Copies to Appropriate

Energy, Minerals and Natural Resources

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM

OIL CONSERVATION DIVISION

P.O.Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 3004528219

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: State Gas Com AA

1. Type of Well: OIL WELL [ ] GAS WELL [X] OTHER Coal Seam

2. Name of Operator: AMOCO PRODUCTION COMPANY Attention Mary Corley

8. Well No. #1

P.O. Box 3092, Houston, TX 77253

9. Pool name or Wildcat: Basin Fruitland Coal Gas

4. Well Location
Unit Letter K : 1535 Feet From The SOUTH Line and 2275 Feet From The WEST Line

Sectio 36 Township 30N Rang 8W NMPM SAN JUAN County

10. Elevation *(Show whether DF, RKB, RT, GR, etc.)*

11. Check Appropriate Box to Indicate Nature of Notice Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]
PULL OR ALTER CASING	[ ]		
OTHER: Well repair - to c/o & install liner	[X]		

SUBSEQUENT REPORT OF:

REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[ ]
CASING TEST AND CEMENT JOB	[ ]		
OTHER:			[ ]

12. Describe Proposed or Completed Operations *(Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed*

Cleanout fill and stabilize hole. Run and perf liner. Return well to production.

FEB 18 1999
OIL CONS. DIV.
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mary Corley TITLE Sr. Business Analyst DATE 02-17-1999

TYPE OR PRINT NAME Mary Corley TELEPHONE NO. 281-366-4491

(This space for State

APPROVED BY ORIGINAL SIGNED BY CHARLIE T. PERRIN TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE FEB 18 1999

CONDITIONS OF APPROVAL, IF ANY:

SJOET Well Work Procedure

State GC AA 1

Version: st_gcaa1.doc
Date: February 16, 1999
Budget: Well Repair (SAP#)
Repair Type: C/O, Install Liner

Objectives:
1. C/O fill and stabilize hole
2. Run and perf liner
3. Return well to production

Pertinent Information:

Location:	1535'FSLx2275'FWL; Sect 36K-T30N-R8W	Horizon:	FT
County:	San Juan	API #:	30-045-28219
State:	New Mexico	Engr:	Kutas
Lease:	Fee	Phone:	H-(303)840-3700
Well Flac:	704993-01		W-(303)830-5159
			P-(888)907-0916

Economic Information:

APC WI:	58.21%	Prod. Before Repair:	**900 MCFD**
Estimated Cost:	$115,000	Anticipated Prod.:	**1500 MCFD**
Payout:	5 Months	Prod. Before Repair	

Note: **Economics will be run on all projects that have a payout exceeding ONE year.**

Formation Tops: (Estimated formation tops)
Nacimento:
Ojo Alamo:
Kirtland Shale:
Fruitland: 2694' (Top first main coal seam)
Pictured Cliffs:

Bradenhead Test Information:
Test Date: 9/19/96 **Tubing:** 146 psi **Casing:** 165 psi **BH:** 0 psi

Time	BH	CSG	INT	CSG
5 min				
10 min				
15 min				

Comments: No flow

Current wellbore info: 7" CSA 2685'
O.H. @ 2685'-2883'
2-7/8" TBG @ 2786'
Fish on bottom (37' consisting of F-Nipple, 1jt tbg, bit, sub and float)
-top of fish @ ???
Well cleaned out to 2841' on 4/28/98

Current flow info: 900 MCFD, FTP=14 psi, FCP=106 psi, LP=128 psi
Tubing and casing both on compression.

Plans: Clean out fill, stabilize hole, line and perf well.

1. MIRUSU--AWS #56 (equipped for 24 hour cavitation operations).
2. ND tree, rig up BOP's; complete with venturies on blooie lines w/ manifold valves.
3. RU wireline and set plug in SN at 2754'.
4. TOH w/ 2-7/8" tubing.
5. Pick up DP, DCs, bit sub/float, and 6-1/4" bit. TIH and clean out fill to top of fish using air and foam (Note: well was cleaned out on 4/28/98 to 2841'. Top of fish @ ???). Stabilize hole as quickly as possible to allow running liner.
6. After reaching TD, trip out to casing shoe and wait for 4-6 hours and check to determine amount of fill and how difficult it is to clean up.
7. Run a blank 5-1/2" (17#) hydril liner as deep as possible back to approximately 2635'. Install a tri-cone bit, float, and sub on bottom and a Baker Model SLP-R Liner Hanger Packer. Strip in hole and drill to top of fish with power swivel, if necessary. Hang liner, lay down drill pipe.
8. RU DS, run GR-CCL to identify correct coal seam depths. TIH and perforate liner as follows:

PERFORATIONS	SPF	# HOLES
2,694 to 2,705'	4	44
2,722 to 2,739'	4	68
2,765 to 2,822'	4	228
Total		**340**

   RD DS.
9. RIH w/ 2-7/8"TBG as follows:
   1) mule shoe
   2) 1 joint of 2-7/8" TBG
   3) Std SN w/ lock collar
   4) Balance of 2-7/8" TBG (All TBG: 6.5# J55 FBN)
10. Land bottom of TBG at 2765'. RDMOSU.
11. Turn well over to production. **Note: Bring well on slowly (well may need swabbing in order to RTP).**

Dependent on speed of hole stabilization, I estimate this procedure to require approximately 4-5 days and to cost approximately $115,000 (see attached AFE form).

