

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM013642
2. Name of Operator Peoples Energy Production - Texas, L.P.		6. If Indian, Allottee or Tribe Name NA
3a. Address 1301 McKinney, Ste. 3200 Houston, Texas 77010	3b. Phone No. (include area code) 713-890-3600	7. If Unit or CA/Agreement, Name and/or No. NA
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface S35, T32N, R9W (C) 800' FNL & 2005' FWL Production Zone S35, T32N, R9W (D) 750' FNL & 700' FWL		8. Well Name and No. Gardner 13
		9. API Well No. 30-045-33051
		10. Field and Pool, or Exploratory Area Blanco Mesaverde
		11. 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 recompleat 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.)

7/10/06 - Drill 8-3/4" hole to 3796' and ran 7", J-55 23# LTC casing and landed @ 3756' KB. KB = 14'. DV Stage Tool @ 2861' MD
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, 110 sks G/TXI 25:75 Blend w/ .25#/sk D29, 3% D79, .2% D46, 5#/sk D24. Yield 2.11, density 11.7 #/gal WOC 4 hrs.

Stage: 1, Tail, 50 sks 50/50 G:Poz 2% Gel, .25#/sk D29, 5#/sk D24, 1% S-1, .15% D65. Yield 1.26, density 13.5 #/gal. 10 bbls. cement circulated to surface. Top of Cement @ 2861'

Stage: 2, Lead, 350 sks G/TXI 25:75 Blend w/ .25#/sk D29, 3% D79, .2% D46, 5#/sk D24. Yield 2.11, density 11.7 #/gal
Circulated 28 bbls cement to surface WOC 12 hrs.

7/11/06 - Pressure tested casing to 1000 psi for 30 mins. Test BOP to 1000 psi. Held OK.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Brad Waller

Title Agent/Consultant

Signature

Date

7/12/06

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 19 2006

NMOC

FARMINGTON FIELD OFFICE