Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| FORM APPROVED |
|-------------------------|
| OM B No. 1004-0137 |
| Expires: March 31, 2007 |

| 5. | Lease Serial No. |
|----|------------------|
| | NM_057021 |

| | AND REP | ORTS ON | WELLS | 3 | | NM-05293 | 1 | |
|---|--|--|---|--|--|--|--|---|
| Do not use this form for | proposals to | drill or t | o re-ente | ran | 6. | If Indian, Al | lottee or Trib | è Name |
| abandoned well. Use Fort | m 3160-3 (A | PD) for su | ch propos | sals. | | | - * ₅₀ | |
| SUBMIT IN TRIPLICATE- | Other instru | etions on | reverse | cida | 7. | If Unit or CA | VAgreement, | Name and/or No |
| Type of Well | Culoi nigua | ionona on | 1010130 | 3/06. | | 183 | . T. 14.5 | |
| 1. Type of Well Glass Gas Well Glass Cother | | | | - 8. | 8. Well Name and No. | | | |
| Name of Operator BC&D Oil & Gas Corp | m5 | | | | | Hanson #3 | 6 | |
| | | 71 TY N. | ^ I I | * . | 9. | API Well N | | |
| 3a Address 3001 Knox Street, Suite 403 Dallas Tx. 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | 3b. Phone No. (include area code) 214-389-9800 | | . 10 | 30-031-20720 10. Field and Pool, or Exploratory Area | | | |
| | | | | | | Hospah-Galiup | | |
| 1650' FWL & 330' FSL Section 6 T17N R8V | W | , | | , | 11. | County or P | arish, State | , |
| | | | • | | | McKinley, | New Mexic | io · |
| 12. CHECK APPROPRIATE | BOX(ES) TO I | NDICĂTE 1 | NÁTURE (| OF NOTICE | E REPO | RT, OR O | THER DA | TA |
| TYPE OF SUBMISSION | | | ······································ | F ACTIO | | | , , , , | · · · · · · · · · · · · · · · · · · · |
| □ Acidize | - 13 11 |] Deepen | * | | (20. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. | 17 A VID | Jwater Shut | AM' AND |
| Notice of Intent Alter Cas | ing E | Jeepen Jeracture Tre | , E | Troducuoi Reclamati | n (Start/Re | sume) <u>L</u> | J Water Snut J Well Integr | |
| Subsequent Report Casing 1 | | New Constr | | Recomple | | Ē | Other | **7 |
| Change P | Plans 🔽 | D Plug and At | ******* | | ily Abando | n | | |
| | | | | | | | | |
| Final Abandonment Notice | aplete horizontally, afformed or provide If the operation re Notices shall be fil | give subsurface the Bond No. sults in a multip | ding estimated e locations and on file with E | Water Dis d starting dat d measured : iii.M/BIA. In or recomple | te of any pro and true veri lequired sub etion in a ne | ical depths of sequent reports w interval, a | all pertinent its shall be fil Form 3160-4 | markers and zon ed within 30 day shall be filed one |
| Final Abandonment Notice | arly state all pertine aplete horizontally, arformed or provide If the operation re Notices shall be fil | nt details, inclu give subsurface the Bond No. sults in a multi | ding estimated e locations and on file with E | Water Dis d starting dat d measured : iii.M/BIA. In or recomple | te of any pro and true veri lequired sub etion in a ne | ical depths of sequent reports w interval, a | fall pertinent its shall be fill Form 3160-4 impleted, and | markers and zon ed within 30 day shall be filed one the operator has |
| Final Abandonment Notice | arly state all pertine aplete horizontally, arformed or provide If the operation re Notices shall be fil | nt details, inclu give subsurface the Bond No. sults in a multi | ding estimated e locations and on file with E | Water Dis d starting dat d measured : iii.M/BIA. In or recomple | te of any pro and true veri lequired sub etion in a ne | ical depths of sequent reports w interval, a | all pertinent rts shall be fil Form 3160-4 impleted, and | markers and zon ed within 30 day shall be filed one the operator has |
| Final Abandonment Notice Convert to Convert to Describe Proposed or Completed Operation (clear If the proposal is to deepen directionally or recommendate the Bond under which the work will be perfollowing completion of the involved operations, testing has been completed. Final Abandonment determined that the site is ready for final inspection. Please see the attached plugging plan: | arly state all pertine aplete horizontally, arformed or provide If the operation re Notices shall be fil | nt details, inclu give subsurface the Bond No. sults in a multi | ding estimated e locations and on file with E | Water Dis d starting dat d measured : iii.M/BIA. In or recomple | te of any pro and true veri lequired sub etion in a ne | ical depths of sequent reports w interval, a | all pertinent rts shall be fil Form 3160-4 impleted, and | markers and zon ed within 30 day shall be filed one the operator has UD JAN 9 L CONS. [|
