

RECEIVED

submitted in lieu of Form 3160-5

JUN 18 2009

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Sundry Notices and Reports on Wells

Bureau of Land Management  
Farmington Field Office

<p>1. Type of Well      Gas</p> <p>2. Name of Operator RC Resources Corp.</p> <p>3. Address &amp; Phone No. of Operator Suite 230 Pecan Creek, 8340 Meadow Road, Dallas, TX 75231 (214)369-4848</p> <p>Location of Well, Footage, Sec., T, R, M 830' FNL and 815' FWL, Section 14, T-26-N, R-8-W,</p>	<p>5. Lease Number SF078430</p> <p>6. If Indian, All. or Tribe Name</p> <p>7. Unit Agreement Name</p> <p>8. Well Name &amp; Number Nickson #9</p> <p>9. API Well No. 30-045-05872</p> <p>10. Field and Pool Basin Dakota</p> <p>11. County &amp; State San Juan County, NM</p>
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12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment

Type of Action

☒ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☐ Other -

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut off

☐ Conversion to Injection

RCVD JUN 25 '09

OIL CONS. DIV.

DIST. 3

13. Describe Proposed or Completed Operations

RC Resources Corp., proposes to plug and abandon this well per the attached procedure. This work will be completed as soon as partner approval is secured for the AFE, which is in progress.

- note changes -

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

Signed Robert E. Fielder Title Agent Date 6/16/09  
Robert E. Fielder

(This space for Federal or State Office use)

APPROVED BY Original Signed: Stephen Mason Title \_\_\_\_\_ Date JUN 23 2009  
CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly 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.

NMOC

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## PLUG & ABANDONMENT PROCEDURE

May 20, 2009

### Nickson #9

Basin Dakota

830' FNL and 815' FWL, Section 14, T26N, R8W  
San Juan County, New Mexico, API 30-045-05872

Lat: 36.4916°N Long: 107.6585°W

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 the Operator to obtain an approved NMOC 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 NMOC, 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 7199' (?).  
Packer: Yes     , No X, Unknown     , Type Cement Retainer at 7199'.  
If well has rods or a packer, then modify the work sequence in Step #2 as appropriate. Visually inspect the tubing and use a work string if necessary. Install standing valve in SN and test tubing to 1000 PSI while TIH with a 4.5" casing scraper. TOH and LD scraper.
4. **Plug #1 (Dakota interval, 7183' – 7083')**: TIH with open ended tubing to 7183' or as deep as possible; may tag existing CR or fill. Load the casing and circulate the well clean. Pressure test casing to 800 PSI. *If casing does not test, then spot or tag subsequent plugs as appropriate.* Mix 12 sxs cement and set a balanced plug inside casing to isolate the Dakota interval. TOH with tubing.  

6341      6241      6341'
5. **Plug #2 (Gallup top, 6433' – 6333')**: Perforate 3 squeeze holes at ~~6433'~~ <sup>6341'</sup>. Set 4.5" cement retainer at 6383'. Mix 52 sxs cement, squeeze 40 sxs outside casing and leave 12 sxs inside casing to cover the Gallup top. TOH with tubing.  

4578      4418      4578
6. **Plug #3 (Mesaverde top, 4530' – 4430')**: Perforate 3 squeeze holes at ~~4530'~~ <sup>4430'</sup>. Set 4.5" cement retainer at ~~4480'~~ <sup>4430'</sup>. Mix 52 sxs cement, squeeze 40 sxs outside casing and leave 12 sxs inside casing to cover the Mesaverde top. PUH.
7. **Plug #4 (Pictured Cliffs, Fruitland, Kirtland and Ojo Alamo tops, 2965' - 2045')**: Mix 74 sxs cement and spot a balanced plug inside casing to cover through the Ojo Alamo top. PUH.  

