

District I - (505) 393-6161  
1625 N. French Dr  
Hobbs, NM 88241-1980  
District II - (505) 748-1283  
811 S. First  
Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Road  
Aztec, NM 87410  
District IV - (505) 827-7131

New Mexico  
Energy Minerals and Natural Resources Department

Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

1214  
RECEIVED  
SEP - 8 1999

Form C-142  
Date 06/99  
SUBMIT ORIGINAL  
PLUS 2 COPIES  
TO THE SANTA FE  
OFFICE

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address M & G DRILLING C/O KM PRODUCTION COMPANY PO BOX 2406 FARMINGTON, NEW MEXICO 87499							OGRID Number 141852	
Contact Party Kevin H. McCord							Phone (505) 325-6900	
Property Name GRAHAM					Well Number 99		API Number 30-045-29917	
UL M	Section 10	Township 27N	Range 8W	Feet From The 1150	North/South Line SOUTH	Feet From The 790	East/West Line WEST	County SAN JUAN

II. Date/Time Information

Spud Date 6/8/99	Spud Time 9:00 AM	Date Completed 6/30/99	Pool 71629
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III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of NEW MEXICO )

ss.

County of SAN JUAN )

Kevin H. McCord, being first duly sworn, upon oath states:

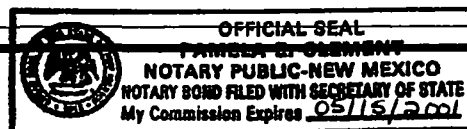
1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
2. To the best of my knowledge, this application is complete and correct.

Signature Kevin H. McCord Title Agent Date 9/3/99

SUBSCRIBED AND SWORN TO before me this 3<sup>rd</sup> day of September, 1999.

Pamela E. Clement  
Notary Public

My Commission expires: 05/15/2001



FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark Sahly</u>	Title <u>P.E. Spivey</u>	Date <u>OCT 1 1999</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: OCT 4 1999

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2006534504

3160-5  
(1990)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir,  
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

FORM APPROVED

Bureau No. 1004-0135

Expires: March 31, 1993

5. Lease Designation and Serial No.  
SF-078481A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA. Agreement Designation

1. Type of Well

☐ Oil Well

☒ Gas Well

☐ Other

2. Name of Operator

M&G Drilling Company, Inc.

C/O KM Production Company

3. Address and Telephone No.

PO Box 2406, Farmington, NM 87499 (505)325-6900

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

Section 10, T27N, R8W

1150' FSL & 790' FWL

8. Well Name and No.

GRAHAM #99

9. API Well No.

30-045-29917

10. Field and Pool, or Exploratory Area

BASIN FRUITLAND COAL

11. County or Parish, State

San Juan, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐

Abandonment

☐

Recompletion

☐

Plugging Back

☐

Casing Repair

☐

Altering Casing

☒

Other TD, Log, Run & Cement

Production Casing

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Please see attached morning report.

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

Signed

*[Signature]*

Title Petroleum Engineer

Date June 15, 1999

Price Bayless

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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 manner within its jurisdiction.

\*See Instruction on Reverse Side

ACCEPTED FOR RECORD

JUN 28 1999

OPERATOR

FIELD OFFICE

# M&G Drilling Company

Graham #99  
1150 FSL & 790 FWL  
SECTION 10, T27N, R8W

## MORNING REPORT-DRILLING

6/8/99

Build location and line drilling pit. Move L&B rig onto location. Shut down overnight.

6/9/99

Rig up drilling rig and spud well at 9:00 am, 6/8/99. Drill 8 3/4" hole to 125 feet. Circulate hole clean and drop deviation tool. Trip out of hole. Deviation 1/4° at 125 feet. Run 3 joints (122.80 feet) 7" 23.0 #/ft J-55 casing, landed at 124 feet. Rig up Cementers Inc and cement casing with 60 sx (71 cf) Class B with 4% CaCl and 1/4 #/sack cello-flake. Good returns throughout job with 4 bbls of good cement circulated to pit. Plug down at 1:00 pm, 6/8/99. WOC for 4 hours and break off cementing head. Nipple up BOP and choke manifold. Pressure test BOP to 500 psi for 30 minutes, held OK. Pressure test choke manifold to 500 psi for 30 minutes, held OK. Shut down overnight.

