

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

WELL API NO. 30-045-32729
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Federal NMNM 05791
7. Lease Name or Unit Agreement Name <b>Graham 10</b> <b>ROVD MAR 3 '08</b>
8. Well Number <b>9</b> <b>OIL CONSERVATION</b>
9. OGRID Number <b>DIST. 3</b> 141852
10. Pool name or Wildcat Blanco Mesa Verde & Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS  
(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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other  
2. Name of Operator **M&G Drilling Company, Inc.** c/o Walsh Engineering

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

4. Well Location  
Unit Letter **P** : **1010** feet from the **South** line and **700** feet from the **East** line  
Section **10** Township **27N** Range **8W** NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
5975' GR & 5991.5' KB

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. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

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 Basin Dakota (71599) 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 3865' - 4695' and the Dakota perforated interval is 6586 - 6720'. 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). 82.5% of the gas and 45.7% of the oil will be allocated to the Mesa Verde and 17.5% of the gas and 54.3% of the oil will be allocated to the Dakota. 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 Oil & Gas Inspector DATE 11/17-09  
Conditions of Approval (if any): District #3

16		/ / / / / / / / / /	/ / / / / / / / / /	<div data-bbox="1075 1001 1534 1031"><div>17</div><div>OPERATOR CERTIFICATION</div></div> <div data-bbox="1075 1031 1534 1236"><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</p></div> <div data-bbox="1075 1236 1534 1314"><div><div>Paul C. Thompson</div><div>Signature</div></div><div><div>12/31/08</div><div>Date</div></div></div>
		/ / / / / / / / / /	/ / / / / / / / / /	<div data-bbox="1075 1344 1534 1373"><div>PAUL C. THOMPSON</div><div>Printed Name</div></div>

|  |  | / / / / / / / / / / | / / / / / / / / / / | 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  SEPTEMBER 9, 2004 |
|  |  | / / / / / / / / / / | / / / / / / / / / / | Date of Survey  Signature and Seal of Professional Surveyor  14831  Certificate Number |