

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

KTO Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (include area code)

505-324-1090

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

970' FSL & 1660' FEL, SEC 35-T28N-R04W

5. Lease Serial No.

NMN14923

6. If Indian, Allottee or Tribe Name

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

NMN78429B

8. Well Name and No.

VALENCIA CANYON UNIT #40A

9. API Well No.

30-039-25534

10. Field and Pool, or Exploratory Area

BLANCO MESAVERDE

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

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and Abandon☐ Plug Back☐ Production Start/Resume☐ Reclamation☐ Recombine☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

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. in DE 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 final site is ready for final inspection.)

KTO Energy Inc. plugged & abandoned this well in the following manner: MIRU serv rig. ND WH. POH w/CT.

NU WH. RIMO CTU. MIRU serv rig. RIH & set CIPPS 5872' PT csg. tstd OK. Sptd plug #1 w/10 sx type III cnt plug (14.7 ppg & 1.32 cuft/sx). Ppd 2.1 bbls cnt dwn tbq. Cnt fr/5878'-5472'. sptd plug #2 w/23 sx type III cnt plug (14.7 ppg & 1.32 cuft/sx). Ppd 4.9 bbls cnt dwn tbq. Cnt fr/4550'-3616'. Perf hole @ 3600'. RIH w/jet cutter & cut off csg @ 3551'. PT csg. tstd OK. Sptd plug 3 w/18 sx type III cnt (14.7 ppg & 1.32 cuft/sx). Ppd 3.8 bbls cnt dwn csg. Cnt fr/3695'-5422'. TOH w/csg. John Coy w/BLM witnessed operations. TIH w/tbq. Sptd plug #5 w/20 sx type III cnt (14.8 ppg & 1.32 cuft/sx). Ppd 4.2 bbls cnt dwn tbq. cnt fr/2437'-2245'. Sptd plug #6 w/33 sx Type III cnt (14.8 ppg & 1.32 cuft/sx). cnt fr/156'-surf. ND BOP. cut off WH. Install PA marker w/20 sx type III cnt. RIMO PU. John Coy w/BLM witnessed operations.

Approved as to accuracy of the well log.
That the undersigned is a duly licensed
geologist registered in compliance.

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

HOLLY C. PERKINS

Title

REGULATORY COMPLIANCE TECH

Date 6/15/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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, makes 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.

OPERATOR