If problems are encountered, please contact:

Mike Kutas

(W) (303)830-5159
(H) (303)840-3700
(P) (888)907-0916

If Mike is unavailable, please contact:

Brenda Bauernfeind

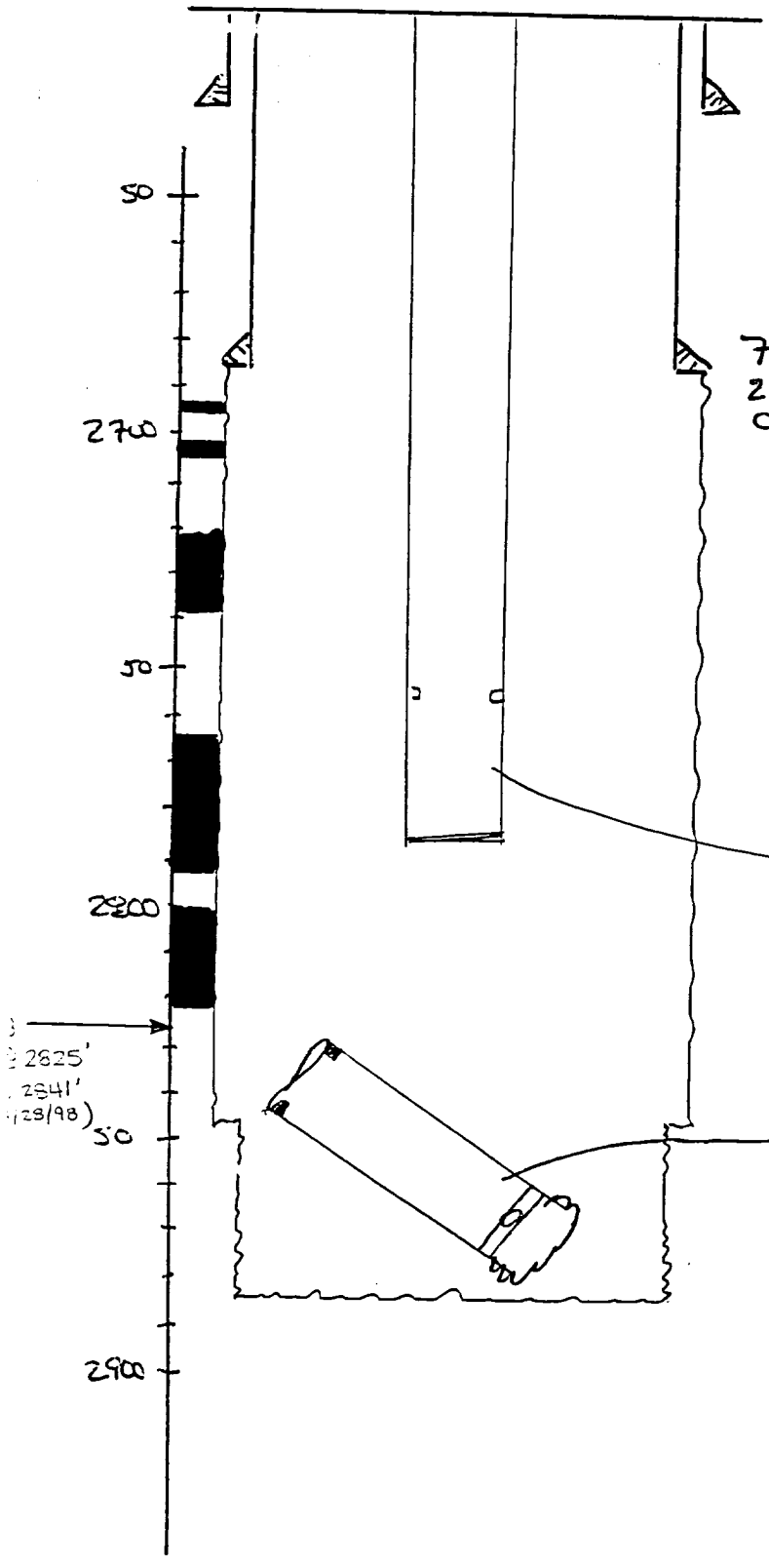
(W) (303)830-4197
(H) (303)657-0331
(P) (800)706-9710

Amoco Production Company

ENGINEERING CHART

Sheet No ____ Of ____
File ____
Appn ____
Date 1/13/99
By GMK

SUBJECT State GC AA * 1



9 5/8" CSA 273'
36# J55
CMT circd

7" CSA 2685'
23# K55
CMT circd

COALS
2694-96'
2702-05'
2722-39'
2765-93'
2801-22'

2 7/8" TSA 2786'
(6.5# J55, FBN)
- ½ mule shoe on BTM
- 2.28" Std. SN @ 1 jt OFF BTM

37' OF FISH ON BTM
* F-Nipple, 1 jt TBG, BIT, SUB, FLOAT
TOP FISH??

O.H. SECTION @ 2685-2883'
9 1/2" Hole @ 2685-2845'
6 1/4" Hole @ 2845-28'