Form 3460-5

UNITED STATES

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

DEPARTMENT OF THE INTERIOR *(December 1989) Lease Designation & Serial #: BUREAU OF LAND MANAGEMENT NM-03358 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee/Tribe Name Do not use this form for proposals to drill, deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals 7. If Unit or CA, Agmt. Design.: SUBMIT IN TRIPLICATE Northeast Blanco Unit 1. Type of Well: oil well gas well X Well Name and No.: 2. Name of Operator: Blackwood & Michols Co., Ltd. N.E.B.U.# 492 9. API Well No.: P.O. Box 1237, Durango, CO 81302-1237 3. Address of Operator: 30-045-27660 4. Location of Well: (Footage, Sec., T., R., M., or Survey Description) 10. Field & Pool/Expltry Area: 810' FNL, 1530' FEL - Section 12, T31N, R7W Basin Fruitland Coal 11. County or Parish, State: San Juan, New Mexico CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION Abandonment Change of Plans _ Notice of Intent Recompletion New Construction Plugging Back Non-Routine Fracturing X Subsequent Report Casing Repair Water Shut-Off Altering Casing Conversion to Injection Final Abandonment Notice 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.)* See Addendum for a full description of the open hole "stress relieve" type coal completion. OIL CON. DIV. 14. I hereby certify that the foregoing is true and correct. Date: 9/17/90 ROY W. WILLIAMS Title: ADMINISTRATIVE MANAGER ACCEPTED FOR RECORD (This space for Federal or State office use) ______ Title _ Approved By Conditions of approval, if any:

FARMINGTON RESOURCE AREA

P.O. BOX 1237 DURANGO, COLORADO 81302-1237

(303) 247-0728

Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

6-25-90 Drilling Fruitland coal formation at 3264' with 10,000# WOB and 60 RPM @ 650 psi. Have drilled 36' of formation.

Move in and rig up Big "A" Rig No. 23. Pressure test blind rams and manifold to 2000 psi for 30 minutes - held OK.

Pick up drill pipe and drill collars and tally.

Pick up 6-1/4" Smith Tool Co. bit, SN# KT1620 (jet: 20-20-20). Run bottom hole collar, float, F nipple (1.87" ID), 9 drill collars, 1 jt 3-1/2' drill pipe, and N nipple (2.25" ID). Pressure test pipe rams and HCR valves to 2000 psi for 30 minutes - held OK.

Pick up swivel and change out stripper rubber.

Drill cement, float collar at 3184'. Drill to shoe, test casing to 2000 psi - held OK.

Drill shoe at 3228'. Had 18' of open hole below shoe.

Drill Fruitland coal formation.

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Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

6-26-90 7" at 3198'; open hole 3198' - 3547' (correction).

Working pipe at TD with 1-1/2 BPM water. Returns light 1/8" coal (98%), shale and siltstone in gray water.

Drilling Fruitland Coal 3264' - 3547', 10,000# WOB, 65 RPM, 600 psi.

Work pipe at TD with 6 BPM water. Have 5' flare.

Work pipe at TD with 3 BPM water.

Work pipe at TD with 1-1/2 BPM water. Returns light 1/8" coal (98%) shale and siltstone in grey water.

| Coal | Intervals: | 3258-3260 ' | 2 ' |
|------|------------|--------------------|-----|
| | | 3304-3315' | 11' |
| | | 3316-3317' | 1' |
| | | 3319-3322' | 3 1 |
| | | 3323-3327 | 4 1 |
| | | 3329-3330' | 1' |
| | | 3363-3373' | 10' |
| | | 3385-33861 | 1' |
| | | 3401-3402' | 1' |
| | | 3426-34281 | 2' |
| | | 3430-3432 | 21 |
| | | 3540-3542' | 2' |
| | | Total | 40' |

Top P. C. Tongue - 3434'
Main P. C. - 3545'
Total Depth - 3547'

BLACKWOOD & NICHOLS CO., LTD. P.O. BOX 1237

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Completion Report

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Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

7" at 3198'; open hole 3198-3547'. 6-27-90

Running shut in test #1.

Circulate with 1.5 BPM water. Returns light 1/8" coal (98%), shale and siltstone in gray water. 5' flare.

