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OIL CONS. DIV.

Bureau of Land Management
Farmington Field Office

DIST. 3

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No 1004-0135
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. Graham 4 #16
2 Name of Operator M&G Drilling Company, Inc. NM OGRID # 141852		9 API Well No. 30-045-31999
3a. Address PO Box 5940, Farmington, NM 87499-5940	3b. Phone No (include area code) (505) 325-6779	10 Field and Pool, or Exploratory Area Blanco Mesaverde
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 790' FSL, 680' FEL (P) Sec. 4, T27N, R8W		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 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	APD extension
	<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 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.)

M&G Drilling Company, Inc. is hereby requesting an extension on the existing APD to November 1, 2008. Further evaluation is needed for potential directional drilling. Depending on the outcome of the evaluation and assuming we will drill, we would plan on drilling the Graham 4#16 in October 2008.

PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, PROPOSED ALTERNATIVE METHOD OR CLOSURE PLAN TO BE DESIGNED, CONSTRUCTED, OPERATED & CLOSED PURSUANT TO NMOCD RULE 19.15.17 EFFECTIVE 06/16/08

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

NOTIFY AZTEC OCD 24 HRS. PRIOR TO CASING & CEMENT

APD will expire 11-01-2008 This is the last extension

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Rhonda DeVilbiss	Title Production Assistant
Signature 	Date 06/06/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Troy L Salyers	Title Petroleum Engineer	Date 6-16-2008
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 FFO	

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.

Current NMOCD rules and regulations must be met at time of drilling

NMOCD