6/10/99

Pick up collars and trip in hole. Tag cement at 80 feet. Drill out cement and continue drilling new formation. Drill to 600 feet and circulate hole clean. Run wireline survey, deviation 1/2° at 600 feet. Continue drilling to 1100 feet. Circulate hole clean and run wireline survey. Deviation 1/2° at 1100 feet. Close pipe rams, and shut down overnight.

6/11/99

Continue drilling to 1400 feet. Circulate hole clean and drop survey tool. Trip out of hole for bit. Work blind rams. Deviation 1/2° at 1400 feet. Trip in hole and continue drilling to 1520 feet. Circulate hole clean and shut pipe rams. Shut down overnight.

6/12/99

Continue drilling to 1960 feet. Circulate hole clean and run wireline survey. Deviation 1/4° at 1960 feet. Shut pipe rams and shut down overnight.

6/13/99

Continue drilling to 2170 feet. Condition hole for logs and pull 200 feet off bottom. Shut pipe rams and shut down for weekend.

6/14/99

No activity.

6/15/99

Short trip and condition hole for logs. Drop survey tool and trip out of hole. Deviation 3/4° at 2170 feet. Rig up HLS and log well. Rig down HLS and rig up casing crew to run 49 joints of new 4 1/2" 10.5 #/foot new J-55 casing as follows:

KB to landing point	4.00 feet	0 - 4 feet
48 joints casing	2130.03 feet	4 - 2134 feet
Insert Float	0.00 feet	2134 - 2134 feet
Shoe Joint	44.11 feet	2134 - 2178 feet
Guide Shoe	0.70 feet	2178 - 2179 feet
	2178.84 feet	

Land casing at 2179 feet with centralizers at 2154, 2043, 1955, and 1866 feet. Turbolizers at 1334, 1156, 446, and 357 feet. Rig up Cementers Inc. and cement production casing as follows:

Flush	15 bbls fresh water
Lead	25 sx (29.5 cf) Class B w/ 1/4 #/sx flocele
Tail	170 sx (350.2 cf) Class B w/ 2% econolite and 1/4 #/sx flocele
2 <sup>nd</sup> Tail	65 sx (76.7 cf) Class B w/ 1/4 #/sx flocele

Good returns throughout job with 3 bbls good cement circulated to pit. Bumped plug to 1200 psi at 5:00 pm, 6/14/99. Release drilling rig and wait on completion.

**UNITED STATES**  
**DEPARTMENT OF THE INTERIOR**  
**BUREAU OF LAND MANAGEMENT**

SUBMIT IN DUPLICATE  
(See other In-  
structions on  
reverse side)

FOR APPROVED  
OMB NO. 1004-0137

Expires: December 31, 1991

5. LEASE DESIGNATION AND SERIAL NO.

**SF-078481A**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

**Graham #99**

9. API WELL NO.

**30-045-29917**

10. FIELD AND POOL, OR WILDCAT

**Basin Fruitland Coal**

11. SEC., T., R., M., OR BLOCK AND SURVEY  
OR AREA

**Sec. 10, T27N R8W**

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR  
PARISH

**San Juan**

13. STATE

**New Mexico**

15. DATE SPUDDED <b>6/8/1999</b>	16. DATE T.D. REACHED <b>6/13/1999</b>	17. DATE COMPL. (Ready to prod.) <b>6/30/1999</b>	18. ELEVATIONS (DF, RKB, RT, FE, ETC.) * <b>5873 GR</b>	19. ELEV. CASINGHEAD
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20. TOTAL DEPTH, MD & TVD <b>2170 Ft</b>	21. PLUG, BACK T.D., MD & TVD <b>2131 Ft</b>	22. IF MULTIPLE COMPL., HOW MANY *	23. INTERVALS DRILLED BY <b>XX</b>	ROTARY TOOLS <b>XX</b>	CABLE TOOLS
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24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD) *	25. WAS DIRECTIONAL SURVEY MADE
<b>1955 - 2050 Fruitland Coal</b>	<b>No</b>

