

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-35180
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Federal NMNM 03605
7. Lease Name or Unit Agreement Name Graham
8. Well Number 100S
9. OGRID Number 141852
10. Pool name or Wildcat Basin Fruitland Coal (71629)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5898' GR

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

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

3. Address of Operator
7415 E. Main St., Farmington, NM 87402

4. Well Location
 Unit Letter B : 1110 feet from the North line and 1760 feet from the East line
 Section 3 Township 27N Range 8W NMPM San Juan County

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/> Surface Commingle		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: PC-1230 <input type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
 M&G Drilling Co., seeks administrative approval to surface commingle the gas production from the Blanco Mesa Verde (72319) pool in the Graham #44 (B Sec 3, T27N, R8W, API - 30-045-06887) with the gas production from the Graham #100S described above.

M&G Drilling attests that they own all of the revenue interests, both working and royalty, in both wells. No liquid hydrocarbons will be commingled. Surface commingling will not reduce the value of the production. The BLM Office was also notified of this application.

Reviewed by [Signature] Recommendation Approval 11/30/10

This approval is subject to L. [Signature] approval by BLM before commencing commingling operation

I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Paul C. Thompson TITLE Agent / Engineer DATE 11/10/10

Type or print name Paul C. Thompson, P.E. E-mail address: paul@walsheng.net Telephone No. 505.327.4892
For State Use Only

APPROVED BY: [Signature] TITLE Act Div. Dir. DATE 12/1/10
 Conditions of Approval (if any): _____

RECEIVED
 2010 NOV 15 PM 5:00
 B-FRC