

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S St Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS )		WELL API NO. 30-045-32646
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator <b>M&amp;G Drilling Company, Inc.</b> c/o Walsh Engineering		6. State Oil & Gas Lease No. Federal NM 03605
3. Address of Operator 7415 E. Main St., Farmington, NM 87402		7. Lease Name or Unit Agreement Name <b>Marron</b>
4. Well Location Unit Letter <u>K</u> : <u>1530</u> feet from the <u>South</u> line and <u>1965</u> feet from the <u>West</u> line Section <u>22</u> Township <u>27N</u> Range <u>8W</u> NMPM San Juan County		8. Well Number <b>42B</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5980' GR & 5996.5' KB		9. OGRID Number 141852
		10. Pool name or Wildcat Blanco Mesa Verde & Otero Chacra

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Downhole Commingle

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ RANDA ☐  
CASING/CEMENT JOB ☐ RVD MAR 3 '08 ☐

OTHER:

OIL CONS. DIV.  
DIST. 3

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

M&G Drilling Co., seeks administrative approval to down hole commingle the gas production from the Blanco Mesa Verde (72319) pool with the Otero Chacra (82329) in the subject well. Both pools are on the list of pre-approved pools in NMOCD Rule 11363.

All of the interests in both pools are owned by M&G Drilling Company. All wellbore fluids are compatible and commingling will not reduce the value of the production. The BLM Office was also notified of this application.

The perforated interval in the Mesa Verde is 3836' – 4566' and the Chacra perforated interval is 3072 – 3229'. M&G Drilling proposes to allocate the oil and gas production between the two pools on a fixed percentage based on calculated remaining reserves for both pools (see attached). 76.3% of the gas and 99.9% of the oil will be allocated to the Mesa Verde and 23.7% of the gas and 0.1% of the oil will be allocated to the Chacra. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Paul C. Thompson TITLE Agent / Engineer DATE 12/29/08

Type or print name Paul C. Thompson, P.E. E-mail address: paul@walsheng.net Telephone No. 505.327.4892

**For State Use Only**

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE 2/27/09

Conditions of Approval (if any):