26. TYPE ELECTRIC AND OTHER LOGS RUN <b>Dual Induction - GR - Density</b>	27. WAS WELL CORED
	<b>No</b>

CASING RECORD (Report all strings set in well)				
CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD
<b>7"</b>	<b>23 #/Ft</b>	<b>124 Ft</b>	<b>8 3/4"</b>	<b>60sx (71 ft3) Class 8 W/4% CaCl, Cement Circulated</b>
<b>4 1/2"</b>	<b>10.5 #/Ft</b>	<b>2179 Ft</b>	<b>6 1/4"</b>	<b>170sx (350 ft3) Class 8 W/2% Econolite, tailed with</b>
				<b>90sx (106 ft3) Class 8, Cement Circulated</b>

LINER RECORD				TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT *	SIZE	DEPTH SET (MD)	PACKER SET (MD)
<b>None</b>				<b>2 3/8"</b>	<b>2049 Ft</b>	<b>None</b>

PERFORATION RECORD (Interval, size and number)			ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
			DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
<b>1955 - 1968</b>	<b>with 27 - .34" diameter holes</b>		<b>1955 - 2050</b>	<b>750 gal 15% HCl acid</b>
<b>1996 - 2002</b>	<b>with 13 - .34" diameter holes</b>			<b>45,000 gal 70 quality foam, 110,000 Lbs 20/40 san</b>
<b>2026 - 2050</b>	<b>with 49 - .34" diameter holes</b>			

PRODUCTION							
DATE OF FIRST PRODUCTION <b>6/30/1999</b>	PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) <b>Flowing</b>				WELL STATUS (Producing or shut-in) <b>Shut-in</b>		
DATE OF TEST <b>6/30/1999</b>	HOURS TESTED <b>3 Hrs.</b>	CHOKE SIZE <b>3/4"</b>	PROD'N. FOR TEST PERIOD	OIL - BBL.	GAS - MCF. <b>No flow</b>	WATER - BBL.	GAS - OIL RATIO
FLOW. TUBING PRESS. <b>0 psi</b>	CASING PRESSURE <b>70 psi</b>	CALCULATED 24-HOUR RATE	OIL - BBL.	GAS - MCF. <b>No flow</b>	WATER - BBL.	OIL GRAVITY - API (CORR.)	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) <b>Shut-in waiting on gas connection</b>	TEST WITNESSED BY <b>Albert Aranda</b>
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35. LIST OF ATTACHMENTS	<b>ACCEPTED FOR RECORD</b>
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records	
SIGNED <u><i>John H. McCall</i></u> TITLE <b>Petroleum Engineer</b> DATE <b>7/6/99 16 1999</b>	

\* (See Instructions and Spaces for Additional Data on Reverse-Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or

**OPERATOR**

FARMINGTON FIELD OFFICE  
BY *[Signature]*

37. SUMMARY OF POROUS ZONES: (Show all important zones or porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Ojo Alamo	1188	1298	Sandstone
Kirtland Shale	1298	1818	Sandstone, shale, siltstone
Fruitland	1818	2057	Sandstone, siltstone, shale Coal, natural gas & water
Pictured Cliffs	2057	TD	Sandstone

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Ojo Alamo	1188	1188
Kirtland	1298	1298
Fruitland	1818	1818
Pictured Cliffs	2057	2057

M&G DRILLING COMPANY  
C/O KM PRODUCTION COMPANY  
GRAHAM WELL NO. 99  
SEC. 10, T27N-R8W  
SAN JUAN COUNTY, NM

WORKING INTEREST OWNER

M&G DRILLING COMPANY  
PO BOX 9560  
PALM SPRINGS, CA 92263

PERCENT  
INTEREST

100.00