Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTÉRIOR BUREAU OF LAND MANAGEMENT

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 (APQUITE SUCH PROPOSAL)

| FORM APPROVED | |
|-----------------------|---|
| OM B No. 1004-0137 | |
| Expires: March 31, 20 | ĺ |
| | _ |

| 5. | Lease Serial No |
|----|-----------------|
| | NM 052931 |

| lf Indian, | | Name |
|------------|--|------|
| | | |

| SUBMIT IN TR | IPLICATE- Other ins | tructions on reye | se side n | 7. If Unit or | CA/Agreement, Name and/or No |
|---|--|---|--|---------------|-------------------------------------|
| . Type of Well ✓ Oil Well Name of Operator BC J 0 | Gas Well Other | , , | . • | Hanson | ~- |
| 3a Address 3001 Knox Street, Suite 403, Dallas TX. 75205 31b Phone No (include area code) 918-260-7620 | | | 9. API Well No 3 1 - 2004 0 10. Field and Pool, or Exploratory Area Hospab Lower Sand 11. County or Parish, State Mckinley, New Mexico | | |
| 4 Location of Well (Foolage, Sec., T, R, M, or Survey Description) 2040 FSL and 1660' FWL Section 6 Twp 17N R8W | | | | | |
| TYPE OF SUBMISSION | PPROPRIATE BOX(ES) T | | PE OF ACTION | BPORT, OR | OTHER DATA |
| Notice of Intent Subsequent Report Hmal Abandonment Notice | Acidize Alter Casing Casing Repair Change Plans Convert to Injection | Deepen Fracture Treat New Construction Plug and Abandon Plug Back | Production (St Reclamation Recomplete Temporarily A 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 recomplete 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 recompletion 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 plans to plug and abandon this well according to the attached plan.

RCVD JUL31'07
OIL CONS. DIV.
DIST. 3

| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) | | | ······································ | | | | |
|---|---------------|-----------------|--|---------------|--|--|--|
| Mike Allen | litle Operat | lon Manager | - | • | | | |
| Signature— / Ol | Date / | 7-26- | 07 | - | ************************************** | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | | | |
| Approved by Original Signed: Stephen Mason | Title | | | Date | JUL 3 C 2007 | | |
| 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. | | | | | | | |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any | erson knowing | ly and willfull | y to make to | any departm | ient or agency of the United | | |

(Instructions on page 2)





Plug and Abandonment Plan

Mountain States Petroleum Corp.

Hanson #11
2040' FSL & 1660' FWL
Sec. 6 T17N R8W

McKinley County, New Mexico

- 1. Comply to all BLM, MSPC and contractor safety rules and regulations. Hold safety meetings each morning.
- 2. MIRU, check tubing, casing annulus and Braden head for pressure. Bleed pressure off of well if necessary.
- 3. Unseat pump, POOH and LD rods. Break rods down to singles for hauling purposes. POOH with tubing and tally. RIH with 45 degree cut nipple and collar with 1546' of 2 3/8" work string. Circulate hole clean to 1546' or as deep as possible. Circulate fluids into Mountain States water truck. Place contents into BLM approved storage. POOH with 2 3/8" work string LD.
- 4. Plug # 1- (Lower Hospah & Gallup Top. 1546'-1200') Load water truck with 8.33 ppg water. Dump large grain sand along with water to prevent shallow bridging. Fill hole with sand to approximately 1490'. Tag top of sand with wireline. RIH with perforating shot. Perforate one 3/8" shot in casing @650' to serve as a squeeze hole. POOH with perforating gun, LD. RIH with 2 3/8" workstring to approximately 1460'. Pump Class B cement from 1460' to approximately 1200' (50' above Gallup Sand plus 50' excess). POOH with approximately 290' of workstring LD. Load casing with 8.33 ppg water through workstring from 1200' to 650'. POOH with approximately 550' workstring LD.
- 5. Plug #2-(Squeeze and Surface plug) 650' to Surface) With approximately 620' of workstring. Pack off wellhead for pressure. Pump approximately 79 sks. of Class B cement through squeeze hole and circulate cement into 7 7/8" hole and around 5 ½" casing to surface. At successful surface circulation, release pressure on casing annulus, pump and fill 5 ½' casing through annulus with approximately 115 sks of cement to within 3' of surface. POOH, LD workstring. Allow cement to stabilize, top off cement within 3' of surface.
- 6. Cut off well 3' below ground and install P&A marker per BLM specifications. RD, cleanup MOL.
- 7. Restore location to BLM specifications