| JFinal Abandonment Notice Convert to Describe Proposed or Completed Operation (clear If the proposal is to deepen directionally or recommendate the Bond under which the work will be perfollowing completion of the involved operations, testing has been completed. Final Abandonment determined that the site is ready for final inspection. Please see the attached plugging plan: JAN 7 2008 | arly state all pertine aplete horizontally, arformed or provide If the operation re Notices shall be fil | nt details, inclu give subsurface the Bond No. sults in a multi | ding estimated e locations and on file with E | Water Dis d starting dat d measured : iii.M/BIA. In or recomple | te of any pro and true veri lequired sub etion in a ne | ical depths of sequent reports w interval, a | all pertinent rts shall be fil Form 3160-4 impleted, and | markers and zon ed within 30 day shall be filed one the operator has |
| Final Abandonment Notice Convert to Convert to Describe Proposed or Completed Operation (clear If the proposal is to deepen directionally or recommendated the Bond under which the work will be perfollowing completion of the involved operations testing has been completed. Final Abandonment determined that the site is ready for final inspection. Please see the attached plugging plan: | arly state all pertine aplete horizontally, arformed or provide If the operation re Notices shall be fil | nt details, inclu give subsurface the Bond No. sults in a multi | ding estimated e locations and on file with E | Water Dis d starting dat d measured : iLM/BIA. It is or recomple | te of any pro and true veri lequired sub etion in a ne | ical depths of sequent reports w interval, a | all pertinent rts shall be fil Form 3160-4 impleted, and | markers and zon ed within 30 day shall be filed one the operator has UD JAN 9 L CONS. [|
| JAN 7 2008 Bureau of Land Management Farmington Field Office | arly state all pertine aplete horizontally, arformed or provide If the operation re Notices shall be fil | nt details, inclu give subsurface the Bond No. sults in a multi | ding estimated e locations and on file with E | Water Dis d starting dat d measured : iLM/BIA. It is or recomple | te of any pro and true veri lequired sub etion in a ne | ical depths of sequent reports w interval, a | all pertinent rts shall be fil Form 3160-4 impleted, and | markers and zon ed within 30 day shall be filed one the operator has UD JAN 9 L CONS. [|
| JFinal Abandonment Notice Convert to Convert to Describe Proposed or Completed Operation (clear If the proposal is to deepen directionally or recommendated the Bond under which the work will be perfollowing completion of the involved operations testing has been completed. Final Abandonment determined that the site is ready for final inspection. Please see the attached plugging plan: JAN 7 2008 Bureau of Land Management | arly state all pertine aplete horizontally, arformed or provide If the operation re Notices shall be fil | nt details, inclu give subsurface the Bond No. sults in a multi | ding estimated e locations and on file with E | Water Dis d starting dat d measured : iLM/BIA. It is or recomple | te of any pro and true veri lequired sub etion in a ne | ical depths of sequent reports w interval, a | all pertinent rts shall be fil Form 3160-4 impleted, and | markers and zon ed within 30 day shall be filed one the operator has UD JAN 9 L CONS. [|
| Jan 7 2008 Bureau of Land Management Farmington Field Office Jan Management Structure of Land Management Farmington Field Office Jan Hereby certify that the foregoing is true and | arty state all pertine aplete horizontally, afformed or provide If the operation re Notices shall be fil on.) | nt details, inclu give subsurface the Bond No. sults in a multi | ding estimated e locations and on file with E | Water Dis d starting dat d measured : iLM/BIA. It is or recomple | te of any pro and true veri lequired sub etion in a ne | ical depths of sequent reports w interval, a | all pertinent rts shall be fil Form 3160-4 impleted, and | markers and zon ed within 30 day shall be filed one the operator has UD JAN 9 L CONS. [|
