submitted in lieu of Form 3160-5 UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Sundry Notices and Reports on Wells Lease Number SF-078506 If Indian, All. or 6. 1. Type of Well Tribe Name GAS Unit Agreement Name 2. Name of Operator OIL & GAS COMPANY Well Name & Number Hunsaker #2M 3. Address & Phone No. of Operator API Well No. PO Box 4289, Farmington, NM 87499 (505) 326 30-045-29848 10. Field and Pool 4. Location of Well, Footage, Sec., T, R, M Blanco MV/Basin DK 1180'FSL, 1820'FEL, Sec.26, T-31-N, R-9-W, NMPM 11. County and State San Juan Co, NM 12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA Type of Action Type of Submission ___ Change of Plans Abandonment _X_ Notice of Intent New Construction _ Recompletion ____ Non-Routine Fracturing _ Plugging Back Subsequent Report ___ Water Shut off _ Casing Repair Altering Casing ___ Conversion to Injection Final Abandonment X_ Other - Commingle Describe Proposed or Completed Operations 13. It is intended to commingle the subject well according to the attached procedure.

CONDITION OF APPROVAL, if any: 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.

(This space for Federal or State Office use)

14.

APPROVED BY

I hereby certify that the foregoing is true and correct.

__Title

Title Requlatory Supervisor Date 10/9/00_

Date

HUNSAKER #2M

Blanco Mesaverde/Basin Dakota AIN: 80756201/80756202 1180' FSL & 1820' FEL Unit C, Sec. 26, T31N, R9W

Latitude / Longitude: 36.865 / 107.747 Recommended Commingle Procedure

Project Summary:

The Hunsaker #2M was drilled in 1999 and completed as a duel in the Mesaverde and Dakota formations. Prior to production complications, the Dakota production was 266 MCF/D. Currently the Dakota production is zero (with plunger), and the Mesa Verde continues at 260 MCF/D (with pump jack). It is proposed to pull both tubing strings and clean-out to PBTD. The well will then be commingled with a single 2-3/8" tubing string and produced with a pumping unit. Anticipated uplift is estimated at 330 MCF/D.

Commingle Procedure:

- Comply with all NMOCD, BLM and Burlington safety and environmental regulations. Test rig anchors and build blow pit prior to moving in rig. Notify BROG Regulatory (Peggy Cole 326-9727) and the appropriate Regulatory Agency prior to pumping any cement job. If an unplanned cement job is required, approval is required before the job can be pumped. If verbal approval is obtained, document approval in DIMS. Allow as much time as possible prior to pump time in case the Agency decides to witness the cement job.
- MOL and RU workover rig. Conduct safety meeting for all personnel on location. NU relief line. Blow down well and 2. kill with 2% KCL water as necessary.
- Unseat pump and TOOH standing up 3/4 " rods. 3.
- ND wellhead and NU BOP. Test and record operation of BOP rams. Have wellhead and valves serviced at machine shop 4. to convert to a single string wellhead (2-3/8"). Test secondary seal and replace/install as necessary.
- TOOH laying down the 2-1/16", Mesaverde tubing (set at 5488'). Change rams to offset rams and NU offset BOP 5. equipment. X-over to 1-1/4" pipe handling equipment.
- Release model G 40-26 locator seal assembly from the Model D Packer at 5547' with straight pickup on 1-1/4" tubing. (Maximum pull 33,000# - SF=0.9). If seal assembly will not come free, then jet cut 1-1/4" Dakota tubing above the 6. packer and fish with overshot and jars.
- TOOH laying down the 1-1/4" Dakota tubing (set at 7455') and seal assembly. Visually inspect tubing for corrosion and replace any bad joints. Check tubing for scale build-up and notify Operations Engineer. PU 2-3/8' 4.7# J-55 tubing. 7.
- TIH with Model HE packer retrieval spear (PRS, with holes drilled near rotary shoe), rotary shoe, drain sub, top bushing, bumper sub, jars, and 4-6 drill collars on 2-3/8". Mill out Model D packer at 5547' with air/mist. Note: when using 8. air/mist, the minimum mist rate is 12 bph. Try to maintain air rate at 1,400 cfm. A hydrocarbon stable foamer should be utilized since this well makes significant amounts of condensate. After milling over the packer slips, POOH with tools and packer body.
- PBTD should be at 7619'. TIH with 4-3/4" bit and bit sub on 2-3/8" tubing, and cleanout to PBTD with air/mist. Note: 9. When using air/mist, minimum mist rate is 12 bph. TOOH with tubing.
- Kill well with 2% KCl as necessary. Rabbit all tubing prior to TIH. TIH with one joint of 2-3/8" 4.7# tubing with purge valve on bottom, 77" x 3-1/8" gas separator, 10' pup joint, 6' pup joint, 1.78" seating nipple, and then remaining 2-3/8" 10. tubing. Replace any bad joints.

depth with Operations Engineer. ND BOP and NU WH. PU and TIH with 2" x 1.25" x 10' x 14' RWBC insert pump with 1" x 16' dip tube, 1-1/4"sinker bar, one 3/4" Grade D rod 12. w/ molded-on guides, 3/4" Grade D rods with spray-metal couplings to 2000', 3/4" Grade D rods with spray-metal couplings and molded paraffin scrapers from 2000' to surface. Space out rods, test pump action, and hang rods on pumping unit. RD and MOL. Return well to production. 13.

Land tubing at ±7560 (one joint below bottom perf). NOTE: If excessive fill is encountered, discuss this landing

Recommended:

11.

Approved: Bruce W. Bough 10-5 co.

Drilling Superintendent

10-7-00 Required: Yes X No____

Regulatory Approval

Operations Engineer:

Kevin W Book

BR Office - 326-9530

Pager - 326-8452 Home - 326-6236 **KWB** 9/11/2000