

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.

NMSF-078673

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

M & G Drilling Company Inc. c/o Mike Pippin LLC (Agent)

3a. Address

Pippin, 3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (Include area code)

505-820-4573

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

2335' FSL 1910' FEL (J) Sec. 34 T28N R11W

8. Well Name and No.

SCHLOSSER 34 #100

9. API Well No.

30-045-32489

10. Field and Pool, or Exploratory Area

Kutz Pictured Cliffs, West

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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☒ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other ADD

FARMINGTON &

COMMINGLE

13. Describe Proposed or Completed Operations (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 recomple 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 recompletion 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.)

Based on the gas flow from the Farmington experienced during drilling operations, we plan to change this well's completion to include the Kutz Farmington and commingle with the Pictured Cliffs. Both intervals have common ownership.

To prevent cement contamination of the Farmington interval, we may bring the TOC from the 1st cement stage only up to ~1050' and set an ECP and DV tool just above the Farmington interval at about 850'. See the attached wellbore diagram. The 1st cement stage will be the "tail" cement from the drilling program on the APD. The 2nd cement stage will be the "lead" cement with 45% excess from the drilling program on the APD. The cement volumes of both stages will be adjusted as dictated by the open hole logs.

CONDITIONS OF APPROVAL

Adhere to previously issued stipulations.

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


Name (Printed/Typed)

Mike Pippin

Title

Petr. Engr. (Agent)

Signature




Date

February 1, 2005

THIS SPACE FOR FEDERAL OR STATE USE

Approved by



Title

Petr. Eng

Date

2005 FEB 1 19/05
RECEIVED
FARMINGTON NM

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.

Office

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.

(Instructions on reverse)

NMOCD

SCHLOSSER 34 #100 FARM/PC

2/1/05

Kutz Farmington & Kutz PC West

(J) Section 34, T-28-N, R-11-W, San Juan County, NM

M. Pippin

Today's Date: 2/1/05
Spud: 1/29/05
Completed: N/A
Elevation: 5723' GL
4' KB

12-1/4" hole

8-5/8" 23# LS X-42 @ 216'
Cmt w/189 cf (Circ. 12 bbls Cmt)

Ojo Alamo @ ~479'

Kirtland @ ~584'

**ALL ESTIMATED DEPTHS AND CMT
VOLUMES WILL BE CORRECTED
AFTER OPEN HOLE LOGS ARE RUN**

Cement

Farmington Gas Flow
@ 869 MCF/D

DV Tool @ ~845'
2nd Stg cmt with * 45% excess to
circ. to surface.

External Casing Packer (ECP) set
@ ~850'

Therefore, No Cmt from ~845'-1050'

TOC @ ~1050'
Will be Verified by CBL

Cement

Fruitland @ ~1398'

Pictured Cliffs @ ~1588'

Pictured Cliffs Perfs @ ~1588'-1638'

PBTD ~1680'

7-7/8" hole

TD ~1700'

4-1/2" 10.5# K-55 Csg @ ~1700'
1st Stg cmt with * cf calc. for
TOC @ 1050'

* Cement volumes will be calculated using open hole logs.

Exhibit #1