

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

SUNDRY NOTICES AND REPORTS ON WELLS

JUL 20 2012

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.
Bureau of Land Management

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		5. Lease Serial No 93255 NM 11089
2 Name of Operator Running Horse Production Co.		6. If Indian, Allottee or Tribe Name
3a Address P.O. Box 369, Ignacio, CO 81137	3b. Phone No (include area code) 505-327-4892	7. If Unit or CA/Agreement, Name and/or No
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 800' FSL & 800' FWL, Section 8, T26N, R12W		8. Well Name and No Tenneco Federal #1
		9 API Well No 30-045-22788
		10. Field and Pool, or Exploratory Area Basin Fruitland Coal & Gallegos Farr
		11 County or Parish, State San Juan County, 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 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 Operations (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.)

Running Horse Production Co. plans to plug and abandon the Tenneco Federal #1 according to the attached procedure

RCVD JUL 26 '12
OIL CONS. DIV.
DIST. 3

14 I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Paul C. Thompson, P.E.	Title Agent / Engineer
Signature <i>Paul C. Thompson</i>	Date July 17, 2012

THIS SPACE FOR FEDERAL OR STATE USE

Approved by Original Signed: Stephen Mason	Title	Date JUL 25 2012
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, 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.

NMOCD AV

Walsh Engineering and Production

P & A Procedure for
Running Horse Production Co.
Tenneco Federal #1

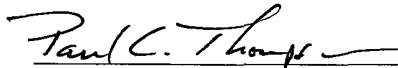
Location: SW/4 Sec 8 T26N R12W
San Juan County, NM

Date: July 15, 2012

Field: Gallegos Wash West Farm & Basin Fruitland Coal	Elev: GL 6001'
Surface: BLM	2-7/8" PBTD @ 1344'
Minerals: BLM NM 11089	TOF at 1159' GL
API : 30-045-22788	Farm Perfs: 450 - 505'
	FTC Perfs: 1141' - 1157'

P&A Procedure:

1. MOL and RU completion rig. Hold safety meeting.
2. NU 2-3/8" relief line. Blow well down and kill with water if necessary.
3. Rig down the horsehead and pull the polished rod, one 6 pony rod and 45 plain 5/8" rods and the tubing pump plunger. ND the wellhead and NU the BOP. TOH and lay down 35 joints (1140') of 1-1/2" IJ tubing.
4. TIH with the 1-1/2" IJ tubing open ended to 1157' (need one extra joint).
5. Spot a balanced plug across the Fruitland Coal formation with 12 sx (14.6 cu.ft.) of Cl "G" cement with 1/4 #/sk celloflake. Top of cement should be approx. 717'. POH to 500' and circulate the tubing clean. WOC three hours. TIH and tag cement. Cement top needs to be at least 1050' GL (100' above the top Fruitland Coal ~~per~~ ^{formation}). Re-cement if necessary. TOH. ⁵⁰
6. Connect cement truck directly to 2-7/8" tubing. Establish an injection rate with water into the Farmington perfs. Pump 14 sx (16.5 cu.ft.) of Cl "G" cement with 3% CaCl₂. Pump cement until tubing stands full.
7. Cut off wellhead and install dryhole marker. Reclaim location as per BLM specifications.



Paul C. Thompson, P.E.

**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: 1 Tenneco Federal

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) Bring the top of the Fruitland plug to 775'.

b) After plug has set, tag top of cement and refill casing with cement if necessary.

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.