43      943
8. **Plug #5 (Nacimiento top, 1097' - 997')**: Mix spot 12 sxs cement and spot a balanced plug inside the casing to cover the Nacimiento top. PUH.
9. **Plug #6 (Surface, 343' – Surface)**: Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then with the tubing at 343', establish circulation out casing valve with water. Mix approximately 30 sxs cement and spot a balanced plug from 343' to surface, 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 cement to surface filling the casing from 343' and the annulus from the squeeze holes to surface.
10. ND BOP and cut off wellhead below surface. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

# Nickson #9

## Current

Basin Dakota

830' FNL & 815' FWL, Section 14, T-26-N, R-8-W, San Juan County, NM

Lat: 36.4916°N / Long: 107.6585°W / API #30-045-05872

Today's Date: 5/20/09

Spud: 7/22/63

Completed: 9/13/63

Elevation: 7040' GL  
7056' KB

13.375" hole

10.75" 32.75#, H-40 Csg set @ 293'  
Cmt with 250 sxs (Circulated to Surface)

Nacimiento @ 1047' \*est

Ojo Alamo @ 2095'

Kirtland @ 2230'

Fruitland @ 2600'

Pictured Cliffs @ 2915'

2.375" tubing set at 7199'

DV Tool @ 3068'  
Cmt with 1100 cf  
Cement circulated to surface per Sundry.

Mesaverde @ 4480'

Gallup @ 6383'

TOC @ 6468' (CBL)

Set CR @ 7199' (2004)

Dakota Perforations:  
7237' - 7446'

Perforate 4 shots at 7454' and  
7444', squeeze with 75 sxs  
cement. DO and PT. (1963)

4.5" 11.6#, J-55 Casing set @ 7492'  
Cement with 420 cf

Dakota @ 7195'

7.875" hole

TD 7494'  
PBDT 7472'

# Nickson #9

## Proposed P&A

Basin Dakota

830' FNL & 815' FWL, Section 14, T-26-N, R-8-W, San Juan County, NM

Lat: 36.4916°N / Long: 107.6585°W / API #30-045-05872

Today's Date: 5/20/09

Spud: 7/22/63

Completed: 9/13/63

Elevation: 7040' GL  
7056' KB

13.375" hole

10.75" 32.75#, H-40 Csg set @ 293'  
Cmt with 250 sxs (Circulated to Surface)

**Plug #6: 343' – 0'**  
Class B cement, 30 sxs

Nacimiento @ 1047' \*est

**Plug #5: 1097' – 997'**  
Class B cement, 12 sxs

Ojo Alamo @ 2095'

**Plug #4: 2965' – 2045'**  
Class B cement, 74 sxs

Kirtland @ 2230'

Fruitland @ 2600'

Pictured Cliffs @ 2915'

DV Tool @ 3068'  
Cmt with 1100 cf  
Cement circulated to surface per Sundry.

Mesaverde @ 4480'

**Plug #3: 4530' – 4330'**  
Class B cement, 52 sxs:  
40 outside and 12 inside  
**Cement Retainer @ 4480'**  
**Perforate @ 4530'**

Gallup @ 6383'

**Plug #2: 6433' – 6333'**  
Class B cement, 52 sxs:  
40 outside and 12 inside  
**Cement Retainer @ 6383'**  
**Perforate @ 6433'**

Dakota @ 7195'

TOC @ 6468' (CBL)  
Set CR @ 7183' (2004)  
**Plug #1: 7183' – 7083'**  
Class B cement, 12 sxs

Dakota Perforations:  
7237' – 7446'

Perforate 4 shots at 7454' and  
7444', squeeze with 75 sxs  
cement. DO and PT. (1963)

4.5" 11.6#, J-55 Casing set @ 7492'  
Cement with 420 cf

7.875" hole

TD 7494'  
PBTD 7472'

**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: 9 Nickson

**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 Gallup plug from 6341' – 6341' inside and outside the 4 ½" casing.
  - b) Place the Mesaverde plug from 4518' – 4418' inside and outside the 4 ½" casing.
  - c) Place the Nacimiento plug from 1043' – 943'.

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.