Circulate and blow well with 2 MM air and 2 BPM water @ 250 psi. Returns light 1/8" coal (95%) and siltstone in gray water. 8' flare.

Circulate and blow well with 2 MM air and 1.5 BPM water @ 250 psi. Returns light to m derate 1/4" coal (98%), shale and siltstone in gray wat r. 15' flare.

Blow well with 2 MM air and 5 Bbl water sweeps every 1/2 Returns moderate 1/4" coal (98%), shale and siltstone in dark gray water. 20' flare.

Lay down 12 jts drill pipe to run pitot and shut in tests #1. 2" pitot test: 1/4 hr - 14 oz., 582 MCFD; 1/2 hr -12 oz., 539; 3/4 hr - 11.5 oz., 520; 1 hr - 10 oz., 492 MCFD.

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Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

6-28-90 7" at 3198'; open hole 3198-3547'.

Circulating and working pipe at TD with 2 MM air and 5 Bbl water sweeps each hour.

Run 2 hour shut in test: 1/4 hr - 90 psi; 1/2 hr - 260; 3/4 hr - 400; 1 hr - 500; 1-1/4 hrs - 560; 1-1/2 hrs - 600; 1-3/4 hrs - 640; 2 hrs - 680; 2-1/4 hrs - 680 psi.

Surge well with 680 psi. TIH. Returns moderate 1/4" coal (98%), shale and siltstone in black water.

Circulate and work pipe with 2 MM air and 3 BPM water. Returns moderate to light 1/8" coal (98%), shale and siltstone in gray water.

Circulate and work pipe with 2 MM air and 5 Bbl water sweeps each hour. Returns on sweeps, heavy coal in black water. Returns between sweeps heavy to moderate 1/4" coal in gray water.

Estimate 500-1000 MCFD.

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Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

6-29-90 7" at 3198'; open hole 3198-3547'.

Circulating and working pipe with 4 MM air and 3 BPM water @ 3361'.

Circulate and work pipe with 2 MM air and 5 Bbl water sweeps hourly. Returns moderate to light 1/8" coal (98%), shale and siltstone in gray to clear water.

Hole fell in; hole very sticky. Pressure up on casing with water and air to 500 psi - pipe came free. Circulate hole with 5 BPM water. Returns very heavy 1" to powder coal (99%), shale and siltstone in black to clear water.

Hole fell in; pipe stuck. Pressure up on casing to 1000 psi. Work pipe free. Bleed pressure off casing through choke and pull into 7" casing. Hole would not circulate (pipe relatively free). Pull 3 jts drill pipe, lost approximately 500 bbls fluid to formation. Broke circulation and circulated hole clean. Returns very heavy to light 1" to 1/16" coal (99%), shale and siltstone in black to gray water.

Circulate and work pipe. Circulate with 4 MM air and 3 BPM water. Clean out 3198-3361'. Returns heavy to moderate 1" to very fine coal (99%), shale and siltstone in black to gray water.

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Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

6-30-90 7" casing at 3198'; open hole 3198-3547' (TD).

Circulating and working pipe with 4 MM air and 3 BPM water. Returns moderate to light.

Circulate and work pipe with 4 MM air and 3 BPM water washing 3361-3547'. Returns heavy to moderate 1/8" to powder coal (98%), shale and siltstone in black to clear water.

Circulate and work pipe with 4 MM air and 3 BPM water. Returns heavy to light (unloading heavy coal periodically), 1/4" to powder coal (98%), shale and siltstone in black to clear water.

20' flare out 2 blooie lines.

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7-01-90 7" casing at 3198'; open hole 3198-3547' (TD).

Circulating and working pipe with 4 MM air.

Circulate and work pipe with 4 MM air and 2 BPM water. Returns heavy to moderate 1/4" coal (98%), shale and siltstone in black water.

Circulate and work pipe with 4 MM air and no water. Returns moderate 1/4" coal (98%), shale and siltstone in black to gray water.

Pull into 7" casing for 2" pitot test: 1/4 hr - 6 psi, 1520 MCFD; 1/2 hr - 5 psi, 1374; 3/4 hr - 4.5 psi, 1304; 1 hr - 4 psi, 1236 MCFD (all gauges damp).

