

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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JUL 18 2008

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		5. Lease Serial No. NM 078673
2. Name of Operator M&G Drilling Company		6. If Indian, Allottee or Tribe Name
3a. Address c/o Walsh Engineering & Production Corp. 7415 East Main St. Farmington, NM 87402	3b. Phone No. (include area code) (505) 327-4892	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1860' FNL and 1785' FEL, (G) Section 3, T27N, R11W		8. Well Name and No. Schlosser 3 #101S
		9. API Well No. 30-045-32496
		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			
<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 COMPLETION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	REPORT
	<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.)

4/21/08 Blue Jet ran a GR/CCI and CBL log. TOC was 1906' with a bridge at 940'.
4/28/08 Perfed 2 sq holes at 1902' and two at 960'. Set retainer at 1855'. Squeezed 4-1/2" casing with 90 sx (143 cu.ft.) of Type 5 cement.
4/30/08 Re-squeeze upper holes with 100 sx (118 cu.ft.) of Type 5 cement. 5/2/08 Re-squeeze again with 100 sx (118 cu.ft.) of Type 5 cmt.
5/7/08 Drilled cement and pressure test squeeze holes to 1500 psi - OK. Ran CBL and found TOC at 948' KB.
7/2/08 Fruitland Coal: Perforated 1816-20 and 1850 - 61' at 3 spf. Total of 45 (0.50") holes. Perf 1905 - 14' at 3 spf. Total of 27 (0.36") holes.
Broke down the three zones individually with 1,250 gal of 15% HCl.
7/9/08 Frac w/ 445 bbls of borate crosslinked gel with 445,425 SCF of N2 and 110,000# of 20/40 BASF sand.

7/15/08 RU JC Well Service. Clean out to PBTD with air. Ran 61 jts of 2-3/8", 4.7#, J-55, EUE8rd tubing and set @ 1984' KB.
Ran pump and rods. Turned well over to production.

RCVD JUL 22 '08
OIL CONS. DIV.
DIST. 3

Report drilling rig release date

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Paul Thompson, P.E.	Title Agent / Engineer
Signature <i>Paul C. Thompson</i>	Date 7/16/08

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

NMOCD

JUL 21 2008

FARMINGTON FIELD OFFICE