



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
1235 La Plata Highway, Suite A  
Farmington, New Mexico 87401

IN REPLY REFER TO  
NMSF-078481A  
3162.3-1 (111)

December 17, 2009

M&G Drilling Company, Inc.  
Attn.: Rhonda DeVilbiss  
P.O. Box 5940  
Farmington, NM 87499-5940

RCVD DEC 22 '09  
OIL CONS. DIV.

DIST. 3

45-31999

Dear Ms. DeVilbiss:

Reference is made to your Application for Permit to Drill (APD) the **No. 16 Graham 4** well, located **790' FSL and 680' FEL, Section 4, T27N, R8W, San Juan County, New Mexico**. This APD was approved on January 6, 2004 with an expiration date of November 1, 2008. According to our records, no known activity has taken place at this location.

In view of the foregoing, this office is rescinding the approval due to the expiration of this APD. In addition, we will require a letter confirming that no surface disturbing activities have been conducted at this well site. Please file letter within 30 days of receipt of this notice. Any surface disturbance conducted must be rehabilitated in accordance with the standards and guidelines established by this office.

If you have any questions regarding the above contact Shea Valdez at (505) 599-8969

Sincerely,

Shea Valdez  
Petroleum Engineering,

Petroleum Management Team

cc: NMOCD

Bo

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

nos 4/4/03  
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FORM APPROVED

OMB No 1004-0136

Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

|   |  |   |  |
|---|--|---|--|
| 1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER   |  | 5. Lease Designation and Serial No<br>SF 078481-A                               |  |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone |  | 6. If Indian, Allottee or Tribe Name  |  |
| 2. Name of Operator<br>M&G Drilling Company Inc.  |  | 7. If Unit or CA, Agreement, Name and No.                                       |  |
| 3a. Address<br>PO Box 2406<br>Farmington, NM 87499  |  | 8. Lease Name and Well No<br>GRAHAM #4-16                                       |  |
| 3b. Phone Number<br>(505) 325-5449  |  | 9. API Well No<br>30045 31999   |  |
| 4. Location of Well (Footage, Sec, T, R, M, or Survey Description)<br>At surface: Unit Letter P, 790' FSL, 680' FEL<br>At proposed prod. Zone: Unit Letter J, 1980' FSL, 1980' FEL NWSE                     |  | 10. Field and Pool, or Exploratory<br>Blanco MV & Basin DK                      |  |
| 14. Distance in miles and direction from nearest town or post office*<br>13 Miles South of Blanco   |  | 11. Sec, T., R., M, or Blk. and Survey or Area<br>Sec 04, T-27-N, R-08-W        |  |
| 15. Distance from proposed*<br>location to nearest<br>property or lease line, ft.<br>(Also to nearest drlg. Unit line, if any)<br>790' Feet from South Line   |  | 12. County or Parish,<br>San Juan   |  |
| 16. No of Acres in lease<br>320 Acres   |  | 13 State<br>New Mexico  |  |
| 18 Distance from proposed*<br>location to nearest<br>property or lease line, ft.<br>675' Feet from East Line  |  | 17. Spacing Unit dedicated to this well<br>320.79 E <sub>1/2</sub><br>320 Acres |  |
| 21 Elevation (Show whether DF, KDB, RT, GL, etc )<br>5959' Ground Level   |  | 20 BLM/BIA Bond No. on file   |  |
| 22. Approximate date work will start*<br>2/16/2004  |  | 23. Estimated duration<br>30 days   |  |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1 Well plat certified by a registered surveyor
- 2 A Drilling Plan
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer

| Size of Hole | Grade, Size of Casing | Weight per Foot | Setting Depth | Quantity of Cement             |
|--------------|-----------------------|-----------------|---------------|--------------------------------|
| 12-1/4"      | 9-5/8" K-55           | 36 #            | 280'          | 126 Sxs, 175 ft3 - 100% Excess |
| 8-3/4"       | 7" K-55               | 20#             | 2620'         | 283 Sxs, 551 ft3 - 40% Excess  |
| 6-1/4"       | 4-1/2" N-80           | 11.6#           | 6976'         | 241 Sxs, 587 ft3 - 25% Excess  |

SEE ATTACHED APD INFORMATION

Latitude: 36 Deg, 36 Min, 33 Sec N  
Longitude: 107 Deg, 41 Min, 19 Sec W

|   |                                      |                  |
|---|--------------------------------------|------------------|
| 25. Signature<br><i>Mike Pippin</i>             | Name(Printed/Typed)<br>Mike Pippin   | Date<br>11/10/03 |
| Title<br>Petroleum Engineer                     |                                      |                  |
| Approved by (Signature)<br><i>D. Mankiewicz</i> | Name(Printed/Typed)<br>D. Mankiewicz | Date<br>1-6-04   |
| Title<br>AFM                                    | Office<br>FFO                        |                  |

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

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 reverse)

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

FARMINGTON

NM 2359  
50W

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1391 W. Grand Avenue, Artesia, NM 88210  
District III  
1809 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 15, 2000  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                       |  |  |                      |                                  |                    |
|-----------------------|--|--|----------------------|----------------------------------|--------------------|
| * APT Number          |  | MV 72319                                     | * Pool Code DK 71599 | * Pool Name BLANCO MV & BASIN DK |                    |
| * Property Code 16598 |  | * Property Name GRAHAM                       |                      |                                  | * Well Number 4-16 |
| * OGRID No. 141852    |  | * Operator Name M & G DRILLING COMPANY, INC. |                      |                                  | * Elevation 5959   |

**Surface Location**

| UL or lot no. | Section | Township | Range | Lot Ids | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| P             | 4       | 27 N     | 8 W   |         | 790           | South            | 680           | East           | San Juan |

**Bottom Hole Location If Different From Surface**

| UL or lot no. | Section | Township | Range | Lot Ids | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| J             | 4       | 27 N     | 8 W   |         | 1980          | SOUTH            | 1980          | EAST           | SAN JUAN |

|                                 |                     |                     |             |
|---------------------------------|---------------------|---------------------|-------------|
| * Dedicated Acres MV E/2 DK E/2 | * Joint or Infill Y | * Cancellation Code | * Order No. |
|---------------------------------|---------------------|---------------------|-------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|  |   |  |  |
|--|---|--|--|
| 16<br>N 89° 32' W<br>40.04 ac.<br>20.62<br>S 1/2 Sec. 4<br>(20.21) | N 89° 29' W<br>38.25 ac. WC<br>PL   | 4 BOTTOM HOLE<br>1980'<br>DL/MV<br>1980'<br>PC | 17<br><b>OPERATOR CERTIFICATION</b><br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.<br><i>Mike Pippin</i><br>Signature<br>MIKE PIPPIN<br>Printed Name<br>PETR. ENGR.<br>Title<br>11/14/03<br>Date |
|  |   |  |  |
| N 1° 59' 12" W<br>(40.42)  | LAT. 36.59881° N<br>LONG. 107.67994° W<br>N 89° 03' W<br>78.95 ac.<br>CH MV 790 | SURFACE<br>680'                                |  |