

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COPY

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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

5. Lease Serial No.

NM-041

6. If Indian, Allottee or Tribe Name

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

(FORMERLY: BERNIE #1)

8. Well Name and No.

EPCMU #23 (H-6)

9. API Well No.

10. Field and Pool, or Exploratory Area

PUERTO CHIOUITO MANCOS

11. County or Parish, State

RIO ARRIBA, NEW MEXICO

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

BENSON-MONTIN-GREER DRILLING CORP.

3a. Address

87401

3b. Phone No. (include area code)

4900 COLLEGE BLVD, FARMINGTON, NM

(505) 325-8874

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

1450' FNL, 430' FEL (SE 1/4, NE 1/4:H)

SECTION 6, T-26N, R-1E

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 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 shall 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 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.)

BENSON-MONTIN-GREER DRILLING CORP. PURPOSES TO PLUG AND ABANDON THE ABOVE WELL PER PROCEDURES ATTACHED.

Handwritten notes:
Increase Plug 1 to 46 SAS
" Plug 2 to 36 SAS
to provide adequate excess
Plug 3 is @ 100%, Increase 25-30% for casing position

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

PATRICIO W. SANCHEZ

Title Petroleum Engineer

Signature

Handwritten signature of Patricio W. Sanchez

Date March 15, 2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Handwritten signature

Lands and Mineral Resources

Title

Date

3/30/01

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.

PROCEDURE TO PLUG AND ABANDON

B. M. G. DRILLING CORP.

EAST PUERTO CHIQUITO MANCOS UNIT #23 (H-6)

SEC. 6, T26N, R1E

RIO ARRIBA, NM

NOTE: ALL CEMENT VOLUMES USE 50' EXCESS INSIDE PIPE AND 100% EXCESS OUTSIDE PIPE. THE STABILIZING WELLBORE FLUID WILL BE 8.33 PPG, SUFFICIENT TO STABILIZE ALL EXPOSED FORMATION PRESSURE.

- 1. INSTALL AND TEST RIG ANCHORS. PREPAIR BLOW PIT. COMPLY WITH ALL NMOC, BLM, AND B. M. G. REGULATIONS. MOL AND RU DAYLIGHT PULLING UNIT. CONDUCT SAFETY MEETING WITH ALL PERSONNEL ON LOCATION.**
- 2. POH AND LD 10- JTS 2 3/8" TBG. RU WIRELINE AND RIH WITH GAUGE RING TO 2870'. PU AND RIH WITH 4 1/2" RETAINER ON WORK STRING AND SET AT 2848'. CIRCULATE HOLE CLEAN WITH WATER AND PRESSURE TEST CASING TO 500 PSI. ESTABLISH INJECTION RATE BELOW RETAINER WITH WATER.**
- 3. PLUG #1 (MANCOS, GALLUP, 2798' - 3137'); MIX 36 SX CEMENT PLUG AND PLACE 28 SX BELOW AND BALANCE 8 SX ON TOP OF RETAINER. POH.**
- 4. PLUG #2 (INTERMEDIATE SHOE, MESAVERDE, 1890' - 1990'); RIH WITH WIRELINE AND PERFORATE SQUEEZE HOLES AT 1990'. PU AND RIH WITH RETAINER AND SET AT 1940'. MIX 31 SX CEMENT PLUG AND PLACE 23 SX BELOW AND BALANCE 8 SX ON TOP OF RETAINER. POH.**
- 5. PLUG #3 (SURFACE, 0' - 150'); RIH WITH WIRELINE AND PERFORATE SQUEEZE HOLES AT 150'. ESTABLISH CIRCULATION TO SURFACE OUT THE BRADON HEAD WITH WATER. MIX APPROXIMATELY 27 SX CEMENT TO CIRCULATE GOOD CEMENT TO SURFACE.**
- 6. ND BOP AND DIG CELLAR. CUT OFF WELLHEAD AND TOP OFF CASINGS AS NEEDED. RD RIG AND CUT OFF ANCHORS. INSTALL DRY HOLE MARKER AND MOL. RESTORE LOCATION AS REQUIRED BY BLM REGULATIONS.**

EAST PUERTO CHIQUITO MANCOS UNIT #23

(H-6)

CURRENT

GALLUP

RIO ARRIBA, NM

TODAYS DATE: 03-14-01

SURFACE SHOE @ 100'

12 1/4" OH

10 3/4" @ 100', CMT W/ 100 SX
CMT CIRCULATED

10 JTS 2 3/8"

9" OH

MESAVERDE @ 1900'

TOC CALC. @ 1848' W/ 70% FILL

SHOE @ 1940'

7" @ 1940' W/ 20 SX

6 1/4" OH

TOC CALC. @ 2663' W/ 70% FILL

MANCOS @ 2900'

4 1/2" @ 2989' W/ 30 SX

3 3/4" OH
2898' - 3137'

GALLUP @ 3137'

**EAST PUERTO CHIQUITO MANCOS UNIT #23
(H-6)**

TODAYS DATE: 03-14-01

**PURPOSED
GALLUP
RIO ARRIBA, NM**

SURFACE SHOE @ 100'

MESAVERDE @ 1900'

SHOE @ 1940'

MANCOS @ 2900'

GALLUP @ 3137'

