

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.

5. Lease Serial No.

NM 052931

If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Mountain States Petroleum Corp.

3a. Address

3001 Knox Street, Suite 403, Dallas Tx 75205

3b. Phone No. (include area code)

918-260-7620

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

1770' FSL & 1280' FWL

Section 6 T17N R8W

8. Well Name and No.

Hanson #42

9. API Well No.

30031 20851

10. Field and Pool, or Exploratory Area

Hospah Lower Sand

11. County or Parish, State

McKinley, New Mexico

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

- | | | | |
|---|--|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> After Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <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 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 Corp plans to plug and abandon this well in accordance with attached procedure.

RCVD AUG2'07
OIL CONS. DIV.
DIST. 314. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Mike Allen

Title Operation Manager

Signature

Date 7-30-07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason

Title

Date JUL 31 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.

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)

NMOCD

Plug and Abandonment Plan
Mountain States Petroleum Corp.
Hanson #42
1770' FSL & 1280' 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 1548' of 2 3/8" work string. Circulate hole clean to 1548' 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. 1548'-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 1480'. 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 1450'. Pump Class B cement from 1480' to approximately 1200' (50' above Gallup Sand plus 50' excess). POOH with approximately 250' of workstring LD. Load casing with 8.33 ppg water through workstring from 1200' to 650'. POOH with approximately 550' workstring LD.
570'
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 1/2" casing to surface. At successful surface circulation, release pressure on casing annulus, pump and fill 5 1/2' 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

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 42 Hanson

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) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Place the Mesaverde/surface plug from 570' to surface inside and outside the 5 ½" casing since the top of cement behind the production casing is 580' by CBL.

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.