| JFinal Abandonment Notice Convert to Describe Proposed or Completed Operation (clear If the proposal is to deepen directionally or recommendate the Bond under which the work will be perfollowing completion of the involved operations testing has been completed. Final Abandonment determined that the site is ready for final inspection. Please see the attached plugging plan: JAN 7 2008 Bureau of Land Management Farmington Field Office | arty state all pertine aplete horizontally, afformed or provide If the operation re Notices shall be fil on.) | nt details, inclugive subsurfac the Bond No. sults in a multip ed only after al | ding estimates e locations and on file with E ole completion requirements | Water Dis | te of any pro and true veri dequired sub etion in a ne reclamation, | ical depths of sequent reports w interval, a | all pertinent rts shall be fil Form 3160-4 impleted, and | markers and zon ed within 30 day shall be filed one the operator has UD JAN 9 L CONS. [|
| JFinal Abandonment Notice Convert to Describe Proposed or Completed Operation (clear If the proposal is to deepen directionally or recommendated the Bond under which the work will be perfollowing completion of the involved operations, testing has been completed. Final Abandonment determined that the site is ready for final inspection. Please see the attached plugging plan: JAN 7 2008 Bureau of Land Management Farmington Field Office | arty state all pertine aplete horizontally, afformed or provide If the operation re Notices shall be fil on.) | nt details, inclugive subsurface the Bond No. sults in a multiped only after al | ding estimated locations and on file with Eole completion i requirements | Water Dis | te of any pro and true veri dequired sub etion in a ne reclamation, | ical depths of sequent reports winterval, a have been oc | all pertinent rts shall be fil Form 3160-4 impleted, and | markers and zon ed within 30 day shall be filed one the operator has UD JAN 9 L CONS. [|
| Jan 7 2008 Bureau of Land Management Farmington Field Office Jan Management Structure of Land Management Farmington Field Office Jan 1 Thereby certify that the foregoing is true and Name (Printed/Typed) Mike Allen | arty state all pertine aplete horizontally, afformed or provide If the operation re Notices shall be fil on.) | nt details, inclugive subsurface the Bond No. sults in a multiped only after al | ding estimated a locations and on fife with Bole completion i requirements | Water Dis | te of any production of the vertical state o | ical depths of sequent reports interval, a have been on the second secon | all pertinent rts shall be fil Form 3160-4 impleted, and | markers and zon ed within 30 day shall be filed one the operator has UD JAN 9 L CONS. [|
| Jan 7 2008 Bureau of Land Management Farmington Field Office Jan Management Structure of Land Management Farmington Field Office Jan 1 Thereby certify that the foregoing is true and Name (Printed/Typed) Mike Allen | arty state all pertine aplete horizontally, arformed or provide. If the operation re. Notices shall be fil on.) | nt details, inclugive subsurface the Bond No. sults in a multiped only after al | ding estimated a locations and on fife with Bole completion i requirements | Water Dis | te of any production of the vertical state o | ical depths of sequent reports interval, a have been on the second secon | all pertinent rts shall be fil Form 3160-4 impleted, and RCI | markers and zon ed within 30 day shall be filed one the operator has UD JAN 9 L CONS. [|

(Instructions on page 2)

Plug and Abandonment Plan

BC&D Oil &Gas Corp.

Hanson #36
330' FSL & 1650' 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 1665' of 2 3/8" work string. Circulate hole clean to 1665' 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. 1665'-1200') 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 1665'. Pump Class B cement from 1665'to approximately 1200' (50' above Gallup Sand plus 50' excess). POOH with approximately 300' of workstring LD. Load casing with 8.33 ppg water through workstring from 1200' to 650'. POOH with workstring LD and attach 5 1/2" J-Packer.
- 5. Plug #2-(Squeeze and Surface plug 650' to Surface) RIH with approximately 620' of workstring with packer, J set packer. 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, un-J Packer POOH with workstring LD. Pump cement to within 3' of surface. 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