12 1/4" OH

PLUG #3 (0' - 150'), CMT W/ 27 SX

10 3/4" @ 100', CMT W/ 100 SX
CMT CIRCULATED

PERFORATE @150'

10 JTS 2 3/8"

9" OH

TOC CALC. @ 1848' W/ 70% FILL
PLUG #2 (1890' - 1990'), CMT W/ 31 SX

RETAINER @ 1940'
7" @ 1940' W/ 20 SX

PERFORATE @ 1990'

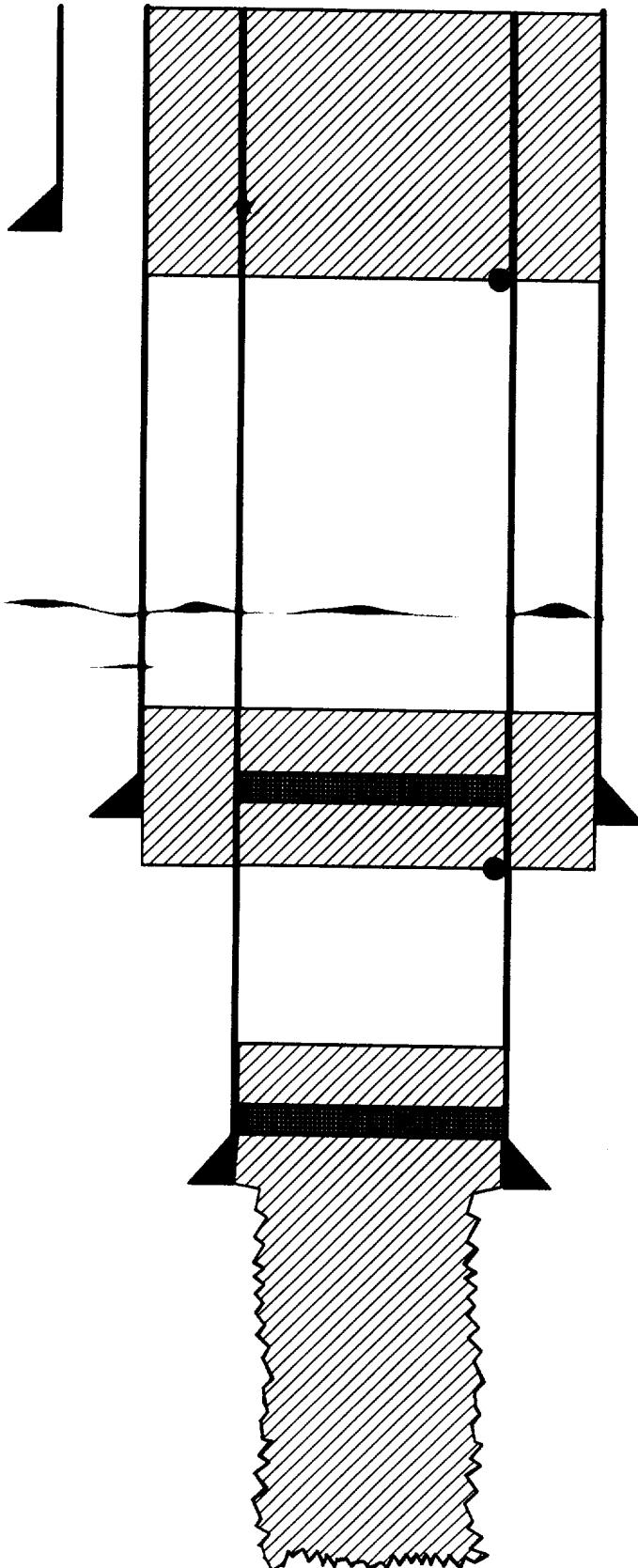
6 1/4" OH

TOC CALC. @ 2863' W/ 70% FILL
PLUG #1 (2798' - 3137'), CMT W/ 36 SX

RETAINER @ 2848'

4 1/2" @ 2989' W/ 30 SX

3 3/4" OH
2898' - 3137'



BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work can be submitted with a Sundry Notice. Questions? Call Pat Hester at (505) 761-8786.

1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location. Non-retrieved flowlines and pipelines will be abandoned in accordance with State Rule 714. Information supporting the non-retrieval will be included in the subsequent report or final abandonment Sundry Notice.

2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils can be remediated on-site according to these guidelines or disposed of in an approved facility.

3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped to a minimum of 12" in depth before reseeding.

4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to deter vehicle travel. Access will be ripped to a minimum of 12" in depth, water barred and reseeded. All erosion problems created by the development must be corrected prior to acceptance of release. Water bars should be spaced as shown below along the fall line of the slope:

| % Slope | Spacing Interval |
|------------------|------------------|
| Less than 20% | 200' |
| 2 to 5 % | 150' |
| 6 to 9 % | 100' |
| 10 to 15 % | 50' |
| Greater than 15% | 30' |

5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required). Seed mix must be certified weed free to avoid the introduction of noxious weeds. Refer to the original APD for seed mix.

6. Notify Surface Managing Agency seven (7) days prior to seeding so that they may be present to witness.

7. The period of liability under the bond of record will not be terminated until the well is inspected and the surface rehabilitation approved.

Other Surface Managing Agencies (SMA's) may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us.

On private land, a letter from the fee owner stating that the surface restoration is satisfactory will be provided to the office. Questions? Call Pat Hester at (505) 761-8786.