Form 3160-4
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
AUG 25 2008
Bureau of Land Management
Farmington Field Office

FORM APPROVED
OMB NO 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5 Lease Serial No. NMSF 078481A

1a Type of Well ☐ Oil ☒ Gas ☐ Dry Other
b. Type of Completion: ☒ New ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff.-Resvr
Other

6. If Indian, Allottee or Tribe Name

7 Unit or CA Agreement Name and No
Report to lease

2. Name of Operator
M&G Drilling Company c/o Walsh Engineering

8. Lease Name and Well No
Graham #1B

3 Address
7415 E. Main St. Farmington, NM 87402

3a. Phone No. *(include area code)*
(505) 327-4892

9. API Well No.
30-045-32645-00C1

4. Location of Well *(Report locations clearly and in accordance with Federal requirements)* *

At surface 2615' FNL and 660' FEL, Section 4, T27N, R8W

At top prod interval reported below

At total depth

10. Field and Pool, or Exploratory
Basin Dakota

11. Sec., T., R., M., or Block and Survey or Area Sec 4, T27N, R8W

12. County or Parish San Juan

13. State NM

14. Date Spudded	15. Date T.D. Reached	16 Date Completed	17 Elevations (DF, RKB, RT, GL)*
02/24/08	03/02/08	☐ D & A ☒ Ready to Prod. 08/21/08	5887' GL 5903.5' KB

18 Total Depth	19. Plug Back T.D.:	20. Depth Bridge Plug Set
MD 6671'	MD 6656'	MD
TVD 6671'	TVD 6656'	TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Compensated Density/Neutron, Induction, CBL/GR/CCl

22. Was well cored? ☒ No ☐ Yes (Submit copy)
Was DST run? ☒ No ☐
Directional Survey? ☐ No ☒ Yes (Submit

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	9-5/8" J-55	36#	0	238'		120 (142 cuft)	25.3	Surface	Circ 10 bbls
8-3/4"	7", J-55	20#	0	2542'		Lead 285 (596 cuft	106		
						Tail 150 (183 cuft)	33	Surface	Circ 20 bbls
6-1/4"	4-1/2", J-55	10.5#	0	6669'		440 sx (633 cuft)	113	2300' CBL	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Set (MD)
2-3/8"	6553'							

25 Producing Intervals / 26 Perforation Record

	Formation	Top	Bottom	Perforated Interval	Size	No Holes	Perf. Status
A)	Basin Dakota	6499	6636	6499 - 6636	0.34"	24	Open
B)							
C)							
D)							

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and type of Material
6499 - 6636	1500 gal 15% HCl, 1,834 bbls X-linked gel w/ 150,000# 20/40 BASF

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
08/21/08									Flowing
Choke Size	**Tbg Press Flwg SI**	**Csg. Press**	**24 Hr Rate →**	**Oil BBL**	**Gas MCF**	**Water BBL**	**Oil Gravity Corr. API**	**Well Status**	
		660 ps							

RCVD AUG 27 '08
OIL CONS. DIV.
DIST. 3

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	**Tbg Press Flwg SI**	**Csg Press**	**24 Hr Rate →**	**Oil BBL**	**Gas MCF**	**Water BBL**	**Oil Gravity Corr. API**	**Well Status**	

ACCEPTED FOR RECORD
AUG 26 2008
FARMINGTON FIELD OFFICE
BY TL Salyers

(See instructions and spaces for additional data on reverse side)

NMOCD

28b Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method

Choke Size	Tbg Press. Flwg SI	Csg Press	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg Press. Flwg SI	Csg. Press	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Ojo Alamo	1210'				
Kirtland	1340'				
Fruitland	1860'				
Pictured Cliffs	2125'				
Chacra	3073'				
Cliff House	3787'				
Menefee	3875'				
Point Lookout	4356'				
Greenhorn	6311'				
Graneros	6375'				
Dakota	6410'				

32 Additional remarks (include plugging procedure).

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3 DST Report
4. Directional Survey
5 Sundry Notice for plugging and cement verification
5. Core Analysis
7. Otl

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name *(please print)* Paul C. Thompson, P.E. Title Agent

Signature Paul C. Thompson Date 8/22/2008

Title 18 U S C Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the Unit States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

☼ U.S. GPO: 1999-573-624