

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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

3001 Northridge Drive, Farmington, NM 87401

3b. Phone No. (include area code)

505-486-0211

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

1335' FSL & 2635' FWL, Sec 6, T17N, R8W, NMPM

5. Lease Serial No.

NMNM 0052931

6. If Indian, Allottee or Tribe Name

11: 2/4 RCVD MAR 16 '07

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

OIL CONS. DIV.

8. Well Name and No.

Hanson 21

9. API Well No.

30-031-20159

10. Field and Pool, or Exploratory Area

Hospah Upper & Lower Sand, South

11. County or Parish, State

McKinley 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 | |

3. 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.)

Mountain States Petroleum Corp plans to plug and abandon this well in accordance with the attached procedure and well-bore diagram.

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

Name (Printed/Typed)

Charles Neeley

Title Agent

Signature

Date 3/8/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Original Signed: Stephen Mason

Name

(Printed/Typed)

Title

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

Date

MAR 13 2007

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.

(Continued on next page)

NMCCD

PLUG AND ABANDONMENT PLAN

Mountain States Petroleum Corp

Hanson 21

1335' FSL & 2635' FWL

Sec 6, T17N, R8W

McKinley County, New Mexico

Note: All cement volumes use 50' excess inside/outside of pipe. The stabilizing well-bore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures.

1. Install and/or test rig anchors. Prepare flow back tank. Comply to all BLM, MSPC and contractor safety rules and regulations. Hold safety meetings each morning and on a regular basis, as needed.
2. MOL and RUSU. Check tubing, casing and braden head for pressures. Blow well down, kill with water if necessary. ND wellhead and NU BOP.
3. Unseat pump, POOH and LD rods (Note rods may be parted and/or stuck).
4. POH, tally & LD tubing.
5. **Plug #1 (Lower Hospah Open Hole, Upper Hospah Perfs & Gallup Top, 1578' - 1219'):** Pick up & TIH with knotted collar and 2 3/8" tubing workstring to 1578' TD or as deep as possible. Load hole with water and circulate hole clean. Mix and pump 30 sxs Class B cement and spot balanced plug from 1578' - 1219', cover Lower Hospah Open Hole, Upper Hospah perfs and Gallup top. POH with tubing and WOC. MIRU wireline truck. RIH with wireline and tag TOC at 1219', minimum 1269'. POOH.
6. PU and RIH with casing cutter for 4 1/2" 9.5# casing. Freepoint and Cut off casing at 544', 50' below top of Mancos formation. POOH and rig down wireline truck. POOH, laydown casing.
7. **Plug #2 (Csg Stub, Pt Lookout Base/Top and Surface, 594' - Surface):** TIH with 2 3/8" tubing to 4 1/2" casing top at 544', work into casing & TIH to 594' - 50' below csg top. Establish circulation with water and circulate hole clean. With tubing at 594', mix and pump Class B cement from 594' to surface (will probably take 138+- sxs), circulate good cement out surface casing. POH and LD tubing. Top off surface casing, to 3' below ground level, with cement.
8. ND BOP and cut off wellhead (3' below final restored ground level) and install P&A marker to BLM specifications. RD, cleanup and MOL. Cut off anchors.
9. Restore location per BLM stipulations.

Mountain States Petroleum Corp
Hanson 21
 South Hospah Upper & Lower Sand Oil Pools
 1335' FSL & 2635' FWL
 Sec 6, T17N, R8W
 McKinley County, New Mexico

Well-Bore Diagram
Proposed Plugging Plan

Elev: 6876' GL, 6888' KB

