

District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

1213 Form C-142
Date 06/99

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

SEP - 8 1999

OIL CONSERVATION DIVISION

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address M & G DRILLING C/O KM PRODUCTION COMPANY PO BOX 2406 FARMINGTON, NEW MEXICO 87499							OGRID Number 141852	
Contact Party Kevin H. McCord							Phone (505) 325-6900	
Property Name GRAHAM					Well Number 98		API Number 30-045-29916	
UL A	Section 4	Township 27N	Range 8W	Feet From The 1305	North/South Line NORTH	Feet From The 990	East/West Line EAST	County SAN JUAN

II. Date/Time Information

Spud Date 6/15/99	Spud Time 11:00 AM	Date Completed 7/2/99	Pool 71629
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III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of NEW MEXICO)

ss.

County of SAN JUAN)

Kevin H. McCord, being first duly sworn, upon oath states:

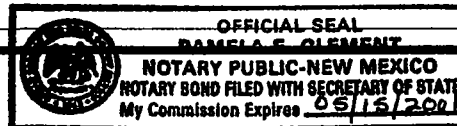
1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
2. To the best of my knowledge, this application is complete and correct.

Signature Kevin H. McCord Title Agent Date 9/3/99

SUBSCRIBED AND SWORN TO before me this 3rd day of September, 1999.

Pamela E. Clement
Notary Public

My Commission expires: 05/15/2001



FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark P. E. Spee.</u>	Title <u>P.E. Spee.</u>	Date <u>OCT 1 1999</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: OCT 4 1999

NOTICE: The operator must notify all working interest owners of this New Well certification.

pV2V2006534381

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
BLM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir,
Use "APPLICATION FOR PERMIT--" for such proposals

5. Lease Designation and Serial No.
SF-078481A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA. Agreement Designation

SUBMIT IN TRIPLICATE 070 FARMINGTON, NM

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
GRAHAM #98

2. Name of Operator
M&G Drilling Company, Inc. C/O KM Production Company

9. API Well No.
30-045-29916

3. Address and Telephone No.
PO Box 2406, Farmington, NM 87499 (505)325-6900

10. Field and Pool, or Exploratory Area
BASIN FRUITLAND COAL

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Section 4, T27N, R8W 1305' FNL & 990' FEL

11. County or Parish, State
San Juan, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other Spud, TD, Log,
Run & Cement Casing

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent dates, including estimated date of starting any proposed work. If well is
directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Please see attached morning report.

ACCEPTED FOR RECORD

JUN 25 1999

FARMINGTON FIELD OFFICE
BY [Signature]

14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title Petroleum Engineer Date June 23, 1999
Kevin McCord

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

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

*See Instruction on Reverse Side

OPERATOR

M&G Drilling Company

Graham #98
1305 FNL & 990 FEL
SECTION 4, T27N, R8W

MORNING REPORT-DRILLING

6/15/99

Build location and line drilling pit. Shut down overnight.

6/16/99

Move L&B rig onto location and rig up drilling rig. Spud well at 11:00 am, 6/15/99. Drill 8 3/4" hole to 123 feet. Circulate hole clean and drop deviation tool. Trip out of hole. Deviation 1/4° at 123 feet. Run 3 joints (120.40 feet) 7 " 23.0 #/ft J-55 casing, landed at 121 feet. Rig up Cementers Inc and cement casing with 65 sx (76.7 cf) Class B with 4% CaCl and 1/4 #/sack cello-flake. Good returns throughout job with 4 bbls of good cement circulated to pit. Plug down at 5:00 pm, 6/15/99. Wait on cement. Shut down overnight.

6/17/99

Break off cementing head. Put on wellhead. Nipple up BOP and choke manifold. Pressure test BOP to 500 psi for 30 minutes, held OK. Pressure test choke manifold to 500 psi for 30 minutes, held OK. Pick up collars and trip in hole. Tag cement at 90 feet. Drill out cement and continue drilling new formation. Drill to 230 feet and circulate hole clean. Circulate hole clean. Close pipe rams, and shut down overnight.

6/18/99

Continue drilling to 650 feet. Circulate hole clean and run wireline survey. Deviation 1/4° at 650 feet. Continue drilling to 800 feet. Circulate hole clean and shut pipe rams. Shut down overnight.

6/19/99

Continue drilling to 1200 feet. Circulate hole clean and run wireline survey. Deviation 1/2° at 1200 feet. Continue drilling to 1260 feet. Shut pipe rams and shut down overnight.

6/20/99

Continue drilling to 1400 feet. Circulate hole clean for trip. Trip for bit. Work blind rams. Trip back in hole and continue drilling to 1640 feet. Circulate hole clean. Shut pipe rams and shut down overnight.

6/21/99

Continue drilling to 1760 feet. Circulate hole clean and run wireline survey. Deviation 3/4° at 1760 feet. Continue drilling to 2000 feet. Circulate hole clean and shut down overnight.

6/22/99

Continue drilling to driller's total depth of 2250 feet. Short trip and condition hole for logs. Drop survey tool and trip out of hole. Deviation 1° at 2250 feet. Rig up HLS and log well. Loggers total depth was 2265 feet. Rig down HLS. Shut pipe rams and shut down overnight.

