings. Pumped and flushed the rams and choke lines clean. Pumped fluid to unplug bridge. Trip in hole, hit several light bridges. Circulated large volumes of coal, cleaning at 3,865'. Circulate and cleaned hole at 3,865'. Make very large volumes of coal recoveries. Cleaned and circulated hole from 3,865' to 3,925'. Well still recovering large volume of coal. Gas rate estimated an improvement 600 - 750 MCF/D. Finished cleaning out hole to 3,925'. Flow tested at 890 MCF/D. Pull out of hole. Cavitated cycles 12-13. Bridged off. Driller failed to close 2 7/8" pipe ram. Blew 3 jts of drill pipe out of hole. Secured well with blind rams. Finished repairing and preparing rig for operations. Trip in hole, cut and slipped drilling line. Tripped down and tagged fill at 3,860'. Cleaned hole from 3,860' to 3,865'. Getting large coal volume returns.

14. I hereby certify that the forgoing is true and correct Name (Printed/Typed) SUSAN H. SACHITANA	Title REGULATORY REPORTS ADMINISTRATOR
Signature <i>Susan Sachitana</i>	Date 981016

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by <i>[Signature]</i>	Title <i>[Signature]</i>	Date <b>ACCEPTED FOR RECORD</b>
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.		Office

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.

OCT 22 1998

FARMINGTON DISTRICT OFFICE  
*[Signature]*

NMOCB