TIH. Clean out 5' of fill.

(Cont'd)

7-01-90 Circulate and work pipe with 4 MM air. Returns moderate 1/4" coal (98%), shale and siltstone in black to clear water.

Bucket test = 136 BPD.

7-02-90 7" casing at 3198'; open hole 3198-3547' (TD).

Waiting on Jay Wireline to set plug in drill pipe.

Blow well with 4 MM air. Returns light 1/8" and smaller coal (98%), shale and siltstone in black to clear water; 250 psi.

Blow well with 4 MM air and 5 Bbl water sweeps every 2 hours. Returns light coal fines in black water.

POOH to run liner. Lay down 14 jts 3-1/2" drill pipe, pull 13 stands of 3-1/2" drill pipe, floats leaking. Stab drill pipe valve, wait on Jay Wireline.

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Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

7-03-90 7" casing at 3198'; open hole 3198-3547' (TD).

POOH to top of drill collar. Pull 2.25" plug, ran collar stop, found 3 drill collars (124') below drill pipe.

Rig up to mix mud. Waiting on mud and water.

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Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

7-04-90 Pick up fishing tools.

Mix and condition mud (weight 9.7 ppg and viscosity 45 sec).

Load hold with mud.

TIH

POOH with over shot, 4000# over string weight; no fish.

TIH with 4-5/8" grapple, tag bridge at 3220'.

Circulate and wash through bridge 3220-3230'.

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Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

7-05-90 Circulate and condition mud to weight of 9.6 ppg and viscosity of 47 sec.

POOH with 6000# over string weight. Lay down fish (six 4-3/4" drill collars, F nipple (1.875" ID), bottom hole drill collar, and bit -208.24').

Wait on subs.

TIH with 6-1/4" Smith Tool Co. FDT bit, SN# KP-1615 (jets: 20-20-20), bit sub with float, one 4-3/4" drill collar, string float, nine 4-3/4" drill collars, 1 jt drill pipe, F nipple (2.25" ID). BHA = 344.46' (includes drill pipe).

Ream and wash through bridge at 3329-3350'. TIH to 3451'. Displace mud with produced water. Recover 240 Bbls mud, 9.7 ppg and 46 sec viscosity. Truck to Mackey's yard.

Wash and ream to bottom at 3547'.

Circulate and work pipe with 5 BPM water @ 250 psi.s Returns light 1/4" to powder coal in muddy water.

Circulate and work pipe with 1 MM air and 3 BPM water. Returns heavy 1/4" to powder coal (90%), shale and siltstone in black to muddy water. Hole sticky.

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Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

7-06-90 7" casing at 3198'; open hole 3198-3547' (TD).

Circulate and blow well with 3 MM air and 3 BPM water. Returns heavy, hole tight and sticky.

Circulate and work pipe at TD with 2 MM air and 3 BPM water. Returns heavy 1/4" and smaller coal in black water. Hole tight with good returns.

Circulate and work pipe at TD with 3 MM air and 3 BPM water, 450-1100 psi. Returns heavy 1" to powder coal (95%) shale, siltstone in black water. Hole tight and sticky.

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Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL
Section 12, T31N, R7W
San Juan County, New Mexico

7-07-90 7" casing at 3198'; open hole 3198-3547' (TD).

Circulating and working pipe with 3 MM air and 3 Bbl water sweeps every 1/2 hour.

Circulate and work pipe with 3 MM air and 3 BPM water. Returns 1/2" to powder coal (98%), shale and siltstone. At 7:00 a.m. hole fell in. Returns heavy coal, hole very tight, cannot rotate.

Circulate and work pipe with 3 MM air and 5 Bbl water sweeps every 1/2 hour. Returns heavy to moderate 1/4" to powder coal (98%), shale and siltstone in black to gray water.

7-08-90 Circulating and working pipe with 4 MM air and 2 BPM water. Returns moderate to light 1/8" coal (98%), shale and siltstone in gray water. Hole tight.

Circulate and work pipe with 3 MM air and 3 BPM water with 3 Bbl water sweeps every 1/2 hour. Returns moderate 1/8" coal (98%), shale and siltstone in gray water.

