

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

**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

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Western Minerals and Oil, LLC

3a. Address

PO Drawer 1228, Farmington, NM 87499-1228

3b. Phone No. (include area code)

505-327-9393

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)

1520' FSL & 1670' FWL, Sec 24, T27N, R8W, NMPM /

5. Lease Serial No.

NM-03605-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Marron #6

9. API Well No.

30-045-21323

10. Field and Pool, or Exploratory Area

Blanco Mesaverde/S. Blanco PC

11. County or Parish, State

San Juan County, NM

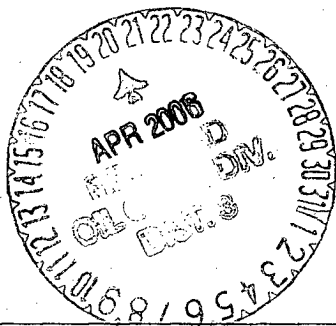
**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 Proposed Production Allocation Formula
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting 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.)

Western Minerals and Oil, LLC proposes to allocated production in this well to the Blanco Mesaverde and S. Blanco Pictured Cliffs pools according to the methodology attached.

Your consideration and approval of this allocation procedure is appreciated.



ALLOCATIONS REASONABLE

2006 APR 7 PM 7:32  
RECEIVED  
OTO FARMINGTON NM

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Charles Neeley

Title Agent

Signature

Date April 5, 2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Matt Halbur

Name  
(Printed/Typed)

Title PETR ENG

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 operations thereon.

Office

BLM- FFO

Date

4-18-06

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 department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on next page)

NMOCD

Western Minerals & Oil, LLC  
Marron #6 PC & MV  
DHC Allocation Methodology

The Marron 6 was a producing Blanco Mesaverde well completed in April, 1974. As part of Western's 2005 development program, this well was perforated, stimulated and tested for 75 days in the South Blanco Pictured Cliffs Pool before downhole commingling with the Blanco Mesaverde Pool.

The respective reservoirs for both pools were evaluated. Production data May 1974 through July 2005 was used for the Blanco Mesa Verde Pool showing Cumulative Gas Production of 772,775 mscf with an EUR of 921,728 mscf; yielding producible MV gas reserves of 148,953 mscf. Cumulative Oil Production for the MV is 2435 BO with the last oil sale being recorded in February of 2002. The 75 day production test period for the South Blanco Pictured Cliffs formation showed no Oil Production with Cumulative Gas Production of 12,323 mscf with an EUR of 479,093 mscf; yielding producible PC gas reserves of 466,770 mscf. Total remaining producible gas reserves for the well being 615,723 mscf.

Western Minerals & Oil, LLC proposes to allocate PC Gas production based on the percentage of the total producible reserves remaining for the two pools:

Monthly PC Gas Production =  $466,770 / 615,723 = 75.8\%$  of Monthly Gas Production.

Monthly MV Gas Production = Total Gas Production for Month – PC Gas production for Month.  
Monthly MV Oil Production (If any) = Total Well Oil Production for Month.

The production history, production forecast and matched production curves are attached for your review.

The South Blanco Pictured Cliffs is perforated: 2902' – 2950'. The Blanco Mesaverde is perforated: 5287' – 5493'.

The down-hole commingling will not reduce the value of the total remaining production of this well.

Ownership between the two pools is identical.

Your consideration and approval of this allocation procedure is appreciated.

Sincerely,

Charles Neeley  
Agent  
Western Minerals & Oil, LLC