

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2015

RECEIVED

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.
NM-93255

6. If Indian, Allottee or Tribe Name
Navajo Indian Tribe

MAY 02 2016

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Running Horse Production Company

3a. Address
P.O. Box 369
Ignacio, CO 81137

3b. Phone No. (include area code)
970-563-5152

7. If Unit of CA/Agreement, Name and of No.
Farmington Field Office
Bureau of Land Management

8. Well Name and No.
Tenneco Federal 1R

9. API Well No.
30-045-35490

10. Field and Pool or Exploratory Area
Gallegos Wash, Farmington, West

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

809' FSL & 897' FWL Section 8, 26N, 12W

11. County or Parish, State
San Juan County, NM

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.)

Running Horse Production Company proposes to P&A the above well per the attached procedure.

In response to the BLM's 30 day demand letter please accept the following:

1) A NOIA, a plugging and abandonment procedure, a current wellbore sketch, and a proposed post P&A wellbore sketch.

2) Running Horse Production company proposed plugging the Tenneco Federal 1R during the summer or fall of 2016. Running Horse has a number of other wells that are candidates to be plugged and abandoned in 2016. As this candidate field is narrowed, this well will be included in our 2016 P&A campaign which I expect to be completed prior to December 1, 2016.

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

SEE ATTACHED FOR CONDITIONS OF APPROVAL

OIL CONS. DIV DIST. 3

JUL 22 2016

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

R. Andrew Parker

Title Senior Production Engineer

Signature

Date

7/28/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

PE

Date

7/19/16

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

FFO

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

KC 5

PLUG AND ABANDONMENT PROCEDURE

April 15, 2016

Tenneco Federal #1R

Basin Fruitland Coal

809' FSL, 897' FWL, Section 8, T26N, R12W, San Juan County, NM

API #30-045-35490

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.

This project will use of an A-Plus steel waste tank to contain waste fluids circulated from the well and cement wash up.

1. 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.
2. Rods: Yes____, No X____, Unknown____.
Tubing: Yes X____, No____, Unknown____, Size 2-3/8", Length 1243'.
Packer: Yes____, No X____, Unknown____, Type____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
3. **Plug #1 (Fruitland Coal perforations and Pictured Cliffs top, 1228' – 1011')**: TIH with open ended tubing. Load casing with water and circulate well clean. Mix 87 sxs Class B cement (100% excess) and spot a plug to cover the Fruitland Coal perforations and Pictured Cliffs top. PUH and WOC. TIH and tag cement; top off if necessary.
4. **Plug #2 (Fruitland top, 896' – 796')**: Mix 56 sxs cement and spot a balanced plug inside the casing to cover the Fruitland top. PUH.
5. **Plug #3 (13-3/8" casing shoe, 460' – 360')**: Mix 56 sxs cement and spot a balanced plug inside the casing to cover the 13-3/8" casing shoe top. PUH.
6. **Plug #4 (Kirtland and Surface, 182' - Surface)**: Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 70 sxs cement and spot a balanced plug from 182' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing from 182' and the annulus from the squeeze holes to surface. Shut in well and WOC.
7. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. Cut off anchors and clean up location. Restore location per BLM stipulations.

Tenneco Federal #1R

Current
Basin Fruitland Coal

Today's Date: 4/15/16

809' FSL, 897' FWL, Section 8, T-26-N, R-12-W, San Juan County, NM

Spud: 12/10/14

API #30-045-35490

Completion: 12/21/14

Elevation: 6001' GI

Kirtland @ 132'

Fruitland @ 846'

Pictured Cliffs @ 1170'

Chacra @ 1500'

Mesaverde @ 1994'

Mancos @ 4262'

Gallup @ 4717'

Graneros @ 5744'

17.5" hole

12-1/4" Hole

6-1/4" Hole

TOC @ surface

13-3/8", 54.5# J-55 Casing set @ 410'
Cement with 500 sxs, circulate to surface

2-3/8" tubing @ 1243'

DV Tool @ 1047'

Fruitland Coal Perforations:
1161' - 1178'

9-5/8" 36#, J-55 casing set at 1530'
Cement with 195 sxs

Cement Plug #5: 1364' - 1550'

