

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

DEC 11 2008

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

5 Lease Serial No.
NMSF 078481A

6 Indian, Allottee or Tribe Name
RCVD DEC 18 '08

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

1 Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No
DIST 2

2 Name of Operator
M&G Drilling Company, Inc. c/o Walsh Engineering

Graham 10 #7

3a Address
7415 E Main, Farmington, NM, 87402

3b. Phone No (include area code)
505-327-4892

9. API Well No.
30-045-32728

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
790' FNL and 1930' FEL, (B) Sec. 10, T27N, R8W

10 Field and Pool, or Exploratory Area
Otero Chacra, Blanco MV, Basin DK

11. County or Parish, State
San Juan County, NM

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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Spud & Casing Report

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 recomplete 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)

PRESSURE TEST FOR 7" AND 4 1/2" CASING NEXT REPORT
Report TOC on Prod next report

11/29/08 spud 12-1/4" surface hole. Drilled to 235' KB. Ran 5 jts (210.50') of 9-5/8", 36#, J-55, ST&C new casing and set casing at 230' KB. Cemented with 150 sx (180 cu. ft.) of Type 5, 2% CaCl₂ and 1/4 #/sk celloflake. Circulated 14 bbls of good cement to surface

11/30/08 Nipped up the BOP. Pressure tested the BOP,choke manifold and casing to 250 psi - low and 1500 psi - high both for 30 min. Test held OK

12/1/08 TD 8-3/4" hole at 2555". Ran 62 jts (2525') of 7", 20#, J-55, ST&C production casing and set casing at 2543' KB. Cemented with 230 sx (496 cu.ft.) of Type 5 w/ 2% SMS, CF & gilsonite. Tailed w/ 150 sx (179 cu.ft.) Type 5 w/ CF and gilsonite. Circulated 11 bbls of cement to surface.

12/4/08 TD 6-1/4" hole at 6650' KB. Ran Neutron/Density and Induction logs. Ran 158 jts (6651') of 4-1/2", 10.5#, J-55, ST&C casing and set at 6648' KB. Float collar is at 6624' KB. Cement with 440 sx (633 cu.ft.) of Type 5 50:50 poz, 3% gel and additives. Bump plug to 1200 psi - float held OK. Plan to run CBL w/ Comp. logs. Released the rig at 0600 hrs 12/6/08.

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Paul C. Thompson, P.E.

Title

Agent

Signature

Date

December 9, 2008

THIS SPACE FOR FEDERAL OR STATE USE

ACCEPTED FOR RECORD

Approved by

Title

Date

DEC 18 2008

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

FARMINGTON FIELD OFFICE

Title 18 U.S.C. Section 1001, 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, or to any person in the United States or abroad, with intent to defraud.

NMOC