

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 (ARD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

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

2. Name of Operator Peoples Energy Production - Texas, L.P.

3a. Address
1301 McKinney, Ste. 3200 Houston, Texas 770103b. Phone No. (include area code)
713-890-3600

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

Surface S26, T32N, R9W (O) 795' FSL & 1600' FEL
Production Zone S26, T32N, R9W (I) 1920' FSL & 690' FEL

5. Lease Serial No.

NMNM013642

6. If Indian, Allottee or Tribe Name

NA

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

NA

8. Well Name and No.

Gardner 14

9. API Well No.

30-045-33631

10. Field and Pool, or Exploratory Area

Blanco Mesaverde

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

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other Intermediate

13. 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.)

5/31/06 - Drill 8-3/4" hole to 3845' and ran 7", K-55 23#LTC casing and landed @ 3833' KB. KB = 14'.

Ran 1 centralizer 10 ft above shoe (latch over stop ring) 1 centralizer at top of 2nd, 4th, 6th, 8th, & 10th jt. 1 centralizer @ 1st collar above surface casing shoe. Ran 6 turbalizers, ran 1 turbalizer from the top of Ojo Alamo to top of Kirtland Shale.

Stage: 1, Lead, 100 sks G/TXI 25:75 Blend w/ .25#/sk D29, 3% D79, .2% D46, 5#/sk D24. Yield 2.11, density 11.7 #/gal WOC 4 hrs.

Stage: 1, Tail, 50 sks 50/50 G:Poz 2% Gel, .25#/sk D29, 5#/sk D24, 1% S-1, .15% D65. Yield 1.26, density 13.5 #/gal

Stage: 2, Lead, 375 sks G/TXI 25:75 Blend w/ .25#/sk D29, 3% D79, .2% D46, 5#/sk D24. Yield 2.11, density 11.7 #/gal

Circulated 45 bbls cement to surface WOC 12 hrs.

6/8/06 - Pressure tested casing to 1000 psi for 30 mins. Test BOP to 1000 psi. Held OK.

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

Brad Walls

Title Agent/Consultant

Signature

Date

7/3/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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.

(Instructions on page 2)

NMOC

JUL 10 2006

FARMINGTON FIELD OFFICE