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Form 3160-5
(August 2007)

UNITED STATES **Bureau of Land Management**
DEPARTMENT OF THE INTERIOR **Farmington Field Office**
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0137
Expires: July 31, 2010

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 #98S
2. Name of Operator M&G Drilling Company, Inc. NM OGRID # 141852		9. API Well No. 30-045-32644
3a. Address PO Box 5940, Farmington, NM 87499-5940	3b. Phone No. (include area code) (505) 325-6779	10. Field and Pool, or Exploratory Area Basin Fruitland Coal
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit P, 680' FSL, 775' FEL Sec. 4, T27N, R8W		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 <u>Completion</u>
	<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 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.)

6/29/07 Schlumberger ran GR/CCL logs, PBTD 2,207.02" ran rigless. 8/20/07 Perf lower coal zone 2,115'-2,157' w/120 JSPF. 8/21/07 A/Perfs 2,115'-2,157' w/10,000 gals of 15% HCL Acid. 8/23/07 Frac w/50,000# SCF. Started frac blowback at 1:00 p.m. @ 305 psi. 9/3/07 Perf upper coal zone 2,052.5'-2,069' w/68 JSPF. 9/4/07 A/Perfs w/500 gal of 15% HCL Acid. 9/06/07 Frac w/50,000# SCF. Started frac blowback @ 4:00 p.m. @ 1480 psi. 9/10/07 MIRU @ 11:30 a.m. PU and ran 71 jts 2 3/8" 4.7# J-55 EUE 8rd tubing set @ 2,205'. 9/14/07 ND BOP & RD. Turned well over to production.

RCVD OCT 5 '07
OIL CONS. DIV.
DIST. 3

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

Name (Printed/Typed)

Rhonda DeVilbiss

Title

Production Assistant

Signature

Date

10-1-2007

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 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.

ACCEPTED FOR RECORD

OCT 04 2007

NMOCD

FARMINGTON FIELD OFFICE