

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Mountain States Petroleum Corp.

3a. Address
P. O. Box 2906, Amarillo, Texas 791053b. Phone No. (include area code)
806-356-80334. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1050' FNL & 1610' FEL, Sec 32, T 27 N, R 19 W

5. Lease Serial No.

NOO-C-14-20-4158

6. If Indian, Allottee or Tribe Name

Navajo

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

8. Well Name and No.

Navajo 32 No. 2

9. API Well No.

30-045-24945

10. Field and Pool, or Exploratory Area
Beautiful Mountain

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 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 checked="" 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 Shut in due to loss of gas market.
	<input type="checkbox"/> Change Plans	<input 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 recompleate 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 recompleation 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.)

This well was shut in on April 2, 2004, due to loss of a gas market. A new contract to market the gas from this well is presently being negotiated with the owner of the Helium Plant. Before this well can return to production under a new contract some other issues must be settled with the Navajo Nation. The issues are:

1. A ROW agreement must be attained for the Gathering System (approximately ten miles) that transports the gas to the Helium Plant.
2. A ROW agreement must be attained for looping a two mile pipeline to the existing 8" pipeline in the DBK Field that transports gas from the DBK Field into the Gathering system. The produced volume from the DBK Field combined with the gas volume from the Beautiful Mountain Field, are necessary to economically operate the Helium Plant.
3. With ROW approvals, an order will be submitted for 2 miles of Fiberglass Pipe, with a 60-90 day delivery time plus approximately 2 weeks will be required for installation and testing.
4. Mr. Aktar Zaman is handling this matter, however he fell and injured his back and is away from work, his mother passed away in Pakistan, and he is not scheduled to return to work until September. When he returns to work and is satisfied with the ROW agreement he will then present them to the Tribal Council for their final approval.
5. Winter weather will soon be present in the DBK Field which will delay the installation of the pipeline. Mountain States Petroleum Corp., will be ready to purchase and install pipeline and return this well to production, when all the aforementioned issues are settled, however we would estimate and request approval to leave the Navajo 5 No. 1 well shut in until October 1, 2005.

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

George S. Dixon

Title Agent

Signature

Date

08/11/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

NOV 03 2004

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)

NMOC