

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 10/16/14

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E	Feet	NS	Ft	EW
30-045-35490-00-00	TENNECO FEDERAL	001R	RUNNING HORSE PRODUCTION CO.	G	N	San Juan	N	M	8	26	N	12	W	809	S	897	W

Application Type:

- ☐ P&A ☒ Drilling/Casing Change ☐ Location Change
☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84)
☐ Other:

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations, casing & cement

See APD Conditions of approval regarding Hydraulic Fracturing, Oil base muds and Well-bore communication.

Add open hole plug from 5930-6030' +100% excess

Add open hole plug for the Graneros top from 5694-5794 +100% excess

Add open hole plug for the Mancos pool top from 4212-4312 +100% excess

Plugs will need to be adjusted based on actual formation tops determined after drilling consult with Agencies prior to cementing.

NMOCD Approved by Signature

11/5/14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

OCT 23 2014

Serial No.
NM-93255 ✓

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No.
2. Name of Operator Running Horse Production Company		8. Well Name and No. Tenneco Federal #1R ✓
3a. Address 14933 Hwy 172, P.O. Box 369 Ignacio, CO 81137	3b. Phone No. (include area code) 970-563-5167	9. API Well No. 30-045-35490 ✓
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 809' FSL, 897' FWL of Section 8, T26N, R12W ✓		10. Field and Pool, or Exploratory Area Gallegos Wash, Farmington, West ✓
		11. County or Parish, State San Juan, NM ✓

12. CHECK 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 checked="" type="checkbox"/> Other Change to
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Original APD
	<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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion 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.)

Running Horse Production Co. requests permission to change the casing design as shown on the attached wellbore schematic. It has been determined that conductor pipe is needed at the surface to help hold back soils during the initial drilling. Therefore a 20", 94#, H-40 conductor pipe is proposed to be set at a depth of 60-80' (MD) from surface.

CONDITIONS OF APPROVAL

Adhere to previously issued stipulations

ENTERED
AFMSS

OCT 23 2014

BY William T.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

OIL CONS. DIV DIST. 3

OCT 27 2014

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Marvin Seale		Title Petroleum Engineer
Signature <u>Marvin Seale</u>		Date 10/16/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <u>William Tambekou</u>	Title <u>Petroleum Engineer</u>	Date <u>10/23/2014</u>
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 <u>FFD</u>

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)

RECEIVED

Running Horse Prod. Co., LLC
Tenneco Federal #1R
San Juan County, New Mexico
SW/4 S. 8, T26N-12W
API: 30-045-35490
AFE#: 13-03211.01-01

Target: Test Mancos/ Produce Fruitland Coal

Proposed

Wellhead

Pumping Unit

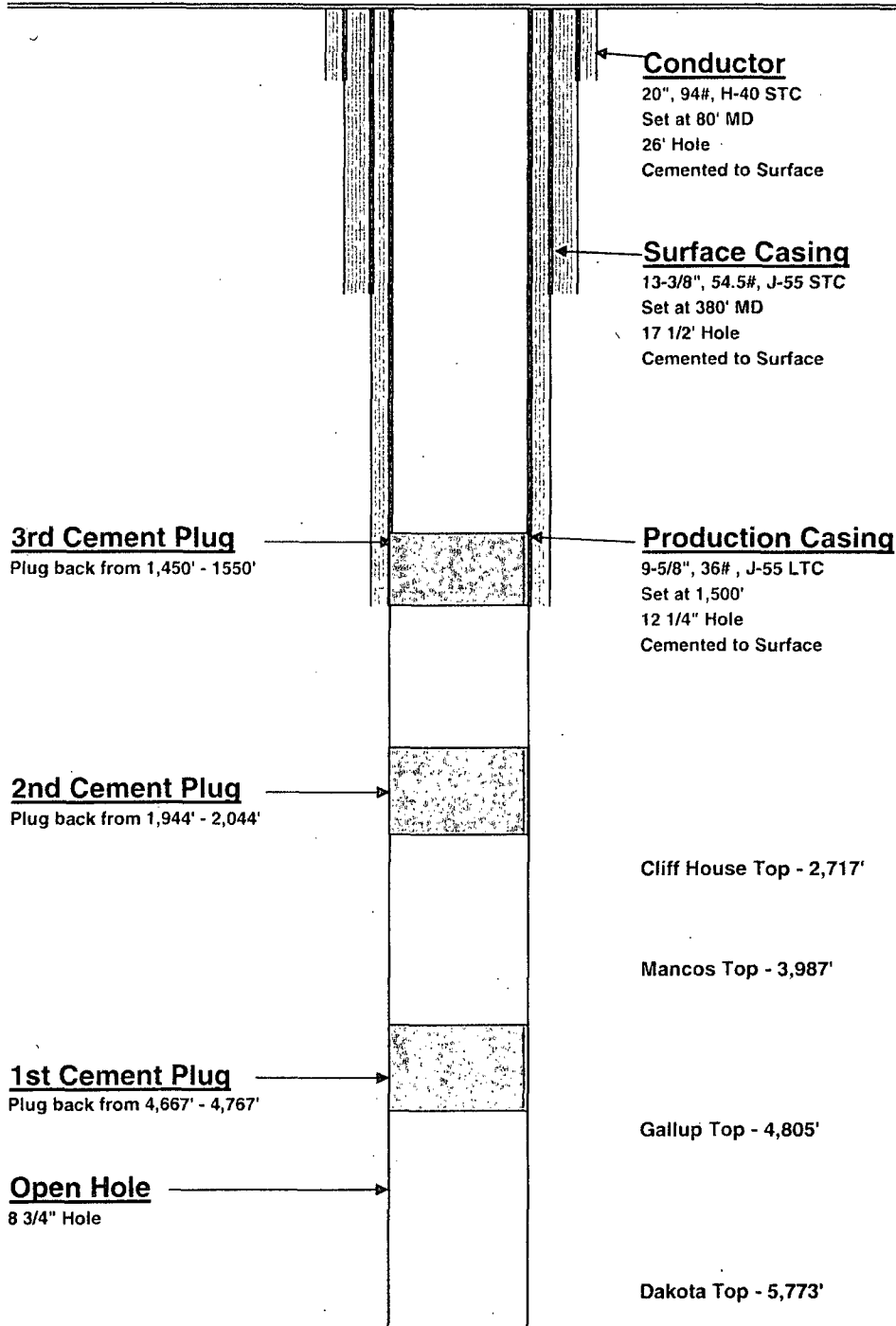
SW/4 S. 8, T26N-12W

WELLBORE SCHEMATIC

Anticipated Spud Date

RKB = 12'

12/1/2014



OIL CONS. DIV DIST. 3

OCT 27 2014

Pilot Hole TD @ 6,000' MD