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Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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 reverse side.

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

2. Name of Operator
SAGEBRUSH OIL, INC.

3a. Address
HC 78 BOX 21, REGINA, NM 87046

3b. Phone No. (include area code)
575-638-9137

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FSL & 2310' 21, 18N, 3W

5. Lease Serial No.

NMSF-081160F

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

1 SAN LUIS FEDERAL WW

9. API Well No.

30-043-2043-20378 20143

10. Field and Pool, or Exploratory Area
SAN LUIS MESA VERDE

11. County or Parish, State

SANDOVAL, NM

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"/> Alter 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 recompleat 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 recompleat 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.)

SURFACE CASING:

DEPTH SET - 320'
HOLE SIZE - 12' 3/4
CASING SIZE - 8' 3/4

INTERMEDIATE CASING:

DEPTH SET - 4561
HOLE SIZE - 8' 3/4
CASING SIZE - 4' 1/2
OPEN HOLE 189'

TO PLUG WELL:

1. SET 1ST PLUG AT 4561' AT THE ENTRADA (TODILTO), ABOVE END OF 4' 1/2 CASING. FILL CASING WITH 121' OF WATER. (4561-446)
2. SET 2ND PLUG AT 3970' AT THE DAKOTA. FILL CASING WITH 1035' OF WATER TO GALLUP; (3374-3274)
3. 3RD PLUG AT 2345' AT THE GALLUP. FILL CASING WITH 985' WATER TO THE LOOKOUT; (2127-2027)
4. SET 4TH PLUG AT 1230' AT THE LOOKOUT FORMATION. FILL WITH 985' WATER TO THE MENEZES.
5. SET A 188' CEMENT PLUG TO THE TOP - SETTING DRY HOLE MARKER.
6. THE RIG IS PRESENTLY ON LOCATION TO PULL RODS & TUBING. WILL NOTIFY FARMINGTON BLM BEFORE STARTING PLUGGING.
6. REQUESTING 90 DAYS PLUGGING TIME IN CASE SOMETHING GOES WRONG.

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

BETH CHARLES

Title PRESIDENT

Signature

Date

12/10/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

DEC 18 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)

NMOC

RCVD DEC 22 '09
OIL CONS. DIV.
DIST. 3

**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: 1 San Luis Federal WW

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 Entrada plug from 4561' – 4461'.
 - b) Place the Dakota plug from 3374' – 3274' inside and outside the 4 ½" casing.
 - c) Place the Gallup plug from 2127' – 2027' inside and outside the 4 ½" casing.
 - d) Place the Menefee/Surface plug from 374' to surface inside and outside the 4 ½" casing.

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.