5. Lease UNITED STATES NMSF-079304 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 6. If Indian, Allottee or Tribe Name SUNDRY NOTICES AND REPORTS ON WELLS 700 not use this form for proposals to drill or to deepen or plug back to a different -7 AUnit Agreement Name reservoir. Use "APPLICATION FOR PERMIT--" for such proposals) 8. Well Name and No. 070 Farmin 1. Oil Well [] Gas Well [] Other [] GAS WELL SANCHEZ 5 9. API Well No. 2. Name of Operator: 30-039-21104-00C1 **Caulkins Oil Company** 10. Field and Pool, Exploratory Area 3. Address of Operator: (505) 632-1544 CHACRA, PICTURED CLIFFS P.O. Box 340, Bloomfield, NM 87413 11. Country or Parish, State 4. Location of Well (Footage, Sec., Twp., Rge.) 790' F/S 820' F/W SEC. 25-26N-6W Rio Arriba Co., New Mexico 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION [] Change of Plans [X] Notice of Intent [X] Abandonment [] New Construction []Recompletion [] Non-Routine Fracturing [] Plugging Back [] Subsequent Report [] Water Shut-Off [] Casing Repair [] Conversion to Injection [] Altering Casing [] Final Abandonment Notice Dispose Water 1 Other 17. Describe Proposed or Completed Operations: Caulkins Oil Company plans to plug and abandon this well per the attached procedure. 3-5-03 Estimated starting date, April 14, 2003 NOTE: The format is issued in lieu of U.S. BLM Form 3160-5 18. I HEREBY CERTIFY THE FOREGOING IS TRUE AND CORRECT SIGNED: Robert 2 Verguer ROBERT L. VERQUER TITLE: Superintendent DATE: March 5, 2003

APPROVED BY: Original Signed: Stephen Mason TITLE:

CONDITIONS OF APPROVAL, IF ANY

DATE: 3/24/03

PLUG AND ABANDONMENT PROCEDURE

February 19, 2003

Sanchez #5

South Blanco Pictured Cliffs/Otero Chacra 790' FSL & 820' FWL Section 25, T26N, R6W Rio Arriba County, New Mexico, API #30-039-21104

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures.

All cement is ASTM Type II, mixed at 15.6ppg with a yield of 1.18 cf/sx.

- Install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM, and Caulkins safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. NU relief line and blow down well; kill with water as necessary. ND wellhead and NU BOP. Test BOP.
- 2. TOH and tally 3742' of 1-1/4" tubing. Visually inspect, if necessary LD tubing and prepare a 2-3/8" workstring. Round-trip 4-1/2" casing scraper or gauge ring to 3746'.
- 3. Plug #1 (Chacra perforations and top, 3724' 3674'): RIH and set 4-1/2" CR at 3724'. Pressure test tubing to 1000#. Sting out of retainer and load casing. Mix 10 sxs cement and spot a balanced plug inside casing above the BP to isolate the Chacra perforations and cover the top. TOH with tubing.
- 4. Plug #2 (Pictured Cliffs perforations and Fruitland, Kirtland and Ojo Alamo tops, 2856' 2220'): RIH and set 4-1/2" CIBP at 2856'. TIH to CIBP at 2856'. Test casing to 500#. If casing does not test, then spot or tag subsequent plugs as appropriate. Mix 52 sxs cement and spot a balanced plug inside casing above the cement retainer to isolate the Pictured Cliffs perforations and cover through to the Ojo Alamo top. PUH with tubing to 1230'.
- 5. Plug #3 (Nacimiento top, 1230' 1130'): Mix 12 sxs cement and spot a balanced plug inside 4-1/2" casing to cover the Nacimiento top. TOH and LD tubing.
- Plug #4 (8-5/8" Surface casing, 205' Surface): Perforate 3 squeeze holes at 205'. Establish
 circulation out the bradenhead valve with water. Mix and pump approximately 59 sxs cement
 down the 4-1/2" casing to circulate good cement out bradenhead valve. Shut well in and WOC.
- ND BOP and cut off casing below surface. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

Sanchez #5

Current

South Blanco Pictured Cliffs/Otero Chacra

SW, Section 25, T-26-N, R-6-W, Rio Arriba County, NM API #30-039-21104

Today's Date: 2/18/03 Spud 8/13/75 Completed: PC 8/20/75 8-5/8" 24# Casing set @ 155' Cement with 125 sxs, Circulated to Surface Ch 8/30/75 12-3/4" hole Elevation: 6623' GL TOC @ 750' (T.S.) **Well History** Jun '82: Commingled: Pulled 1" tubing and 1-1/4" tubing, removed seal assembly. Reran 1-1/4" IJ tubing to 3474' for commingled PC/Ch production. Swabbed well in and flowed to clean up. Return to production. Nacimiento @ 1180' Nov '01: TOH with 1-1/4" tubing, change out 22 bad joints tubing on bottom, TIH with 1-1/4" tubing and return to production. 1-1/4" Tubing @ 3742' Ojo Alamo @ 2270' Kirtland @ 2500' Fruitland @ 2640' Pictured Cliffs @ 2900' Pictured Cliffs Perforations: 2906' - 2978' Model D @ 3754' Chacra @ 3792'

TD 4050'

6-3/4" Hole

Chacra Perforations: 3796' - 3906'

4-1/2" 10.5#, H-40 Casing set @ 4050' Cement with 622 sxs

Sanchez #5

Proposed P&A

South Blanco Pictured Cliffs/Otero Chacra SW, Section 25, T-26-N, R-6-W, Rio Arriba County, NM

API #30-039-21104

Today's Date: 2/18/03

Spud 8/13/75

Completed: PC 8/20/75

Ch 8/30/75

Elevation: 6623' GL

Nacimiento @ 1180'

Ojo Alamo @ 2270'

Kirtland @ 2500'

Fruitland @ 2640'

Pictured Cliffs @ 2900'

12-3/4" hole

8-5/8" 24# Casing set @ 155' Cement with 125 sxs, Circulated to Surface

Perforate @ 205'

TOC @ 750' (T.S.)

Plug #4: 205'- Surface Cement with 60 sxs

Plug #3: 1230'-1130'

Cement with 12 sxs

Plug #2: 2856'-2220' Cement with 52 sxs

Set CIBP @ 2856'

Pictured Cliffs Perforations:

Plug #1: 3724'-3674' Cement with 10 sxs

Set Cmt Retainer @ 3724'

Model D @ 3754'

Chacra Perforations:

2906' - 2978'

3796' - 3906'

4-1/2" 10.5#, H-40 Casing set @ 4050' Cement with 622 sxs

Chacra @ 3792'

6-3/4" Hole

TD 4050'