

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No 1004-0135  
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

RECEIVED

FEB 14 2008

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

M&G Drilling Company, Inc. c/o Walsh Engineering

Bureau of Land Management  
Farmington Field Office

3a. Address

7415 E. Main, Farmington, NM, 87402

3b. Phone No. (include area code)

505-327-4892

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2615' FNL and 660' FEL, (H) Sec. 4, T27N, R8W

5. Lease Serial No.

NMSF 078481A

6. If Indian, Allottee or Tribe Name

RCVD FEB 29 '08

7. If Unit or CA/Agreement, Name and/or No.

OIL CONS. DIV.  
DIST. 3

8. Well Name and No.

Graham #1B

9. API Well No

30-045-32645

10. Field and Pool, or Exploratory Area

Basin Dakota & Blanco MV

11. County or Parish, State

San Juan County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☒ Alter Casing

☐ Casing Repair

☒ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

13. Describe Proposed or Completed Operations (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.)

M&G Drilling plans to drill this well as a downhole commingled Basin Dakota and Blanco Mesa Verde well according to the attached Operations Plan. All other aspects of the APD will remain the same. The spud date is planned for February 25, 2008.

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

Name (Printed/Typed)

Paul C. Thompson, P.E.

Title

Agent

Signature

Paul C. Thompson

Date

February 12, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Troy L. Salvors

Title

PE

Date

2-15-2008

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

FFO

Title 18 U.S.C. Section 1001, 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 reverse)

submit current plat for Basin Dakota NMOCB

DISTRICT I  
1625 N. French Fr., Hobbs, N.M. 88240

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

DISTRICT II  
811 South First, Artesia, N.M. 88210

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT III  
1000 Rio Brazos Rd., Artec, N.M. 87410

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-32645		*Pool Code 71599	*Pool Name BASIN DAKOTA / Blanco Mesaverde
*Property Code 16598	*Property Name GRAHAM		*Well Number 1B
*OGED No. 141852	*Operator Name M & G DRILLING COMPANY		*Elevation 5887'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	4	27-N	8-W		2615	NORTH	660	EAST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres 320.79 E/2			*Joint or Infill Y		*Consolidation Code		*Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

LOT 4	FD. 3 1/4" BC. 1916 GLO	LOT 3	N 89°42'42" W 2639.4' (C)	CALC'D COR	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Paul C. Thompson Signature  Paul C. Thompson, P.E. Printed Name  AGENT Title  2/21/08 Date
				2615'	
				660'	
		4	LAT. 36°36'14" N. (NAD 83) LONG. 107°40'46" W. (NAD 83)	S 02°25'44" W 5413.0' (C)	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  JOHN A. VUKONIC SUPERVISOR SEP 2004 Date Signature and Seal of Professional Surveyor 14831 14831 Certificate Number
					FD. 3 1/4" BC. 1955 B.L.M.

M&G DRILLING Company  
OPERATIONS PLAN  
GRAHAM #1B

I. Location: 2615' FNL & 660' FEL  
Sec 4, T27N, R8W  
San Juan County, NM

Date: February 11, 2008

Field: Basin Dakota Blanco Mesa Verde  
Surface: BLM  
Minerals: NMSF 078481A  
API: 30-045-32645

Elev: GL 5887'

II. Geology: Surface formation \_ San Jose

<u>A. Formation Tops</u>	<u>Depths</u>
Ojo Alamo	1210'
Kirtland	1340'
Fruitland	1860'
Pictured Cliffs	2125'
Chacra	3050'
Cliff House	3675'
Point Lookout	4530'
Gallup	5525'
Greenhorn	6290'
Dakota	6350'
Morrison	6705'
Total Depth	6705'

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:

Water and gas - 1860', 3050', 3675', 4530', 5525', and 6350'.

B. Logging Program: Induction/GR and density logs at TD.

C. No over pressured zones are expected in this well. No H<sub>2</sub>S zones will be penetrated in this well. Max. BHP = 2000 psig.

III. Drilling

A. Contractor: D&J Rig #1

B. Mud Program:

The surface hole will be drilled with a fresh water mud.

The intermediate hole will be drilled with a fresh water polymer mud. The weighting material will be drill solids or if conditions dictate, barite. The maximum mud weight expected is 9.5 ppg.

The production hole will be drilled with air or air/mist.

C. Minimum Blowout Control Specifications:

Double ram type 2000 psi working pressure BOP with a rotating head. See the attached Exhibit #1 for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1000 psi.

The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
12-1/4"	200'	9-5/8"	36# J-55
8-3/4"	2550'	7"	20# J-55
6-1/4"	6705'	4-1/2"	10.5# J-55

B. Float Equipment:

a) Surface Casing: Notched collar on bottom and 3 centralizers on the bottom 3 joints.

b) Intermediate Casing: 7" cement guide shoe and self fill insert float collar. Place float one joint above shoe. Ten centralizers spaced every other joint above shoe and ten turbolizers every other joint from 1500'.

c) Production Casing: 4-1/2" whirler type cement nosed guide shoe and a float collar on top of the bottom joint.

V. Cementing:

**Surface casing: 9-5/8"** - Use 110 sx (130 cu. ft.) of Type 5 with 2%  $\text{CaCl}_2$  and  $\frac{1}{4}$  #/sk celloflake (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 1000 psi for 30 min.

**Intermediate Casing: 7"** - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. **Lead** with 285 sx (587 cu.ft) of Type 5 with 2% sodium metasilicate, 5 #/sk gilsonite, and  $\frac{1}{4}$  #/sk. celloflake. (Yield = 2.06 cu.ft./sk; slurry weight = 12.5 PPG). **Tail** with 150 sx (185 cu.ft.) of Type 5 with 5 #/sk gilsonite, 1.0 %  $\text{CaCl}_2$  and  $\frac{1}{4}$  #/sk. celloflake. (Yield = 1.23 cu. ft./sk; slurry weight = 15.6 PPG). Total cement volume is 772 cu.ft. (100% excess to circulate cement to surface). WOC for 12 hrs. Pressure test the BOP and casing to 1500 psi.

**Production Casing: 4-1/2"** - Blow hole clean. Precede cement with 20 bbls of gel water and 10 bbls of water. Cement with 365 sx (723 cu.ft.) of Premium Lite HS with 0.65% FL-52, 0.32% CD-32,  $\frac{1}{4}$  #/sk celloflake, and 2% phenoseal. (Yield = 1.98 cu.ft./sk; slurry weight = 12.5 PPG). Total cement volume is 723 cu.ft. (60% excess to circulate 200' above the intermediate casing).

-----  
Paul C. Thompson, P.E.