Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR 22

SUNDRY NOTICES AND REPORTS ON WELLS. Do not use this form for proposals to drill or to re-enter an OEIVED

Budget Bureau No. 1004-0135 Expires: November 30.

Lease Serial No. NMSF-078673

If Indian, Allottee or Tribe Name

abandoned well. Use Form 3160-3 (APD) for sûch proposals. [110]					1000		
,				7. If Unit or CA/A	greement, Name and/or No.		
SUBMIT	IN TRIPLICATE - Other instruct	tions on reverse side					
I. Type of Well ☐ Oil Well ☑ Gas V	Well Dther			8. Well Name and Schlosser			
Name of Operator M&G Drilling Company, Inc.	NM OGRID # 1	41852		9. API Well No. 30-045-3248	8		
3a. Address PO Box 5940, Farmington, NM	,	hone No. (include area code) 505) 325-6779		10. Field and Pool, o Kutz PC, We	or Exploratory Area est & Kutz Farmington		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL, 740' FEL Sec. 27, T28N, R11W					11. County or Parish, State San Juan, New Mexico		
12. CHE	CK APPROPRIATE BOX(E	S) TO INDICATE NATUR	E OF NOTICE, REI	ORT, OR OTHE	R DATA		
TYPE OF SUBMISSION		TYPE OF AC					
Notice of Intent Subsequent Report	Acidize Alter Casing Casing Repair	Deepen Fracture Treat New Construction	Production (Sta		Water Shut-OffWell Integrity✓ Other Squeeze		
Final Abandonment Notice	Change Plans Convert to Injection	☐ Plug and Abandon☐ Plug Back	☐ Temporarily At ☐ Water Disposal				
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated 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.)

Plugged back Farmington Sand Perfs at 790' - 926'. Producing Kutz Pictured Cliffs formation. See attached report.

23/8 tog set @ 1577' per David

14. I hereby certify that the foregoing is true and correct				
Name (Printed/Typed)				
Miranda Wells	Title	Production Assistant		
Signature Munda II Lub	Date	8/21/06		
THIS SPACE FOR FEDERA	AL OR STATE	OFFICE USE	1.77	
	1		:	
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	Office			
which would entitle the applicant to conduct operation thereon.				
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States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

ACCEPTED FOR BECORD

AUG 28 2006

FARMINGTON FIELD OFFICE

SCHLOSSER 27 #104 SQUEEZE JOB

- 6-26-06 JC well service arrived ar location. Rigged up rig and pulled rods and pump out of hole- shut down.
- 6-27-06 JC set pump and pit 7:00am- rig crew arrived at 8:00am. Tubing had 0 PSI- backside had 40PSI. Blew backside down- dropped standing valve. Pressure tested tubing to 1600PSI, held, finished standing valve. Pulled tubing out of hole. Ran bridge plug and packer, pressure tested bridge plug to 900 PSI- held. Dumped 10 gal. sand down tubing, on top of bridge plug-hooked up to pump H2O down tubing. Sand plugged off. Pulled tubing out of hole. Had 1 Jt of tubing full of sand-dumped 5 more gallons of sand down and chased with 2 bbls. Of H2O- ran tubing back in hole, set packer above perfs. Key cementers filled backside and pressured up to 500 Lbs. Started pumping H2O down tubing down holeestablished rate into formation and switched over to cement. Pumped 45 sacks down and displaced tubing with H2O- stacked cement down until tubing held 500 PSI shut down shut well in 8:00pm.
- 6-28-06 Arrived at location- tubing had 0 PSI, casing had 5 PSI. Unset packer, packer was sticking, circulated hole, got packer free. Pulled tubing and packer out. Put on football mill and bit run in hole tagged cement 22 ft in on 18th Jt., rigged up power swivel start drilling. Drilled til 7:00pm shut down, pull 5 Jts out of hole.
- JC crew arrived at 8:00am started drilling bit locking up, not making holes- pulled tubing to check bit- cones and bearings wore out- put new bit on, trip tubing in hole- start drilling at 10:25am. Got cement drilled out, approx. 15' below perfs at 926'. Pressure tested cement squeeze to 500 PSI- held. Trip tubing and bit out of hole, retieve bridge plug. Trip tail Jt, seat nipple and tubing in hole. Nipple down Bop. Put well head on shut down for evening- 6:30-7:00pm.
- 6-30-06 Arrive at location at 7:30am- tubing 0, casing 0. Rigged up to swab- fluid level 50' off bottom, couldn't get any water out of hole-run new pump and rods in hole- no gas to run jack. JC crew had butane bottle- picked up butane regulator and hose and fittings, got pump jack on. Rig down rig, move to Schlosser 34-100, 12:00pm.

Used W&W water hauling to fill rig pump pit and W&W to move pump and pit.