Circulate and work pipe with 3 MM air and 2 BPM water. Run reverse sweeps 10 minutes per hour (stopped pumping for 10 minutes). Returns heavy 1/2" to 1/16" coal (98%), shale and siltstone in black water. Hole tight and sticky.

Circulate and work pipe with 4 MM air and 2 BPM water. Returns heavy to moderate 1/2" to 1/16" coal (98%), shale and siltstone in black water.

7-09-90 POOH to run liner.

Circulate and work pipe with 4 MM air and 2 BPM water. Returns light 1/8" coal (98%) in gray to clear water.

Load hole with water, lay down 12 jts drill pipe, hang drill pipe in tubing head, pump across stack with 300 psi.

Rig up Cudd Pressure Control, test all equipment to 2000 psi.

TIH, wash to bottom, had bridge 3287-3310'; had 10' fill at TD.

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Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

7-10-90 7" casing at 3198'; 5-1/2" liner 3204-3547'.

Attempting to release Baker setting tool from liner hanger.

Strip out of hole with drill pipe to BHA.

Strip drill collars out of hole and stand back. Change over to snub 5-1/2" liner in hole.

Snub liner in hole and change over to strip 3-1/2" drill pipe. Strip 3-1/2" drill pipe in hole. Circulate across BOP stack holding 200 psi back pressure.

Wash and drill liner to bottom holding 400 psi back pressure on well. Wash liner 3204-3547'. Hole very tight in places.

Working to set and release liner hanger. Drill pipe broke high, could not get off liner hanger.

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Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

7-11-90 7" casing at 3198'; 5-1/2" liner 3204-3547'.

Circulating with water at top of liner hanger. Returns very light coal with gas.

Work to release setting tool from liner hanger. Try different weights on tool attempting to find the correct weight to back off carrier nut on setting tool - no success.

Rig up Homco wireline. Run free point; found pipe to be free to top of liner hanger @ 3107'.

POOH with drill pipe.

TIH with 3' of washover pipe.

Wash over 2-1/2' of liner setting tool 3107-3109'. Circulate hole clean. Returns - small amount of coal in clear water.

7-12-90 Pick up wash pipe and TIH. Pick up swivel and wash over setting tool.

Set swivel back, TOH, lay down wash pipe.

TIH with overshot and reversing tool.

- 7-13-90 POOH with reversing tool and overshot. Recovered tool jt from setting tool.
- 7-14-90 Pick up 5' washpipe. TIH with 6 drill collars and 46 stands of drill pipe.

Tag fish.

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Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

7-15-90 Milling on setting tool at 3116'.

POOH with mill.

TIH with mill #3.

7-16-90 Pick up mill #4 and TIH.

POOH with mill shoe #4.

Pick up overshot.

7-17-90 POOH with wash pipe and mill shoe #6.

TIH with overshot.

No movement of fish.

POOH with fishing tools. Pick up wash pipe and mill shoe #5 and TIH.

POOH. Cutrite missing on mill shoe.

Pick up mill shoe #6.

7-18-90 TIH with overshot.

POOH with fish.

Pick up plug mill and 2-7/8" tubing, float sub, and F nipple (2.25" ID).

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Completion Report

Northeast Blanco Unit No. 492 - Basin Fruitland Coal

LOCATION: 810' FNL, 1530' FEL Section 12, T31N, R7W San Juan County, New Mexico

7-19-90 Rig released.

Mill on perf plugs.

Blow well through 3/4" choke. Wait on Wireline Specialty. Well flowing through 3/4" choke @ 120 psi, 267 MCFD.

Rig up Wireline Specialty, cut off mill, bit sub, and 6' of tubing.

Rig up Jay Wireline, set "FWG" blanking plug in F nipple. Land tubing, Nipple down BOP and nipple up upper tree.

Rig up Jay Wireline, pull "FWG" blanking plug.

Rig down. Release rig at 12:00 a.m., 7-19-90. Wait on daylight to move rig.

Ran 11 jts (3401.82') 2-7/8" tubing, set at 3415.92' with Baker F nipple 1 jt up at 3381.91'.