

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.

NM-078863

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

3a. Address

c/o Pippin, 3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)

505-327-4573

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

1975' FSL 775' FEL (I) Sec. 28 T28N R11W

8. Well Name and No.

KRAUSE #11s

9. API Well No.

30-045-32514

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
<input checked="" 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 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 Commingle Allocation
	<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 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.)

The subject gas well was completed on 2/8/05 and has been approved for downhole commingling in the Kutz PC, West and the Kutz Farmington with DHC-3393. Attached are calculations from choke tests, which indicate the gas allocations to each pool. The choke test from the Farmington was 0 MCF/D. This well should not make any oil.

GAS: Pictured Cliffs 100%  
Farmington 0%

OIL: Pictured Cliffs 100%  
Farmington 0%

These commingle allocations have been filed concurrently with the NMOCDD.

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

Name (Printed/Typed)

Mike Pippin

Title

Petr. Engr. (Agent)

Signature

Date

March 9, 2005

## THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Petr. Engr.

Date

3-28-05

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

FFO

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)

NMOCDD

M & G DRILLING COMPANY  
KRAUSE #11s PC / FARMINGTON  
I Section 28 T28N R11W  
3/9/2005

## Commingle Allocation Calculations

### OIL

The Kutz Pictured Cliffs, West gas pool seldom makes any oil in the vicinity of the subject well. The Kutz Farmington gas pool has never made any oil. Therefore, any and all oil will be assigned to the Pictured Cliffs.

### GAS

During completion operations, stabilized choke tests were individually taken for both the Pictured Cliffs and the Farmington gas pools. The Farmington choke test was 0 MCF/D.

The Pictured Cliffs (only) choke test stabilized at 50 psi on a 1/2" choke for a 5 hour period.

$$Q = .0555 * C * P \quad \begin{array}{l} C = \text{coefficient for } 1/2" \text{ choke} = 112.72 \\ P = \text{gauge pressure} + 15 \text{ psi} = 65 \text{ psi.} \end{array}$$

$$Q = .0555 * 112.72 * 65 = 407 \text{ MCF/D.}$$

The Kutz Farmington (only) choke test stabilized at 0 psi on a 1/4" choke for a 4 hour period.

$$\% \text{ Pictured Cliffs} = \frac{407}{407} = 100\%$$

$$\% \text{ Farmington} = 0\%$$