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MAY 21 2009

Bureau of Land Management
Farmington Field Office

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Exp.res: July 31, 2010

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 page 2.*

5. Lease Serial No.
NM-61

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
Cowsaround #36-13

2. Name of Operator
Running Horse Production Co.

9. API Well No
30-045-28287 30-045-22214

3a. Address
PO Box 369 Ignacio, CO 81137

3b. Phone No *(include area code)*
970-563-5167

10. Field and Pool or Exploratory Area

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
790' FSL, 790' FWL, Sec 36 T26N R12W

11. Country or Parish, State
San Juan County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☑ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

See Plug & Abandonment procedures attached

RCVD MAY 22 '09

OIL CONS. DIV.

DIST. 3

28287 /+/ 22214

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
J. Dusty Mars

Title Engineer II

Signature

Date 05/15/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Original Signed: Stephen Mason**

Title

Date MAY 2 2 2009

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 PROCEDURE

May 15, 2009

Cowsaround #36-13

PC / Fruitland / Farmington Completion
790' FSL & 790' FWL, Section 36, T26N, R12W
San Juan County, New Mexico / API 30-045-28287
Lat: 36._____ / Lat: -108._____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures.
All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. This project requires an approved NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.

2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.

3. Rods: Yes _____, No __X__, Unknown _____;
Tubing: Yes __X__, No _____, Unknown _____, Size _2.375"_, Length _850'_;
Packer: Yes _____, No __X__, Unknown _____, Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

4. TOH and visually inspect tubing. Need 500' of 2.375" workstring. Make up a 3.875" bit and 4 – 3-1/8" drill collars and TIH. Rig up drilling equipment and drill out the CIBP at 1000'. Push plug as deep as possible.

5. **Plug #1 (Pictured Cliffs perforations, Fruitland perforations and Fruitland top, 1290' – 935'):** Clean out as deep as possible after drilling CIBP free; PC perfs are from 1270' to 1290' and the PBTD is 1321'. TOH and LD the drill collars and bit. TIH with open ended tubing and tag bottom. Pull up 2' and pump 30 bbls water down the tubing. Mix 50 sxs cement (60% excess) and spot a plug from PBTD to above the Fruitland top. TOH and WOC. TIH and tag cement. Load the casing with water and attempt to circulate the well.

6. **Plug #2 (Farmington perforations, 914' - 804):** These perforations may have been covered from the excess of plug #1; minimum top of cement is 804'. Mix approximately 20 sxs cement and spot a balanced plug to fill these perforations as necessary. Tag this plug if necessary. PUH with the tubing.

7. **Plug #3 (Ojo Alamo and Kirtland tops and 7" casing shoe, 415' - Surface):** Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to fill. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 35 sxs cement and spot a balanced plug from 415' to surface to cover the Kirtland top and 7" casing shoe, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate to the surface. The inside of the casing needs cement from 415' to surface and then fill the bradenhead annulus from the squeeze holes to surface. TOH and WOC.

8. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Cowsaround #36-13

Current

PC / Fruitland / Farmington / API #30-045-28287

790' FSL & 790' FWL, Section 36, T-26-N, R-12-W, San Juan County, NM

Lat: _____ / Long: _____

Today's Date: 5/15/09
Spud: 10/08/90
Completed: 4/29/93
Elevation: 6294' GL

8.75" hole

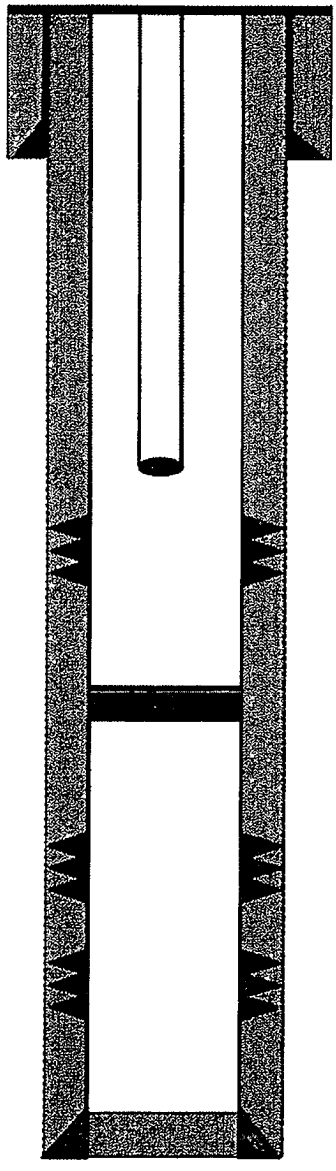
Ojo Alamo @ 250'

Kirtland @ 365'

Fruitland @ 985'

Pictured Cliffs @ 1258'

6.25" Hole



TD 1380'
PBTD 1361'

Circulate 5 bbls cement to surface per Sundry

7", 23#, K-55 Casing set @ 121'
Cement with 41 cf (Circulated to Surface)

2.375" Tubing set at 850'

Farmington Perforations:
854' – 864'

CIBP at 1000' (1995)

Fruitland Perforations:
1240' – 1250'

Pictured Cliffs Perforations:
1270' – 1290'

4.5" 9.5#, J-55 Casing set @ 1361'
Cement with 120 sxs (257 cf)
Circulated 5 bbs to surface

Cowsaround #36-13

Proposed P&A

PC / Fruitland / Farmington / API #30-045-28287

790' FSL & 790' FWL, Section 36, T-26-N, R-12-W, San Juan County, NM

Lat: _____ / Long: _____

Today's Date: 5/15/09
Spud. 10/08/90
Completed: 4/29/93
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8.75" hole

Ojo Alamo @ 250'

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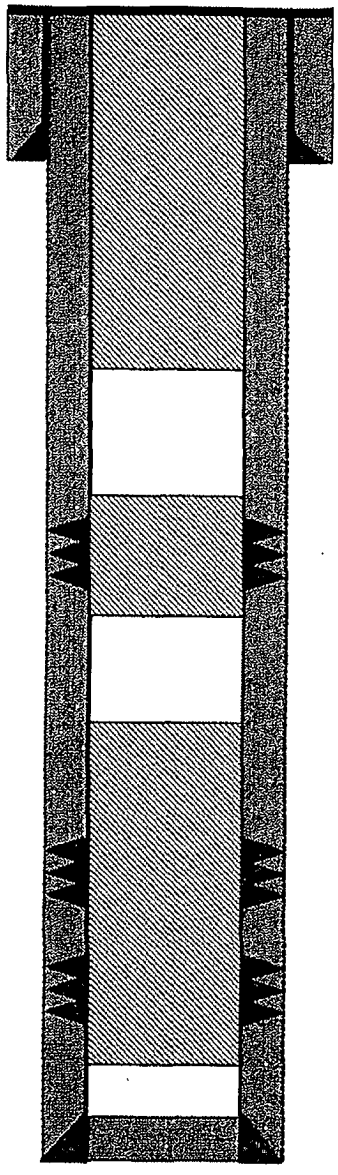

TD 1380'
PBTD 1361'

Circulate 5 bbls cement to surface per Sundry

7", 23#, K-55 Casing set @ 121'
Cement with 41 cf (Circulated to Surface)

Plug #3: 415' – 0'
Class B cement, 35 sxs

Farmington Perforations:
854' – 864'

Plug #2: 914' – 804'
Class B cement, 20 sxs:
(100% excess)

Plug #1: 1290' – 935'
Class B cement, 50 sxs;
(60% excess)

Fruitland Perforations.
1240' – 1250'

Pictured Cliffs Perforations.
1270' – 1290'

4.5" 9.5#, J-55 Casing set @ 1361'
Cement with 120 sxs (257 cf)
Circulated 5 bbs to surface