

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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		5. Lease Serial No. NMNM013642
2. Name of Operator Peoples Energy Prod. - TX, 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) S26, T32N, R9W (G) 1460' FNL & 2000' FEL		8. Well Name and No. Gardner C 7
		9. API Well No. 30-045-28013
		10. Field and Pool, or Exploratory Area Basin Fruitland Coal
		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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Clean Out & Repair
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Possible Liner Clean
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	Out.

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 recompleat 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.)

Production as substantially decrease (-800 mcf/d) from this well due to coal fines. We plan to construct a water pit 50' L x 40' W x 10' D (lined w/ min. 8 mil plastic) and a unlined flare pit w/ drainage to water pit. Pit will be fenced until recalled and reseeded to approved BLM specifications.

1. Cleaning out the well bore with air to TD. Possible removal of 5 1/2" liner. (if liner is removed, well will be cavitated)
2. Re-run 5 1/2" pre-perforated, tapped, & plugged liner (6spf)
3. Re-run 2 3/8" tubing
4. Run 1 1/2" downhole sucker rod pump & rods.
5. Return well to production.

Duration: 7-10 days (clean out) 3-4 weeks (liner removal & cavitation)

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

Brad Wells

Title Agent/Consultant

Signature

Date

9/11/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason	Title	Date SEP 12 2006
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)

NMCCD