

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**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		8. Well Name and No. GRAHAM #36
2. Name of Operator M & G DRILLING COMPANY INC c/o ROBERT L. BAYLESS, PRODUCER LLC		9. API Well No.
3a. Address PO Box 168, Farmington, NM 87499	3b. Phone No. (include area code) (505) 326-2659	10. Field and Pool, or Exploratory Area BLANCO PC SOUTH
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1800' FNL, 660'FWL, Sec. 10, T27N, R08W		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 checked="" 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
	<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 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.)

**M&G Drilling Company suspected the flowline for the Graham #36 well was washed away by a recent flash flood in the Largo Drainage Area. This flowline was found 6 feet under sand in Largo Wash, still connected to the wellhead. The well was killed and brought under control. A 13 foot deep hole was dug looking for the bradenhead. The bradenhead was not found and digging any deeper in the wash was not safe or feasible.**

**M&G Drilling Company plans to place a large culvert filled with gravel around the 5 1/2" casing to protect the casing and enable detection of a future bradenhead leak. The wellhead will be raised above wash level and a new flowline will be buried running downstream to the adjacent dry creek bed which drains into Largo Wash. The flowline will then run back up the side of the hill to the existing meter run for this dry gas well. A "V" shaped barrier will be constructed upstream of the wellhead to protect it from any future debris floating down the wash.**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

KEVIN MCCORD

Title PETROLEUM ENGINEER

Signature

Date SEPTEMBER 22, 2003

LOCAL OR STATE OFFICE USE

/s/ Jim Lovato

Approved by

Title

Date

SEP 29 2003

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.

Office

Title 18 U.S.C. 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.

NMOCD