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Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTBureau of Land Management
Farmington Field OfficeFORM APPROVED
OMB No 1004-0137
Expires: March 31, 2007Lease Serial No.
SF-078897-A

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 ☐ Other2. Name of Operator **Pro NM Energy, Inc.**3a. Address
460 St. Michael's Dr., #300 Santa Fe, NM 875053b. Phone No (include area code)
505-988-4171

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

**730' FNL, 1495' FEL
B-18-26N-11W**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Gracia Federal 181 No. 1S9. API Well No.
30-045-3346810. Field and Pool, or Exploratory Area
Basin Fruitland Coal11. County or Parish, State
San Juan

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

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.)

The Gracia Federal 181 #1S first delivered production as follows:

Date of 1st Delivery: 8/4/08
Length of Test: 24 hours
Production Method: Pumping
Production Rate: 82 MCF/D, 37 BWPD, 0 BOPD
Witnessed by: Tim Merilatt
Well Status: Producing

RCVD AUG 11 '08
 OIL CONS. DIV.
 DIST. 3

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

Jolene DicksTitle **Director of Operations**

Signature

Date

08/05/2008

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE**AUG 08 2008**

Approved by

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.

Title

Office

Date

FARMINGTON FIELD OFFICE

BY

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)

NMOCB