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FEB 23 2009

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Bureau of Land Management
Farmington Field Office
FORM APPROVED

Budget Bureau No 1004-0135
Expires: November 30, 2000

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		8. Well Name and No Graham #1 & Graham #98
2 Name of Operator M&G Drilling Company, Inc. NM OGRID # 141852		9 API Well No 30-045-06885 / 30-045-29916
3a Address PO Box 5940, Farmington, NM 87499-5940	3b Phone No (include area code) (505) 325-6779	10 Field and Pool, or Exploratory Area Blanco-Mesaverde/Basin Fruitland Coal
4 Location of Well (Footage, Sec, T, R., M., or Survey Description) Graham #1 990' FNL, 990' FEL (I) Sec. 4, T27N, R08W Graham 98 1305' FNL, 990' FEL (A) Sec. 4, T27N, R08W		11 County or Parish, State San Juan, New Mexico


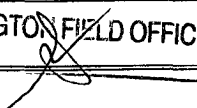
12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water 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 <u>Correction of Name</u>
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <u>On CDP</u>
	<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.)

On August 28, 2006 M&G submitted a request for surface commingling approval the correct name of the CDP is the Graham 98 CDP.

No order for commingling

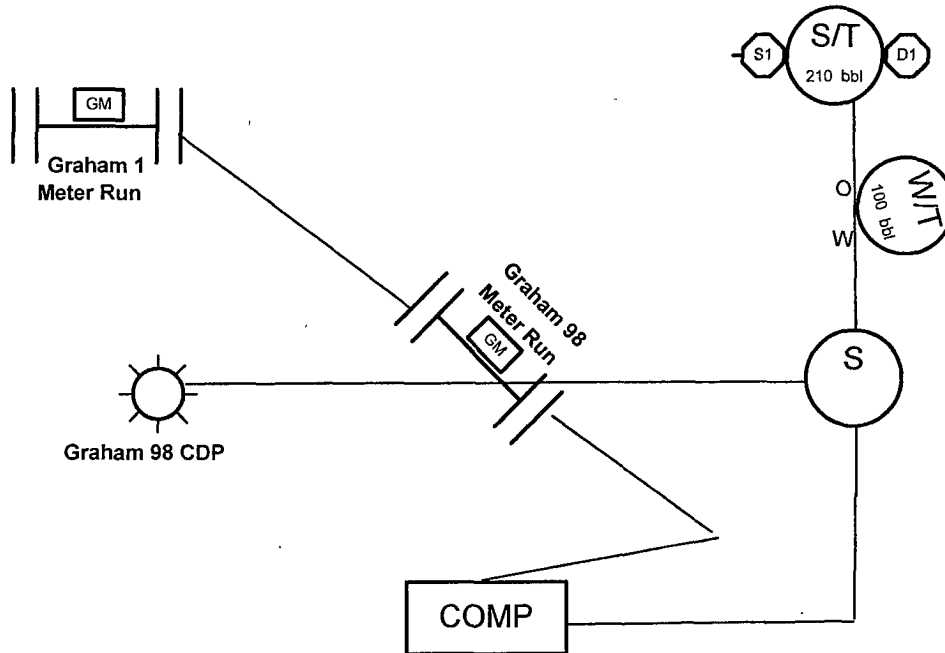
RCVD MAR 13 '09
OIL CONS. DIV.
DIST. 3

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Rhonda DeVilbiss		Title Production Assistant
Signature 		Date 02-20-2009
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by	Title	Date MAR 10 2009
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	FARMINGTON FIELD OFFICE BY 

Title 18 U.C.S. Section 1001 and Title 43 U.C.S. 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.

NMCCD

M & G DRILLING CO.
Graham 1 & Graham 98 CDP
Sec.4, T27N, R8W, San Juan County, NM
Federal Lease #: NMSF-078481A
Commingled



