

Submit 1 Copy To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
October 13, 2009

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. <b>30-031-20613</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <b>Hospah Sand Unit</b>
8. Well Number <b>92</b>
9. OGRID Number <b>256689</b>
10. Pool name or Wildcat <b>Upper Hospah</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6957' GR</b>

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other: <b>Injection Well</b>	
2. Name of Operator <b>Nacogdoches Oil &amp; Gas Inc.</b>	
3. Address of Operator <b>PO Box 23418 Nacogdoches TX. 75963</b>	
4. Well Location Unit Letter <b>0</b> : <b>1850'</b> feet from the <b>East</b> line and <b>700'</b> feet from the <b>South</b> line Section <b>36</b> Township <b>18N</b> Range <b>9W</b> NMPM <b>McKinley</b> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6957' GR</b>	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The HSU #92 Injection well has failed previous MIT's. NOG has preformed multiple squeezes to Repair this wellbore to pass an MIT. All repair attempts have failed as it appears the casing is failing. Due to this, NOG is requesting authorization to plug and abandon this wellbore. Due to the multiple squeezes a new bond log will need to be run to determine TOC for the surface annulus plug which will follow the plugging procedure. Surface will be remediated by removing contaminated soil, if needed and leveling location, removing related equipment, valves, electric and injection lines.

Plugging operations will begin within 7 days of finalization of plugging of the HSU #93 per OCD discussions in Santa Fe.

District office will be notified 48 hours prior to beginning operation.

RCVD NOV 10 '10  
OIL CONS. DIV.  
DIST. 3

\* SEE CHANGES IN PROCEDURE

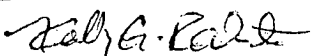
Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE VP E&P DATE 10-21-2010

Type or print name Mike Allen E-mail address: mike.allen@nogtx.com PHONE: 918-260-7620  
For State Use Only

APPROVED BY:  TITLE Deputy Oil & Gas Inspector, District #3 DATE 11-19-10

**Plug and Abandonment Plan**  
Nacogdoches Oil & Gas Inc.  
Hospah Sand Unit #92  
1850' FEL & 700' FSL  
Sec. 6 T17N R8W  
McKinley County, New Mexico

1. Comply with all OCD, NOG and contractor safety rules and regulations. Hold safety meetings each morning.
2. MIRU, AWS Workover rig, power swivel, pump truck. Check casing and bradenhead for pressure, bleed pressure off of well if necessary.
3. RIH with 2 3/8" workstring and tri-cone bit. Drill out cement from previous squeeze attempts to 1654' TD. Circulate hole clean. POOH with workstring, LD.

4. MIRU, Logging/Perforating truck, RIH with Bond Log Tool, run bond log from TD to surface to determine TOC. POOH with bond tool, LD. RIH with (2) 3/8" perforating shots @ 180 deg, and CCL, shoot at free point. POOH, LD.

\* CBL MUST BE REVIEWED AND APPROVED BY NMOC PRIOR TO CONTINUING

- 1330
- \* 5. **Plug # 1- (Gallup Top, 1654'-1504')** RIH with 2 3/8" work string to approximately 1654'. Pump 17 sks of Class B cement from 1654' to approximately 1504' (50' above Gallup Sand plus 50' excess). Load casing with 8.33 ppg water through workstring from 1504' to squeeze holes. POOH with workstring LD and attach 5 1/2" J-Packer. WCC MINIMUM 6 HOURS AND TAG

1-20-11 \* \* MANCOS PLUG - 700'-550' INSIDE CSG - MANCOS TOP 643'

6. **Plug #2-(Squeeze and Surface plug).** RIH with workstring and packer, J-set packer. Pump Class B cement (Volume to be determined from bond log for TOC), through squeeze hole and circulate cement into 7 7/8" hole and around 5 1/2" casing to surface. At successful surface circulation, un-J Packer POOH with workstring LD. Pump cement to within 3' of surface. Allow cement to stabilize, top off cement within 3' of surface.

7. Cut off well 3' below ground and install P&A marker per OCD specifications. RD, cleanup MOL.

8. Restore location to OCD specifications by leveling location, removing contaminated soil and removing any associated equipment, valves, electric and injection lines.

1-20-11 \* \* PERF @ 150' AND ATTEMPT TO CIRC CMT TO SURFACE

Perf 2 plugs  
450-350