Form 3160-5
*(December 1989)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill, deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

RECEIVED
070 FARMINGTON NM
90 MAR 19 AM 11: 12

SUBMIT IN TRIPLICATE

1. Type of Well: oil well ___ gas well X other ___

2. Name of Operator: Blackwood & Nichols Co., Ltd.

3. Address of Operator: P.O. Box 1237, Durango, CO 81302-1237

4. Location of Well: (Footage, Sec., T., R., M., or Survey Description)

1075' FNL, 790' FEL - Sec. 24, T31N, R7W

5. Lease Designation & Serial #: SF-079010

6. If Indian, Allottee/Tribe Name:

7. If Unit or CA, Agmt. Design.: Northeast Blanco Unit

8. Well Name and No.: N.E.B.U.# 428

9. API Well No.: 30-045-27487

10. Field & Pool/Explrty Area: Basin Fruitland Coal

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

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

TYPE OF SUBMISSION	TYPE OF ACTION	
X Notice of Intent	___ Abandonment	___ Change of Plans
X Subsequent Report	___ Recompletion	___ New Construction
___ Final Abandonment Notice	___ Plugging Back	___ Non-Routine Fracturing
	___ Casing Repair	___ Water Shut-Off
	___ Altering Casing	___ Conversion to Injection
	X Other: COMPLETION	

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

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

RECEIVED
MAR 26 1990
OIL CON. DIV.
DIST. 3

01-04-90 Move in and rig up.

01-05-90 Pressure tested 7" casing and BOP blind rams to 2100 psig for 30 minutes - held OK. Picked up 6-1/4" bit 4-3/4" drill collars, 3-1/2" drill pipe. Drilled insert float at 3025', cement and shoe at 3065'.

01-06-90 Drill from 3076' to 3326'. Condition hole and raise mud weight to 10 ppg and viscosity to 46 sec, water loss 8.6 cc. Short trip to 7" casing. TIH, no fill. POOH. Start picking up DST tools.

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

Signed: William F Clark WILLIAM F. CLARK Title: OPERATIONS MANAGER Date: 12 Mar '90

(This space for Federal or State office use)

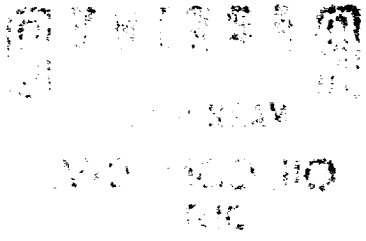
Approved By ___ Title ___ Date ___

Conditions of approval, if any:

Accepted For Record
MAR 19 1990
Chief, Branch of
Mineral Resources
Farmington Resource Area

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.

NMOCD



01-07-90 TOH with 6-1/4" bit for open hole logs.

Finish picking up Baker DST tools. TIH and set packer at 3294'. Run DST #1. Unset packer and TOH with tools. Recover 120' of gas-cut mud. Lay down DST tools and pick up 6-1/4" bit.

TIH. Drill open hole formation from 3326' to TD - 3384' with mud weight 10.1 ppg, viscosity 42 sec.

Results of DST #1 on 1-6-90; upper Pictured Cliffs Sand zone; test interval from 3294' to 3326'; packers set at 3281' and 3294'; bottom hole choke 3/4"; top choke 1/4":
Pressures, from inside bomb at 3310'. Initial mud hydrostatic - 1835 psig. Initial flow, 10 minutes - 110 psig; final first flow - 120 psig. Initial shut in, 30 minutes - 165 psig.

Second flow, 60 minutes - initial 120 psig; final 143 psig. Second shut in, 150 minutes - final 140 psig. Final mud hydrostatic - 1817 psig.

Initial flow, 10 minutes - opened tool, had 1" bucket blow for 10 minutes; shut tool and 1" blow died in 10 minutes. Final flow - opened tool, had weak blow which died in 30 minutes; shut tool - no blow. No gas to surface. Recovered 120' of gas-cut mud. Sample chamber: 58 psig, 2100 cc of mud; gas too small to measure. Test successful, zone non-productive. (JB/WFC)

01-08-90 Run GR/ID and Density and Neutron logs from TD at 3384' to 7" casing at 3065'.

Displace calcium carbonate weighted mud with water. Circulate well with air and water. Returns light coal and gray to black water.

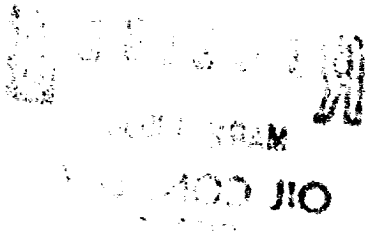
Coal intervals:
3149' to 3163'
3212' to 3222'
3224' to 3241'
3264' to 3277'
3367' to 3371'

01-09-90 Cleaned out to TD with water then air. Returns heavy coal decreasing to light.

Gauged well, 2" pitot: 1 hr, 3937 MCFD (all gauges wet).

Shut in for build up: 1 hr - 1100 psig. Blew well down to 400 psig then opened up.

Cleaning out at 3280' with 6 BPM water. Returns moderate to heavy coal, 3/8" minus, some shale and black water.



01-10-90 Cleaned out from 3280' to TD at 3384' with water. Returns moderate to heavy coal, 1/2" minus, and shale.

Pulled into 7" casing and gauged well, 2" pitot: 1 hr - 33 psig, 4025 MCFD (wet). Gauged water out blooie line with bucket test - 2057 BWD.

Well heaved and pipe stuck.

1-11-90 Loaded annulus with water and pressured up to 250 psig. Worked pipe, slowly gained travel. Pipe free.

Established circulation with water. Heavy coal returns. Lost circulation, pipe stuck. After 6 hours casing pressure built to 270 psig. No rotation, no movement.

1-12-90 Ran free point; back off in drill collars.

1-13-90 Displace hole with $CaCO_3$ polymer mud, weight 10.0+, viscosity 54. TOOH for fishing tools. RIH. Tag fish at 3014'. Jar on fish.

Fish loose. TOOH with fish.

1-14-90 Pick up 6-1/4" bit. Strap in hole to bottom of 7" casing. Circulate hole and condition mud. Circulate and wash to bottom, 3384'. Heavy coal returns 1" minus from 3225' to bottom.

1-15-90 Circulate and condition hole with mud at 7 BPM. Displace mud with water at 3048', mud to storage. Work pipe from 3204' to 3241'with water. Returns heavy coal, 1/2" minus with lots of very fine coal dust. Strong gas flow.

1-16-90 Circulated and worked pipe from 3204' to 3241' with 6.5 BPM water. Returns heavy coal, 1/2" minus and black water, strong gas flow. Added air, heavy returns. Increased air. Returns heavy coal decreasing to moderate, 98% coal with some shale. Hole sticky sometimes.

1-17-90 Cleaned out from 3270' to 3384' with air and water. Returns varied from heavy to moderate coal, 1/2" minus; lots of very fine coal dust. Gauged water production - 780 BWD.

1-18-90 Washed to bottom with water. Returns light coal, very fine / dust size. Well making strong gas. No gauge taken due to hole stability problems. Hole somewhat sticky so increased water to 3 BPM with 2.0 MM air.

1-19-90 Loading hole with water. Holding 300 psig backpressure. Rigged up Cudd Pressure Control equipment. Pressure tested all BOPs - OK.

Cleaned out to TD at 3384' with water. Circulated hole clean.

1-20-90 Strip out with drill pipe. Snub out drill collars. Rig up to snub 5-1/2" liner.