

Form 3160-5
(August 1999)

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 to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

2007 APR - 5 FORM APPROVED
Budget Bureau No. 1004-0135
Expires: November 30, 2000

5. Lease Serial No.
NMSF-078863
6. If Indian, Allottee or Tribe Name
210 FARMINGTON
7. If Unit or CA/Agreement, Name and/or No.

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	8. Well Name and No. Krause #7
2. Name of Operator M&G Drilling Company, Inc. NM OGRID # 141852	9. API Well No. 30-045-06980
3a. Address PO Box 5940, Farmington, NM 87499-5940	10. Field and Pool, or Exploratory Area Basin Fruitland Coal
3b. Phone No. (include area code) (505) 325-6779	11. County or Parish, State San Juan, New Mexico
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit M, 990' FSL, 990' FWL Sec. 33, T28N, R11W	

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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate 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.)

M&G Drilling Company, Inc plugged and abandoned this well per the attached procedure on February 5, 2007.

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Miranda Wells	Title Production Assistant
Signature <i>Miranda Wells</i>	Date 04/06/2007
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved by	Title
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 operation thereon.	Date
	Office
Title 18 U.C.S. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	

ACCEPTED FOR RECORD

APR 10 2007

NMOCD

FARMINGTON FIELD OFFICE

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979

Farmington, New Mexico 87499

505-325-2627 * fax: 505-325-1211

M&G Drilling Company, Inc.

Krause #7

February 6, 2007

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990' FSL & 990' FWL, Section 33, T-28-N, R-11-W

San Juan County, NM

Lease Number: NMSF-078863

API #30-045-06980

Plug and Abandonment Report

Notified BLM & NMOCD on 1/30/07

Work Summary:

01/31/07 Move on location. RU rig. Check well pressures: casing, tubing and bradenhead, 0 PSI. ND wellhead. NU BOP, test. Shut in well. SDFD due to poor weather conditions.

02/01/07 Open up well, no pressures. TOH and tally 60 joints 2.375" tubing, SN, and 1 – 14' mud anchor, 1864' total. Round trip casing scraper to 1832'. TIH with 5.5" DHS CR and set at 1832'. Load tubing with 7 bbls of water. Pressure test tubing to 1200 PSI, held OK. Sting out of CR. Load casing with 40 bbls of water. Circulate hole clean with 5 additional bbls of water. Attempt to pressure test casing, bled down 1 bpm at 500 PSI. Sting into CR. Establish rate 2 bpm at 500 PSI.

Plug #1 with CR at 1832', mix and pump 54 sxs Type III cement (72 cf), squeeze 18 sxs below CR to isolate the PC interval and fill the Fruitland Coal perforations and leave 36 sxs inside casing up to 1486' to cover the Fruitland Coal top.

TOH with tubing and WOC. TIH with tubing and plugging sub and tag cement at 1537'. Load hole with 2 bbls of water. Attempt to pressure test casing, bled down 1 bpm at 500 PSI. TOH and LD tubing. Shut in well. SDFD.

02/02/07 Open up well, no pressures. Perforate 3 holes at 922'. TIH with 5.5" DHS CR and set at 870'. Load tubing with water. Pressure test tubing to 1200 PSI, held OK. Sting out of CR. Load hole with 2 bbls of water. Attempt to pressure test casing, bled down 1 bpm at 500 PSI. Establish circulation out bradenhead. Sting into CR. Establish rate 2 bpm at 900 PSI, 1/8 returns out casing valve. SI casing.

Plug #2 with CR at 870', mix and pump 73 sxs Type III cement (97 cf), squeeze 54 sxs outside the casing and leave 19 sxs inside casing up to 687' to cover the Kirtland and Ojo Alamo tops.

TOH and LD tubing. Load hole with 16 bbls of water. TOH and LD all tubing. Shut in well and WOC. Load hole with 2 bbls of water. Attempt to pressure test casing, bled down 1 bpm at 500 PSI. Pumped dye slug, returned with 7.5 bbls at 130'. Procedure change approved by Joe Ruybalid, BLM, to use hole at 130'. RIH with 5.5" gauge ring and tag cement at 682'.

Plug #3 with 50 sxs Type III cement (66 cf) down the 5.5" casing from 130' to surface, ½ bpm at 500 PSI. Shut in well. WOC overnight.

02/05/07 Open up well. Found cement at surface in the 5.5" casing. ND BOP. Dig out wellhead. Issue Hot Work Permit. Cut off wellhead. Found cement at the surface in the bradenhead. Mix 25 sxs Type III cement and install P&A marker. RD and MOL.

Joe Ruybalid, BLM representative, was on location.