

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OM B No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions 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. NMSE-078390 |
| 2. Name of Operator Richardson Operating Company | | 6. If Indian, Allottee or Tribe Name NA |
| 3a. Address 3100 La Plata Highway, Farmington, NM, 87401 | 3b. Phone No. (include area code) 505-564-3100 | 7. If Unit or CA/Agreement, Name and/or No. 33198 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1690' FSL & 1925' FEL, Sec. 13, T28N, R8W | | 8. Well Name and No. NM Federal 13-13 #2 |
| | | 9. API Well No. 30-045-31940 |
| | | 10. Field and Pool, or Exploratory Area Basin Fruitland Coal |
| | | 11. County or Parish, State San Juan County, New Mexico |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|--|
| <input 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 checked="" 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 TD & |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Production casing |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers 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 within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

8/14/2004 NU BOP, test BOP and surface casing to 600psi, held OK. Work on rig. Secure rig, SDFN.
8/15/2004 TIH w/ 6 1/4" bit. Water loss at 1000'. Drill 775' of 6 1/4" hole to 1092'. Secure rig, SDFN.
8/16/2004 Drill 6 1/4" hole to 280' to 1372'. Work on rig. Secure rig, SDFN.
8/17/2004-8/22/2004 Repair rig.
8/23/2004-8/26/2004 Lost circulation. Ream hole. Mix mud, circulate hole.
8/27/2004 Service rig. Ream Hole. Drill 186' of 6 1/4" hole to 1558'. Add 160bbl of water to 1" stream. Mix 30sx gel, 1/4sk lignite, 1sk soda, 1sk drispac. Secure rig, SDFN.
8/28/2004-9/3/2004 Drill 1169' of 6 1/4" hole to 2727'.
9/4/2004 Drill 270' of 6 1/4" hole to 2997'. TD well. Left on nightwatch.
9/5/2004 TOH w/ DC/DP and bit. Run 2992' of 4 1/2" 11.6# J-55 production casing. Land production casing at 2991' +1' GL. Float shoe 29' off bottom, landed at 2963'. Six centralizers every other joint from top. Three turbolizers, 1 jt off bottom, 6 jts off bottom, 9 jts off bottom. MIRU Key cementers. Cement production casing with 300sx Class B cmt, 3% Sodium Metasilicate, 1/4#sk Celloflake, 3#sk gilsonite, 11.50ppg, 2.80yield, as lead. Tail in with 100sx Class B cmt, 1/4#sk Celloflake, 3#sk Gilsomite, 15.60ppg, 1.18 yield. Circulate 38 bbl to surface. Bump plug with 1000psi, shut in. WOC.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Jo Becksted

Title Compliance Administrator

Signature

Date

09/10/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

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.

Title

Date

SEP 16 2004

Office

FARMINGTON FIELD OFFICE
BY

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

NMOCD