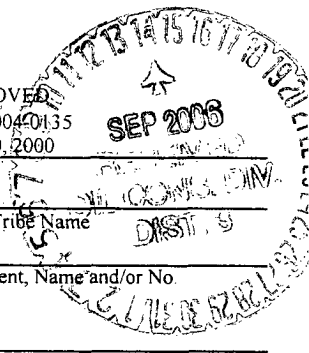


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 100440135
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. BONNIE #2
2. Name of Operator MANANA GAS, INC.		9. API Well No. 30-045-33767
3a. Address c/o Walsh Engineering & Production Corp. 7415 East Main St. Farmington, NM 87402	3b. Phone No. (include area code) (505) 327-4892	10. Field and Pool, or Exploratory Area BASIN FRUITLAND COAL
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 869' FNL & 1133' FEL SEC 7 T30N R11W		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 CASING/CEMENT REPORT
	<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	

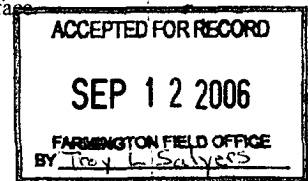
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of 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 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.)

08/21/06 spud 8-3/4" surface hole. Drilled to 147'KB. Ran 3 jts (135.76') of 7", 20#, J-55, ST&C casing and set casing at 142'KB. Cemented with 50sx (59 cu. ft.) of Type 5 with 3% CaCl₂ and 1/4 #/sk celloflake. Circulated 6 bbls of good cement to surface.

08/22/06 Nipped up the BOP and pressure tested the casing and BOP to 600 psi.

* 08/26/06 TD hole at 2230'. Ran 54 jts (2221.48") of 4.-1/2", 10.5#, J-55, ST&C production casing. Set casing at 2226.48' KB. Insert Float is at 2205'KB. cemented with 215sx (443 cu.ft.) of Type 5, with 3 #/sk gilsonite, 1/4#/sk celloflake. Followed by 100 sx (118cu. ft.) of Type 5, with 3 #/sk gilsonite and 1/4 #/sk celloflake. Bumped plug to 1500 psi. Float held ok. Circulated 25 bbls of cement to the surface.

report hole size



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

Name (Printed/Typed) Paul C. Thompson, P.E.	Title Agent
Signature <i>Paul C. Thompson</i>	Date September 7, 2006

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 operation thereon.	Office	

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