

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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Peoples Energy Production - Texas, L.P.

3a. Address
1301 McKinney, Ste. 3200 Houston, Texas 770103b. Phone No. (include area code)
713-890-3600

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' FWL5. Lease Serial No.
NMNM0136426. If Indian, Allottee or Tribe Name
NA7. If Unit or CA/Agreement, Name and/or No.
NA8. Well Name and No.
Gardner 129. API Well No.
30-045-3363010. Field and Pool, or Exploratory Area
Blanco Mesaverde11. 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 Intermediate
	<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.)

6/17/06 - Drill 8-3/4" hole to 3862' MD and ran 7", K-55 23#LTC casing and landed @ 3829' MD KB. KB = 14'.

Ran 1 centralizer 10 ft above shoe (latch over stop ring) 1 centralizer at top of 2nd, 4th, 6th, 8th, & 10th jt. 1 centralizer @ 1st collar above surface casing shoe. Ran 6 turbalizers, ran 1 turbalizer from the top of Ojo Alamo to top of Kirtland Shale.

Stage: 1, Lead, 100 sks G/TXI 25:75 Blend w/ .25#/sk D29, 3% D79, .2% D46, 5#/sk D24. Yield 2.11, density 11.7 #/gal

Did not bump plug. DV tool plugged/closed (3050' MD), could not circulated after 1st stage.

6/24/06 - Pressure tested casing to 1000 psi for 30 mins. Test BOP to 1000 psi. Held OK.

6/25/06 - Ran CBL found top of cement behind 7" intermediate @ 2310' MD. Intermediate set @ 3829' MD

Verbal authorization from Steve Mason/BLM (6/23/06) to remediate 7" by perforating from 2005-2010' and circulating cement to surface w/ completion rig before well is completed.

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

FARMINGTON FIELD OFFICE

NMOC