

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIVED**

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

**OCT 27 2010**

**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.*  
Farmington Field Office  
Bureau of Land Management

5. Lease Serial No.  
NMSF 078481A  
6. If Indian, Allottee or Tribe Name  
7. If Unit or CA/Agreement, Name and/or No.

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

1. Type of Well  
 Oil Well       Gas Well       Other  
 2. Name of Operator  
 M&G Drilling Company  
 3a. Address    c/o Walsh Engineering & Production Corp.  
 7415 East Main St. Farmington, NM 87402  
 3b. Phone No. (include area code)  
 (505) 327-4892  
 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 1110' FNL & 1760' FEL SEC 03 T27N R8W

8. Well Name and No.  
 Graham #100S  
 9. API Well No.  
 30-045-35180  
 10. Field and Pool, or Exploratory Area  
 BASIN FRUITLAND COAL  
 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 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.)

10/15/10 spud 8-3/4" surface hole. Drilled to 130' KB. Ran 3 jts (119.92') of 7", 20#, J-55, ST&C new casing and set casing at 126' KB. Cemented with 61 sx (82 cu. ft.) of Type III, 2% CaCl<sub>2</sub> and 1/4 #/sk celloflake. Circulated 3.5 bbls of good cement. ✓

10/16/10 Nipped up the BOP. Pressure tested the BOP,choke manifold and casing to 250 psi - low and 1000 psi - high for 30 min each - held OK. ✓

10/24/10 TD 6-1/4" hole at 2296'. Ran 55 jts (2271.16') of 4-1/2", 10.5#, J-55, ST&C production casing and set casing at 2276' KB. Insert float is at 2256' KB and the top of marker joint is at 1815' KB. Cemented with 181 sx (391 cu.ft.) of Type III, 2% sodium metasilicate, 1/4#/sk celloflake, and 5 #/sk gilsonite, followed by 75 sx (104 cu. ft.) of Type III, with 1/4# celloflake and 5 #/sk gilsonite. Bumped plug to 1500 psi - float held OK. Circulated out 1.5 bbls of good cement. ✓

RCVD NOV 1 '10  
OIL CONS. DIV.  
DIST. 3

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

Name (Printed/Typed) Paul Thompson, P.E.	Title Agent / Engineer
Signature <i>Paul C. Thompson</i>	Date 10/25/10

**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.

ACCEPTED FOR RECORD

NMOCD

**OCT 27 2010**  
FARMINGTON FIELD OFFICE  
BY *J. Salyers*