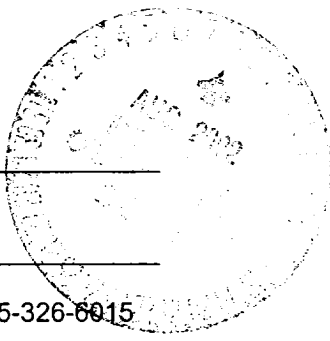


submitted in lieu of Form 3160-5

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Sundry Notices and Reports on Wells

<p>1. Type of Well Gas</p> <hr/> <p>2. Name of Operator Billco Energy</p> <hr/> <p>3. Address & Phone No. of Operator #28 County Road 1490, La Plata, NM 87418, 505-326-6015</p> <hr/> <p>Location of Well, Footage, Sec., T, R, M 1000' FSL and 970' FWL, Sec. 6, T-23-N, R-4-W,</p>	<p>5. Lease Number Contract #362</p> <p>6. If Indian, All. or Tribe Name Jicarilla Apache</p> <p>7. Unit Agreement Name</p> <p>8. Well Name & Number M & M #2</p> <p>9. API Well No. 20-039-23042</p> <p>10. Field and Pool Ballard PC</p> <p>11. County & State Rio Arriba County, NM</p>
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12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action	
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Re-completion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other -	

13. Describe Proposed or Completed Operations

Billco Energy plugged and abandoned this well per the attached report on June 15, 2002.

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

Signed Randy Thille Title President Date 7/17/02
Randy Thille

(This space for Federal or State Office use)
APPROVED BY /s/ Patricia M. Hester Title Lands and Mineral Resources Date AUG 2 2002
CONDITION OF APPROVAL, if any:

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
FARMINGTON, NM 87499
505-325-2627 • FAX: 505-325-1211

Billco Energy

June 15, 2002

M&M #2

Page 1 of 2

1000' FSL & 970' FWL, Section 6, T-32-N, R-4-W
Rio Arriba County, NM
Jicarilla Contract Number 362

Plug & Abandonment Report

Cementing Summary:

Plug #1 with CIBP at 2445', with 28 sxs cement above CIBP up to 1429' in two stages, to isolate the Pictured Cliffs perforations and to cover the Fruitland, Kirtland and Ojo Alamo tops.

Plug #1a with 22 sxs cement inside casing from 2199' to 1401' to cover Kirtland and Ojo Alamo tops.

Plug #2 with 115 sxs cement pumped down the casing from 540' to surface, circulate good cement out the bradenhead.

Plugging Summary:

Notified JAT on 6-4-02

6-05-02 MOL, RU. Open up well, no pressures. ND wellhead. NU BOP and test. Install pit liner and fence. RU A-Plus wireline truck. Round-trip 2-7/8" gauge ring to 2470'. Set 2-7/8" PlugWell wireline CIBP at 2445'. Shut in well. SDFD.

6-06-02 Safety Meeting. Tally, PU and TIH with A-Plus' 1-1/4" IJ workstring. Tag CIBP at 2445'. Load casing with 3 bbls water and circulate well clean with 17 bbls of water. Attempt to pressure test casing, leak 1 bpm at 500#. Plug #1 with CIBP at 2445', with 28 sxs cement above CIBP up to 1429' in two stages, to isolate the Pictured Cliffs perforations and to cover the Fruitland, Kirtland and Ojo Alamo tops. TOH with tubing. Shut in well and WOC due to casing leak. TIH with tubing and tag cement at 2199'. Cement fell back below Kirtland and Ojo Alamo tops. Load casing with 3 bbls water and establish circulation out bradenhead. Plug #1a with 22 sxs cement inside casing from 2199' to 1401' to cover Kirtland and Ojo Alamo tops. TOH with tubing. Shut in well and WOC. SDFD.

6-10-02 Safety Meeting. TIH and tag cement at 1700'. Attempt to pressure test casing to 500#, bled off to 200# in 2 min and stayed at 300#. Perforate 2 squeeze holes at 540'. Plug #2 with 115 sxs cement pumped down the casing from 540' to surface, circulate good cement out the bradenhead. Shut in and WOC. Dig out and cut off wellhead. Found cement down 15' in 2-7/8" casing and at surface in 7" annulus. Mix 10 sxs cement to install P&A marker. RD and MOL.
T. Muniz with JAT, was on location.

BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work should be submitted with a Sundry Notice. Questions? Call Pat Hester at (505) 761-8786.

1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location. Non-retrieved flowlines and pipelines will be abandoned in accordance with State Rule 714. Information supporting the non-retrieval will be included in the subsequent report or final abandonment Sundry Notice.

2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils can be remediated on-site according to these guidelines or disposed of in an approved facility.

3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped/disked to a minimum of 12" in depth before reseeding.

4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to deter vehicle travel. Access will be ripped to a minimum of 12" in depth, water barred and reseeded. All erosion problems created by the development must be corrected prior to acceptance of release. Water bars should be spaced as shown below along the fall line of the slope:

% Slope	Spacing Interval
Less than 20%	200'
2 to 5 %	150'
6 to 9 %	100'
10 to 15 %	50'
Greater than 15%	30'

5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required). Seed mix must be certified weed free to avoid the introduction of noxious weeds. Refer to the original APD for seed mix.

6. Notify Surface Managing Agency seven (7) days prior to seeding so that they may be present to witness.

7. The period of liability under the bond of record will not be terminated until the well is inspected and the surface rehabilitation approved.

Other Surface Managing Agencies (SMA's) may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us. On private land, a letter from the fee owner stating that the surface restoration is satisfactory will be provided to the office. Questions? Call Pat Hester at (505) 761-8786.