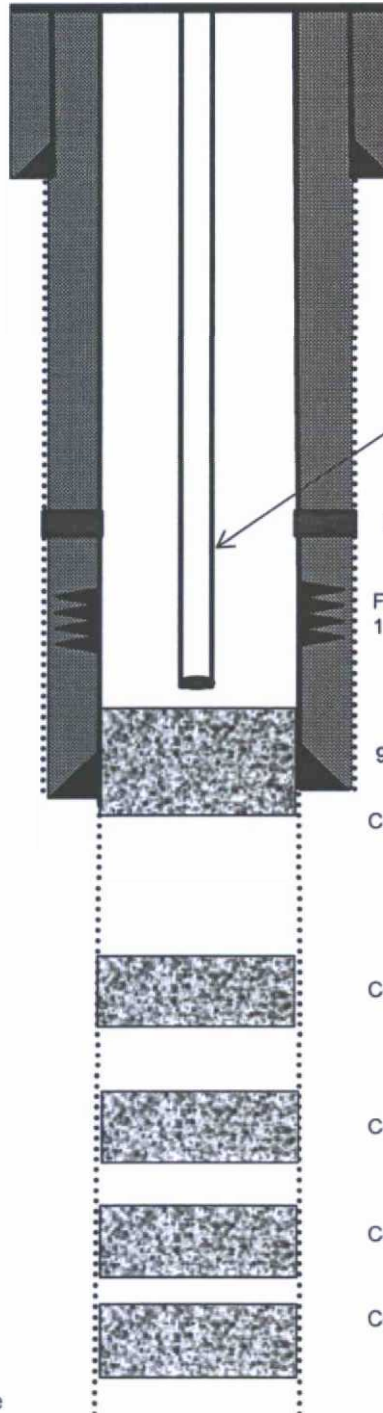
Cement Plug #4: 1944' - 2044'

Cement Plug #3: 4212' - 4312'

Cement Plug #2: 4667' - 4767'

Cement Plug #1: 5694' - 6000'

TD 6000'
PBDT 5964'



Tenneco Federal #1R

Proposed P&A Basin Fruitland Coal

Today's Date: 4/15/16

809' FSL, 897' FWL, Section 8, T-26-N, R-12-W, San Juan County, NM

Spud: 12/10/14

Completion: 12/21/14

Elevation: 6001' GI

API #30-045-35490

Kirtland @ 132'

17.5" hole

Fruitland @ 846'

Pictured Cliffs @ 1170'

Chacra @ 1500'

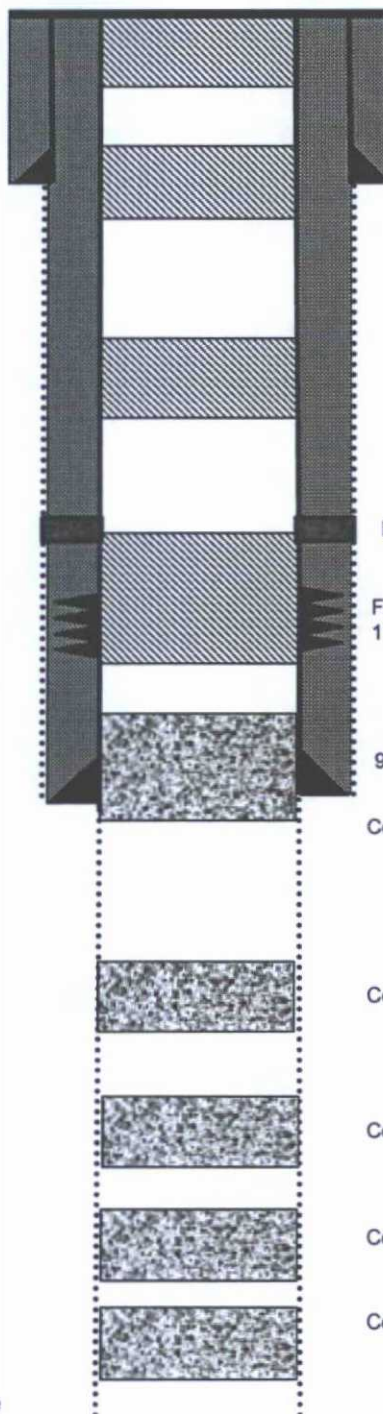
Mesaverde @ 1994'

Mancos @ 4262'

Gallup @ 4717'

Graneros @ 5744'

6-1/4" Hole



TOC @ surface

Plug #4: 182' - 0'
Class B cement, 70 sxs

13-3/8", 54.5# J-55 Casing set @ 410'
Cement with 500 sxs, circulate to surface

Plug #3: 460' - 360'
Class B cement, 56 sxs

Plug #2: 896' - 796'
Class B cement, 56 sxs

DV Tool @ 1047'

Plug #1: 1228' - 1111'
Class B cement, 87 sxs
(100% excess)

Fruitland Coal Perforations:
1161' - 1178'

9-5/8" 36# J-55 casing set at 1530'
Cement with 195 sxs

Cement Plug #5: 1364' - 1550'

Cement Plug #4: 1944' - 2044'

Cement Plug #3: 4212' - 4312'

Cement Plug #2: 4667' - 4767'

Cement Plug #1: 5694' - 6000'

TD 6000'
PBD 5964'

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Tenneco Federal #1R

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) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Set plug #4 (259-0) ft. to cover the Kirtland top. BLM picks top of Kirtland at 209 ft.

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.