

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB 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. NMNM013642
2. Name of Operator Peoples Energy Production - Texas, L.P.		6. If Indian, Allottee or Tribe Name NA
3a. Address 1301 McKinney, Ste. 3200 Houston, Texas 77010		7. If Unit or CA/Agreement, Name and/or No. NA
3b. Phone No. (include area code) 713-890-3600		8. Well Name and No. Gardner 12
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface S26, T32N, R9W (O) 700' FSL & 1665' FEL Production Zone S26, T32N, R9W (K) 1900' FSL & 2600' FWL		9. API Well No. 30-045-33630
		10. Field and Pool, or Exploratory Area Blanco Mesaverde
		11. County or Parish, State San Juan, 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 Production
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recompleate 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 recompleation 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.)

6/26/06 - Drilled 6-1/4" hole to 6475' MD and ran 4-1/2", K-55 10-1/2" # LTC liner from 2850' (top of liner/hanger) to landed depth @ 6436' MD KB. KB = 14'.

Stage: 1, Lead, 0, 90 sk, TXI .25#/Sk D29, 5#/Sk D24, .2% D46, 10% D154, .5% D153, .2% D800, .15% D65, .3% D167, Yield 2.28, Density 11.4 #/gal.

Stage: 1, Tail, 0, 250 sk, 50/50 Poz 4% D20, .25#/SK D29, .3% D167, .15% D65, .25#/sk D29, .1% D46, .25% D800, Class G, Yield 1.25, Density 13.5 #/gal. Plug down @ 3AM held 1003 psi. No cement circulated to surface

Will run CBL at later date to locate top of cement behind 4-1/2" production casing.

Verbal authorization from Steve Mason/BLM (6/23/06) to run 4 1/2 production liner w/ hanger set @ 2850" MD (200' above 7" DV tool) to later service remedial work necessary on 7" intermediate.

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

Brad Walls

Title Agent/Consultant

Signature

Date

7/3/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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 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)

JUL 06 2006

NMOC

FARMINGTON OFFICE