

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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BLM

FORM APPROVED
OMB No. 1004-0135
EXPIRES: July 31, 1998

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. 25NM83503
2. Name of Operator CNG PRODUCING COMPANY		6. If Indian, Allocated 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. GLASSY CANYON #4 (CNG #3955)
		9. API Well No. 20045-28480
		10. Pool, or Exploratory Area BASIN FRUITLAND COAL
		11. County or Parish, State SAN JUAN, NEW MEXICO

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DIST. 3

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 recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent mar 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 w 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 b once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation have been completed, and the op has determined that the site is ready for final inspection.)

SUMMARY OF OPERATIONS FOR OCTOBER 17, 1998 - OCTOBER 23, 1998

Cleaned hole at 3,897'. Run drill pipe. Ran a 3/4" positive choke test on 2" line form the choke manifold, taking reading every 15 minutes for 1 hr. Pressures were 45, 51, 55, & 56 PSIG. Gas rate = 962 MCF/D dry gas flow. Rig up to run liner. Pick up bottom to top 6 1/4" bit, bit sub with float check, 14 jts 5 1/2" 15.5# J-55 casing, 5 1/2" x 7" hy-flo liner hanger/packer. Total assembly = 616.08'. Snub in hole with 2 7/8" drill pipe. Tagged fill at 3,740'. Cleaned hole from 3,897'-3,925', but hole is sloughing in coal & fill and shale fill. Pick up two singles, worked string, added shale inhibitor and mud polymer to mist system. Worked back down to 3,897'. Cleaned hole. Hole is not cleaning up. Coal returns are very minimal, fine silt is now appearing in sample recoveries. There is fill on the bottom of the interval being cleaned with every reciprocation of the drill pipe. Running rig and pump sweeps. Cleaned hole 3,897'-3,925'. Made short trip to 7" shoe, cleaned out bridges. Short tripped again - let well flow natural for 4 hrs. Tripped back and tagged at 3,870'. Cleaned hole from 3,865'-3,925'. Recovered medium size 100% coal samples.

14. I hereby certify that the forgoing is true and correct	
Name (Printed/Typed) SUSAN H. SACHITANA	Title REGULATORY REPORTS ADMINISTRATOR
Signature <i>Susan H. Sachitana</i>	Date 981023

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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.

ACCEPTED FOR RECORD

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Job separation sheet

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		10. Field and Pool, or Exploratory Area BASIN FRUITLAND COAL
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SUMMARY OF OPERATIONS FOR OCTOBER 24, 1998 - OCTOBER 29, 1998

Cleaned hole from 3,897'-3,925'. Short tripped, tagged up at 3,870'. Cleaned 3,865'-3,925'. Trip out of hole. Rig up to run 5 1/2" liner. Snubbed liner in hole - top of liner at 3,435' - bottom at 3,917'. Set liner hanger / packer. Well dead. Trip out of hole. Lay down 2 7/8" drill pipe. Trip in hole with drill collars. Trip out of hole. Lay down 3 1/2" drill collars. Rig up and run 2 7/8" tubing to blow hole. Trip in hole with 2 7/8" tubing. Cleaned liner from 3,901'-3,904'. Liner float leaking. Pumped 50 bbls fluid to clear float. Trip out of hole. Pick up bit and float sub. Trip in hole and unload water. Tag at 3,904'. Cleaning liner. Washed out bottom 10' of liner. Trip out of hole. Perforated 3,724'-3,728', 3,728'-42', 3,764'-74', 3,832'-52', & 3,905'-11'. Blew well down. Snubbed 2 7/8" tubing in well. Landed at 3,852'. Nipple down BOP. Nipple up master vlv on tubing head. Rig down Big A #19. Pumped out seal in expendable plug at 3,852'. Too much mud for any move out of major equipment.

14. I hereby certify that the forgoing is true and correct Name (Printed/Typed) SUSAN H. SACHITANA	Title REGULATORY REPORTS ADMINISTRATOR
Signature <i>Susan H. Sachitana</i>	Date 981029

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