6/23/99

Rig up casing crew to run . joints of new 4 1/2" 10.5 #/foot new J-5 casing as follows:

KB to landing point	4.00 feet	0 - 4 feet
50 joints casing	2215.91 feet	4 - 2220 feet
Insert Float	0.00 feet	2220 - 2220 feet
Shoe Joint	44.36 feet	2220 - 2264 feet
Guide Shoe	<u>0.70 feet</u>	2264 - 2265 feet
	2264.97 feet	

Land casing at 2265 feet with centralizers at 2221, 2177, 2088, 1999, and 1911 feet. Turbolizers at 1378, 1290, and 1201 feet. Rig up Cementers Inc. and cement production casing as follows:

Flush	15 bbls fresh water
Lead	25 sx (29.5 cf) Class B w/ 1/4 #/sx flocele
Tail	180 sx (370.8 cf) Class B w/ 2% econolite and 1/4 #/sx flocele
2 nd Tail	70 sx (82.6 cf) Class B w/ 1/4 #/sx flocele

Good returns throughout job with 2 bbls good cement circulated to pit. Bumped plug to 1500 psi at 12:45 pm, 6/22/99. Release drilling rig and wait on completion.

UNITED STATES

SUBMIT IN DUPLICATE

FOR APPROVED
OMB NO. 1004-0137

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

(See other In-
structions on
reverse side)

Expires: December 31, 1991

5. LEASE DESIGNATION AND SERIAL NO.

SF-078481A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL:

OIL WELL ☐ GAS WELL ☒ DRY ☐

99 JUL 12 PM 4:25

7. UNIT AGREEMENT NAME

b. TYPE OF COMPLETION:

NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐

070 FARMINGTON, NM

8. FARM OR LEASE NAME, WELL NO.

2. NAME OF OPERATOR

M&G Drilling Company, Inc. c/o KM Production Company

Graham #98

3. ADDRESS AND TELEPHONE NO.

P.O. Box 2406 Farmington, NM 87499-2406 (505) 325-6900

9. API WELL NO.

30-045-29916

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) *

At surface

1305 FNL & 990 FEL

At top prod. interval reported below

10. FIELD AND POOL, OR WILDCAT

Basin Fruitland Coal

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 4, T27N R8W

At total depth

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR PARISH

San Juan

13. STATE

New Mexico

15. DATE SPUDDED

6/15/1999

16. DATE T.D. REACHED

6/22/1999

17. DATE COMPL. (Ready to prod.)

7/2/1999

18. ELEVATIONS (DF, RKB, RT, FE, ETC.) *

5890 GR

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

2250 Ft

21. PLUG, BACK T.D., MD & TVD

2212 Ft

22. IF MULTIPLE COMPL., HOW MANY *

23. INTERVALS DRILLED BY

ROTARY TOOLS

CABLE TOOLS

XX

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD) *

2024 - 2111 Fruitland Coal

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Dual Induction - GR - Density

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
7"	23 #/Ft	121 Ft	8 3/4"	65sx (77 ft3) Class B W/4% CaCl, Cement Circulated	
4 1/2"	10.5 #/Ft	2265 Ft	6 1/4"	180sx (371 ft3) Class B W/2% Econolite, tailed with	
				95sx (112 ft3) Class B, Cement Circulated	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT *	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
None					2 3/8"	2110 Ft	None

31. PERFORATION RECORD (Interval, size and number)

2024 - 2040 with 33 - .34" diameter holes
2069 - 2077 with 17 - .34" diameter holes
2081 - 2083 with 5 - .34" diameter holes
2086 - 2091 with 11 - .34" diameter holes
2093 - 2111 with 37 - .34" diameter holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED
2024 - 2111 750 gal 15% HCl acid
45,000 gal 70 quality foam, 110,000 Lbs 20/40 san

33. * PRODUCTION

DATE OF FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump)				WELL STATUS (Producing or shut-in)	
7/2/1999		Flowing				Shut-in	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL - BBL.	GAS - MCF.	WATER - BBL.	GAS - OIL RATIO
7/2/1999	3 Hrs.	3/4"			No flow		
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL.	GAS - MCF.	WATER - BBL.	OIL GRAVITY - API (CORR.)	
0 psi	80 psi			No flow			

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Shut-in waiting on gas connection

TEST WITNESSED BY

Albert Aranda

35. LIST OF ATTACHMENTS

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

SIGNED

TITLE

Petroleum Engineer

DATE

7/6/99

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

OPERATOR

ACCEPTED FOR RECORD
JUL 16 1999
FARMINGTON FIELD OFFICE
BY 6215

37. SUMMARY OF POROUS ZONES: (Show all important zones or 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):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Ojo Alamo	1218	1336	Sandstone
Kirtland Shale	1336	1856	Sandstone, shale, siltstone
Fruitland	1856	2121	Sandstone, siltstone, shale Coal, natural gas & water
Pictured Cliffs	2121	TD	Sandstone

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Ojo Alamo	1218	1218
Kirtland	1336	1336
Fruitland	1856	1856
Pictured Cliffs	2121	2121

M&G DRILLING COMPANY
C/O KM PRODUCTION COMPANY
GRAHAM WELL NO. 98
SEC. 4, T27N-R8W
SAN JUAN COUNTY, NM

WORKING INTEREST OWNER

PERCENT
INTEREST

M&G DRILLING COMPANY
PO BOX 9560
PALM SPRINGS, CA 92263

100.00