RICHARDSON OPER CO FORM APPROVED OM B No. 1094-0137 Expires: March 31, 2007 Form 3160-5 UNITED STATES (April 2004) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 5. Lense Serial No. NMSF-078329 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160 - 3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE- Other instructions on reverse side. 1. Type of Well Öil Well Gas Well Other 8. Well Name and No. Federal 31-32 #3 2. Name of Operator Richardson Operating Company API Well No. 30-045-31833 36. Phone No. finchide gree tide 3100 La Piata Highway, Farmington, NM, 87401 505-564-31000 Field and Poul. or Exploratory Area Basin Fruitland Coal 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 1658' FSL & 812' FEL Sec. 32 T29N - R9W San Juan County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Water Shut-Off Production (Start/Rusume) Deepen Notice of Intent Alter Casing Well Integrity Fracture Treat Reclamation Other Drilling, TD, & Casing Repair **New Construction** Recomplete Subsequent Report Production easing Change Plans Plug and Abandon Final Abandonment Notice Convert to Injection \_ Plug Back Water Disposal Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration fluctuof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and mic 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 recompletion 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.) 7/22/04 NU BOP, test BOP and surface casing to 600psi, held OK, TIH with 6 1/4" bit. Drill cement. Drill 591' of new 6 1/4" hole to 897'. Circulate bottoms up. Secure rig. SDFN. 7/23/04 Drill 750' of 6 1/4" hole to 1617'. TOH. Trip bit, Shut BOP blind ram. Secure rig. SDFN. 7/24/04 Ream 600', Wash down. Drill 188' of 6 I/4" hole to 1805'. Circulate all night, 7/25/04 Circulate, Drill 556' of 6 1/4" hole to 2361'. Circulate, Secure rig, SDFN. 7/26/04 Drill 404' of 6 1/4" hole to 2765'. TOH, Trip bit. Secure rig, SDFN. 7/27/04 Drill 91' of 6 1/4" hole to 2856'. Lost circulation, Mix mud. Circulate. TOH. Secure rig. SDFN. 7/28/04 - 7/30/04 Attempt to regain circulation. 7/31/04 Regained Circulation. Drill 155' of 6 1/4" hole to 3011'. Lost circulation. Mix mud, circulate. Secure rig. SDFN. 8/1/04 TH, wash fill. Drill from 2987' to 3042', TD well. TOH with DC/DP and bit. Secure rig. SDFN. 8/2/04 Wash down & circulate every 15 joints. MIRU Key comenter, Coment plug @ 1345', Coment plug @ 1810'. Run 3042' of 4 1/2" J-55 11.6# production esg. Casing insert float @ 3015'. Land esg @ 3042' + 1' GL. DV tool @ 2745'. Cement first stage with 70sx Class B cement with 3#/sk gilsonite, 1/4#/sk celloftake, 15,6ppg, 1.18 yield. Drop plug, open stage tool. Circulate 3 bbi to surface. Cement production esg with 230sx Class B coment with 3% Sodium metasilicate, 3#/sk gilsonite, 1/4#/sk colloflake, 11.4ppg. 2.81 yield, as lead. Tail in with, 50 sx Class B cement with 3#/sk gilsonite, 1/4#/sk celloflake, 15.6ppg, 1.18 yield. Drop plug, start displacement. Close stage tool. Ploat with 1000psi, test with 2500psi. Circulate 15bbl to surface. WOC. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Ryan Bruner Title Engineering Assistant Signature 12/01/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE ACCEPTED FOR RECORD 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 Office which would entitle the applicant to conduct operations thereon 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 departire Starcs any false, fletitions or fraudulent statements or representations as to any neutre within its jurisdiction.