

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 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.

5. Lease Serial No.
NMNM-09979

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2 of 1 and Management

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
HICKS OIL & GAS, INC.

3a. Address
PO BOX 3307
FARMINGTON, NEW MEXICO 87499-3307

3b. Phone No. (include area code)
505-327-4902

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

8. Well Name and No.
S. E. CHA CHA #23

9. API Well No.
30-045-07457

10. Field and Pool or Exploratory Area
CHA CHA GALLUP

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FSL & 660' FWL
SEC. 15, T28N, R13W

11. Country or Parish, State
SAN JUAN COUNTY

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

HICKS OIL & GAS, INC. PLANS TO PERMANENTLY PLUG & ABANDON SUBJECT WELL PER THE ATTACHED PRROCEDURE.

Notify NMOCD 24 hrs
prior to beginning
operations

* Bring bottom of surface plug to 568' (568'-0'), perforate @ 568'
* Add chakra plug @ 2718'-2618' inside & outside of casing
* Bring top of Mancos plug to 4542' (4676'-4542')



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

JIM HICKS

Title PRESIDENT, HICKS OIL & GAS, INC.

Signature

Date 7-25-2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

JUL 27 2011

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

Office

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)

NMOCD

SE Cha Cha #23

Current

Cha Cha Gallup

1980' FSL, 660' FWL, Section 15, T-28-N, R-13-W,

San Juan County, NM / API #30-045-07457

Lat _____ / Long _____

Today's Date: 7/19/11

Spud: 2/11/61

Completed: 3/6/61

Elevation: 6091' GL

6102' KB

12.25" hole

Ojo Alamo @ 383' *est

Kirtland @ 500' *est

Fruitland @ 1480' *est

Pictured Cliffs @ 1760'

Mesaverde @ 3310' *est

Mancos @ 4626' *est

Gallup @ 5406'

7.875" hole

8.625" 24#, J-55 Casing set @ 324'
Cement with 240 sxs (Circulated to Surface)

2-1/16 IJ tubing set at +/- 5755'
(175 jts, 1.460" with SN, may
have rods and pump)

4.5" TOC @ 1500' (T.S.)

Isolated casing leak from 1130' to
1954. Squeeze upper section with
250 sxs cement. (1984)

DV Tool @ 1961'
2nd Stage cement w/150 sxs (177 cf)

3.5" TOC unknown.

Isolated casing leak 2748' to 4450'.
Squeeze bottom section with 600 sxs
cement (1984)

4.5" TOC @ 4725' (T.S.)

3.5", 9.3# casing set @ 4871'
Cement with 115 sxs (144 cf)

Gallup Perforations:

5760' - 5774';

5820' - 5837'

4.5", 9.5#/11.6#, J-55 Casing set @ 5855'
1st Stage cement with 250 sxs

TD 5861'
PBTD 5789'

SE Cha Cha #23

Proposed P&A

Cha Cha Gallup

1980' FSL, 660' FWL, Section 15, T-28-N, R-13-W,

San Juan County, NM / API #30-045-07457

Lat _____ / Long _____

Today's Date: 7/19/11

Spud: 2/11/61

Completed: 3/6/61

Elevation: 6091' GL

6102' KB

12.25" hole

Ojo Alamo @ 383' *est

Kirtland @ 500' *est

Fruitland @ 1480' *est

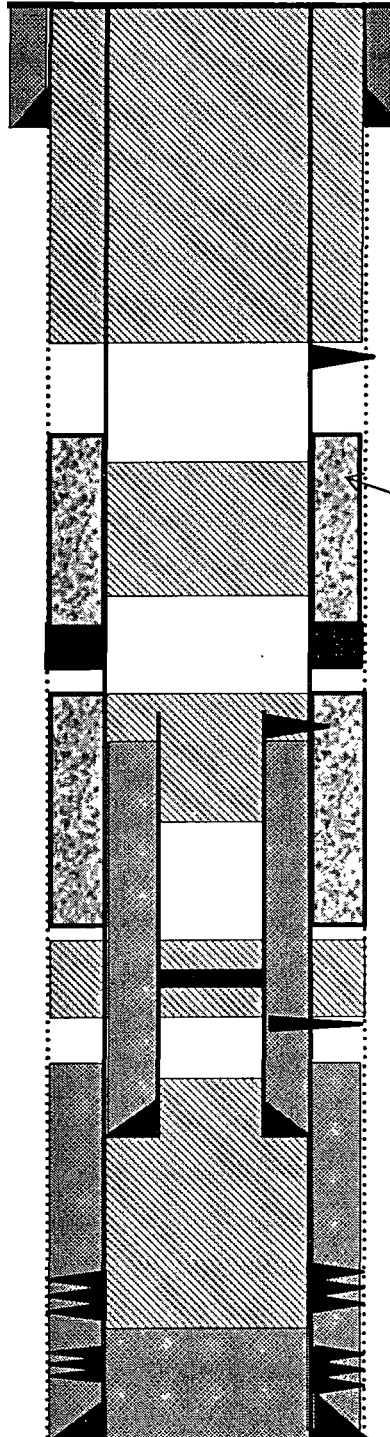
Pictured Cliffs @ 1760'

Mesaverde @ 3310' *est

Mancos @ 4626' *est

Gallup @ 5406'

7.875" hole



8.625" 24#, J-55 Casing set @ 324'
Cement with 240 sxs (Circulated to Surface)

Plug #5: 550' - 0'
Class B cement, 210 sxs

Perforate @ 550'

Plug #4: 1810' - 1430'
Class B cement, 34 sxs

4.5" TOC @ 1500' (T.S.)