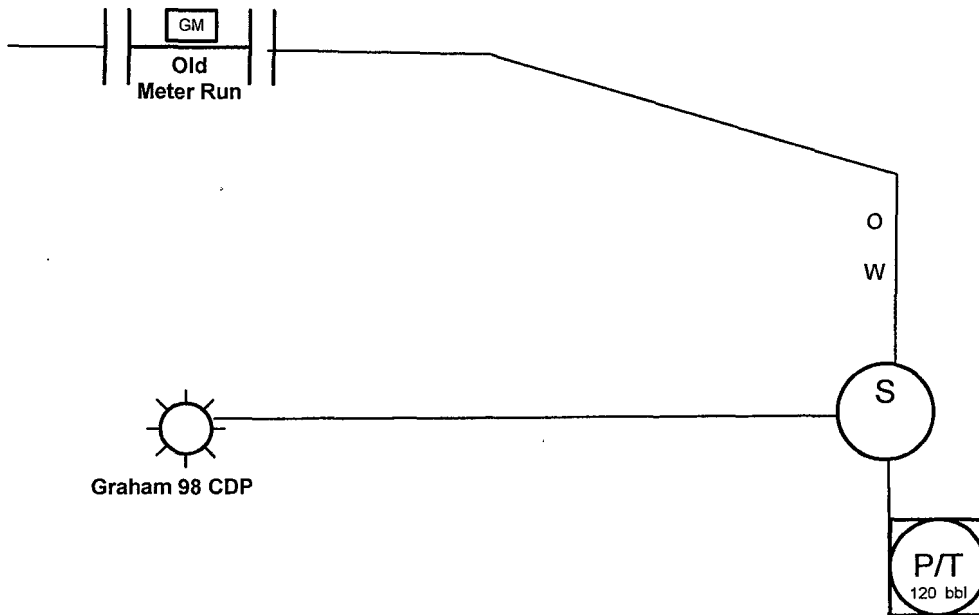
This lease is subject to the site security plan for San Juan Basin Area.

The plan is located at:

Updated: 02/06/09

M&G Drilling Company
906 San Juan Blvd, Suite D
Farmington, NM 87401

M & G DRILLING CO.
Graham 98 CDP
1305' FNL & 990' FEL
(A) Sec.4, T27N, R8W, San Juan County, NM
Federal Lease #: NMSF-078481A



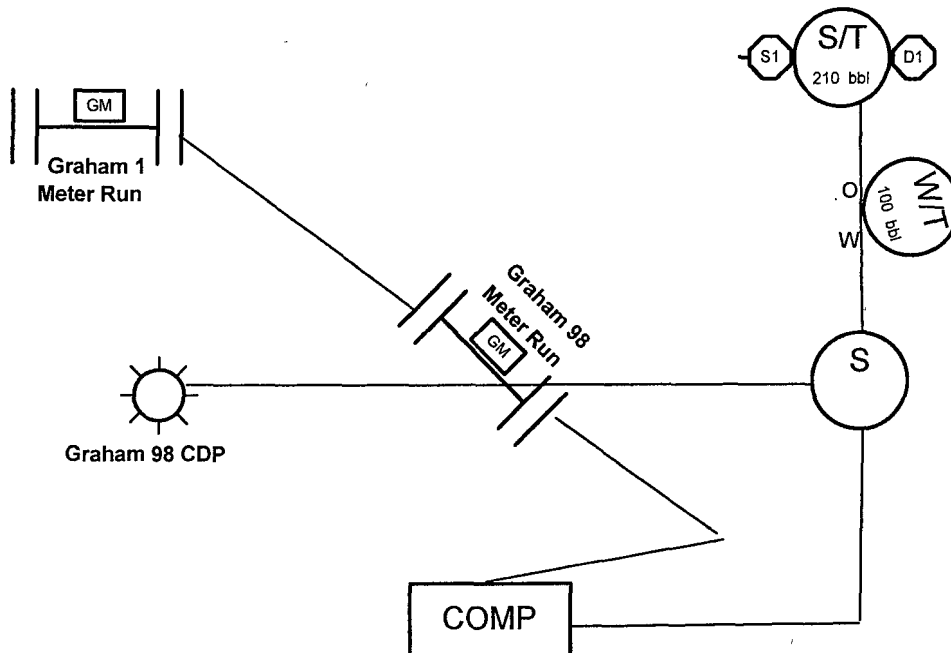
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Updated: 02/06/09

M&G Drilling Company
906 San Juan Blvd, Suite D
Farmington, NM 87401

M & G DRILLING CO.
Graham 1
990' FNL & 990' FEL
(1), Sec.4, T27N, R8W, San Juan County, NM
Federal Lease #: NMSF-078481A



This lease is subject to the site security plan for San Juan Basin Area.

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Farmington, NM 87401