

2007 JUL 31 AM 11 28

RECEIVED

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to abandon well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

**FORM APPROVED**

Budget Bureau No. 1004-0135  
Expires: November 30, 2000

5. Lease Serial No.	NMNM-03605
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA/Agreement, Name and/or No.	
8. Well Name and No.	Marron #38 & Marron #46A
9. API Well No.	30-045-06386 / 30-045-21734
10. Field and Pool, or Exploratory Area	Blanco P.C. South / Blanco- Measa Verde
11. County or Parish, State	San Juan, New Mexico

1. Type of Well	<input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other
2. Name of Operator	M&G Drilling Company, Inc. NM OGRID # 141852
3a. Address	PO Box 5940, Farmington, NM 87499-5940
3b. Phone No. (include area code)	(505) 325-6779
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)	Marron #38, Unit E 1560' FNL, 915' FWL Sec. 23, T27N, R08W Marron #46A, Unit E, 1850' FNL, 1190' FWL Sec. 23, T27N, R08W
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
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Water Disposal
	<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 recompleate 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 recompleation 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.)

M&G Drilling Company requests administrative approval for surface commingling natural gas production from the Marron #38 (Blanco P.C. South 72439) and Marron #46A (Blanco-Mesa Verde 72319) wells.

Both wells produce from a common Federal Lease No. NMNM03605 and both have common ownership. M&G Drilling plans to produce the commingled gas through a central compressor, thus lowering operating expenses and extending the economic life of the wells and increasing their ultimate recoveries on the lease. We anticipate the only fuel requirements to be on compressor engine and separator. All flow lines will be pressure tested appropriately.

The Marron #46A will be equipped with an allocation meter, which will be maintained by M&G Drilling in accordance with State and Federal Regulations. The production from the Marron #38 will be determined by a subtraction method, the difference between the volume recorded at the sales meter and the sum of the volume recorded at the Marron #46A. Produced liquid will not be surface commingled.

Notice has been filed concurrently on Form C-103 with the NMOCD.

NO LCOndw yet 9/5/07 OIL CONS. DIV.  
DIST. 3

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

Rhonda DeVilbiss

Title Production Assistant

Signature

Date 07-20-2007

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title Petr. Eng

Date 8/23/07

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.S.C. 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.

- This approval is for surface commingling only. Pipeline connection is limited to existing disturbance only.

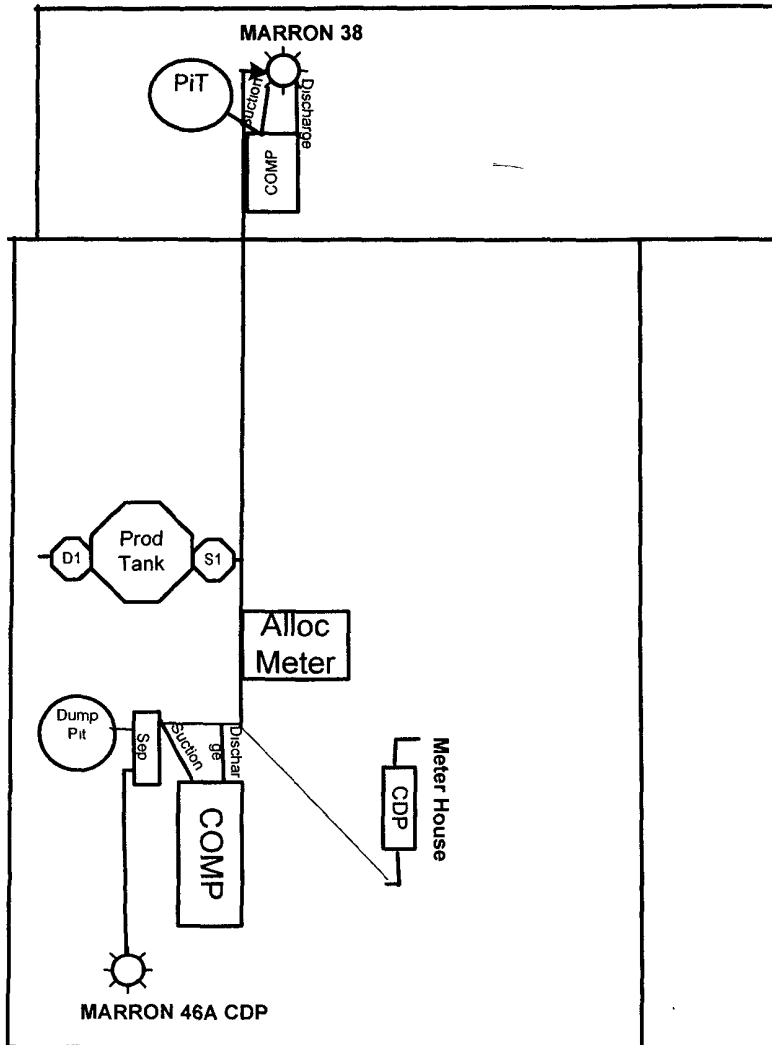
NMOCD

**MARRON #38 & #46A  
SURFACE COMMINGLE**

Well Name	Marron #38	Marron #46A
API#	30-045-06386	30-045-21734
Sec.-T-R	Sec. 23, T27N-R08W	Sec. 23, T27N-R08W
FNL/FEL	1560' FNL	1850 FNL
FEL/FWL	915' FWL	1190 FWL
Lease No.	NMNM 03605	NMNM 03605
Pool	Blanco P.C.South	Blanco Measa Verde
Permits	N/A	N/A
Spacing	160	320
Gravity	N/A	N/A
BTU	1048	1048
Est. Daily Rate	60	59
WI	100%	100%
NRI	87.5%	87.5%

Compressor and other equipment fuel usage will be determined on manufacturer's specifications. Pumping unit & separator fuel will be allocated to well if equipment exists.

**MARRON #38 & #46A CDP**  
**Sec.23, T27N, R08W, Unit E**  
**Federal Lease #: NMNM-03605**  
**COMMINGLE**



General sealing of valves, sales by tank gauging.

Production phase: Drain valve D1 and sales valve S1 sealed closed.

Sales phase: Drain valve D1 sealed closed. Sales valve S1 open.

Draining phase: Drain valve D1 open. Sales valve S1 sealed closed.

This lease is subject to the site security plan for San Juan Basin Area.

The plan is located at:

Updated: 07/30/07

M&G Drilling Company  
3001 Northridge Drive, Suite D  
Farmington, NM 87401