Isolated casing leak from 1130' to
1954. Squeeze upper section with
250 sxs cement. (1984)

DV Tool @ 1961'
2nd Stage cement w/150 sxs (177 cf)

Jet Cut 3.5" at 3260'
Perforate @ 3.5" at 3270'

Plug #3: 3360' - 3210'
Class B cement, 10 sxs

Isolated casing leak 2748' to 4450'.
Squeeze bottom section with 600 sxs
cement (1984)

Set CR @ 4626'
Perforate @ 4676'
Plug #2: 4676' - 4576'
Class B cement, 43 sxs:
39 outside and 4 inside

4.5" TOC @ 4725' (T.S.)

3.5", 9.3# casing set @ 4871'
Cement with 115 sxs (144 cf)

Gallup Perforations:
5760' - 5774';
5820' - 5837'
Plug #1: 5789' - 4771'
Class B cement, 94 sxs
(Long plug, 30% excess)

4.5", 9.5#/11.6# J-55 Casing set @ 5855'
1st Stage cement with 250 sxs

TD 5861'
PBTD 5789'

PLUG AND ABANDONMENT PROCEDURE

July 19, 2011

SE Cha Cha #23

Cha Cha Gallup

1980' FNL, 660' FWL, Section 15, T28N, R13W, San Juan County, New Mexico

API 30-045-07457/ Lat: _____ N Long: _____ W

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 will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. This project requires the Operator to obtain an approved NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
3. Rods: Yes X , No , Unknown
Tubing: Yes X , No , Unknown , Size 2-1/16" , Length 5755'
Packer: Yes , No X , Unknown , Type .
If well has rods or a packer, then modify the work sequence in Step #2 as appropriate. Round trip 3.5" gauge ring to 4626'.

NOTE: BLM requires a CBL log to be run on all wells where the cement did not circulate to surface or where a T.S. or CBL log was not previously run. This procedure is prepared with the understanding that it may be modified based on the TOC from the CBL.

4. **Plug #1a (Gallup perforations and top and 3.5" casing shoe; 5789' – 4771'):** TIH with open ended tubing to 5789'. Mix and pump 94 sxs Class B Cement (30% excess, long plug) to fill the Gallup perforations and top and cover through 3.5" casing shoe. PUH and WOC. TIH and tag cement. If cement fell back into perforations and /or Gallup or 3.5" casing shoe then spot 1b from TOC. If cement is above perforations then pressure test casing to 800 PSI. If casing does not test then spot or tag subsequent plugs as appropriate. If cement is below perforations then P/T casing after Plug #1b.
5. **Plug #2 (Mancos top: 4676' – 4576'):** Perforate 3 squeeze holes at 4676'. Attempt to establish rate into 3.5" x 4.5" casing squeeze holes if the casing pressure tested. Set 3.5" wireline set cement retainer at 4626'. Establish rate into squeeze holes. Mix and pump 44 sxs Class B cement, squeeze 39 sxs outside the 4.5" x 7.875" casing and leave 4 sxs inside 3.5" casing to cover the Mancos top. TOH with tubing.

Run CBL log to determine TOC in 3.5" casing. If cement is above Mesaverde top then perforate above MV top. Establish circulation. Jet cut 3.5" casing at appropriate depth above Mesaverde top. PU on casing and determine free. TOH and LD 3.5" casing. Proceed to Plug #3. If cement in casing is below Mesaverde top then adjust procedure accordingly.

6. **Plug #3 (Mesaverde top: 3360' – 3210')**: Spot ~~10~~¹³⁷⁰ sxs Class B cement inside casing to cover the Mesaverde top and 50' above 3.5" jet cut. PUH.
7. **Plug #4 (Pictured Cliffs and Fruitland tops: 1810' – ~~1430~~**): Spot ~~34~~ sxs Class B cement inside casing to cover the Pictured Cliffs and Fruitland tops.
8. **Plug #5 (Kirtland, Ojo Alamo top and 8.625" casing shoe, 550' - Surface)**: Perforate 3 HSC holes at 550'. Mix and pump approximately 210 sxs cement down the 3.5" casing until good cement returns out annuli and bradenhead. Shut in well and WOC.
9. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 23 Southeast Cha Cha Unit

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Bring the top of the Pictured Cliffs/Fruitland plug to 1370'.

- * Bring bottom of surface plug to 568' (568'-0'), perforate @ 568'
- * Add Chacra plug 2618'-2718' inside & outside of casing
- * Bring top of Mancos plug to 4542' (4676'-4542')

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.