

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: 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.

5. Lease Serial No.
NMSF - 077976

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 12: management.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
HICKS OIL & GAS, INC.

3a. Address
POST OFFICE BOX 3307
FARMINGTON, NEW MEXICO 87499-3307

3b. Phone No. (include area code)
505-327-4902

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FNL & 1980' FWL
SECTION 17, T28N-R13W

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

8. Well Name and No.
SE CHA CHA #15

9. API Well No.
30-045-07467

10. Field and Pool or Exploratory Area
CHA CHA GALLUP

11. Country or Parish, State
SAN JUAN COUNTY

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<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 recomple 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 recomple 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.)

Hicks Oil & Gas, Inc. plans to permanently Plug & Abandon subject well per the attached procedure.

RCVD SEP 30 '10
OIL CONS. DIV.
DIST. 3

**Notify NMOCD 24 hrs
prior to beginning
operations**

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

Title PRESIDENT

Signature

Date

09-22-2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

SEP 27 2010

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

September 7, 2010

SE Cha Cha #15

Cha Cha Gallup

1980' FNL, 1980' FWL, Section 17, T28N, R13W, San Juan County, New Mexico

API 30-045-07467/ Lat: _____ N Long: _____ 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 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 X , No , Unknown
Tubing: Yes X , No , Unknown , Size 2-1/16" , Length 5628'
Packer: Yes , No X , Unknown , Type
If well has rods or a packer, then modify the work sequence in Step #2 as appropriate. Round trip gauge ring to 5304'.

NOTE: BLM requires a CBL log to be run on all wells where the cement did not circulate to surface or where a T.S. or CBL log was not previously run. This procedure is prepared with the understanding that it may be modified based on the TOC from the CBL.

4. **Plug #1a (Gallup perforations and top; 5644' - 4944')**: TIH with open ended tubing to 5644'. Mix and pump 70 sxs Class B Cement (30% excess, long plug) to fill the Gallup perforations and top. PUH and WOC. TIH and tag cement. If cement fell back into perforations Spot 1b from TOC. If cement is 50' above the Gallup top the PUH and spot Plug #1b from 4552' to 4452'. If cement is above perforations then pressure test casing to 800 PSI. If casing does not test then spot or tag subsequent plugs as appropriate. If cement is below perforations then P/T casing after Plug #1b.
5. **Plug #1b (3.5" casing shoe, 4944' - 4452')**: Spot 42 sxs Class B cement and spot a plug inside the casing above Plug #1a to cover the 3.5" casing shoe. TOH and WOC.
6. **Plug #2 (Mesaverde top: 2560' - 2460')**: Perforate 3 squeeze holes at 2560'. Attempt to establish rate into 3.5" x 4.5" casing squeeze holes if the casing pressure tested. Set 3.5" wireline set cement retainer at 2510'. Establish rate into squeeze holes. Mix and pump 43 sxs Class B cement, squeeze 39 sxs outside the 4.5" x 7.875" casing and leave 4 sxs inside 3.5" casing to cover the Mesaverde top. TOH with tubing.
7. **Plug #3 (Pictured Cliffs and Fruitland tops: ¹⁶²⁷1587' - ¹²⁰⁰1052')**: Perforate 3 squeeze holes at ¹⁶²⁷1587'. Attempt to establish rate into 3.5" x 4.5" casing squeeze holes if the casing pressure

tested. Set 3.5" wireline set cement retainer at 1537'. Establish rate into squeeze holes. Mix and pump 230 sxs Class B cement, squeeze 207 sxs outside the 4.5" x 7.875" casing and leave 23 sxs inside 3.5" casing to cover the Pictured Cliffs and Fruitland tops. TOH with tubing.

- Kirshel* *304'* *304'*
8. **Plug #4 (Ojo Alamo top and 8.625" casing shoe, ~~490'~~ - Surface):** Perforate 3 HSC holes at ~~490'~~. Mix and pump approximately 175 sxs cement down the 3.5" casing until good cement returns out annuli and bradenhead. Shut in well and WOC.
9. 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.

SE Cha Cha #15

Current

Cha Cha Gallup

1980' FNL, 1980' FWL, Section 17, T-28-N, R-13-W,

San Juan County, NM / API #30-045-07467

Lat _____ / Long _____

Today's Date: 9/7/10

Spud: 7/12/60

Completed: 7/22/60

Re-Completed: 8/20/81

Elevation: 6015' GL
6023' KB

Ojo Alamo @ 440'

Fruitland @ 1102'

Pictured Cliffs @ 1537'

Mesaverde @ 2510'

Gallup @ 5255'

12.25" hole

7.875" hole

8.625" 24#, J-55 Casing set @ 254'
Cement with 200 sxs (Circulated to Surface)

2-1/16 IJ tubing set at 5628'
(172 jts, 3.25" with SN,
rods and pump)

Isolated casing leak from
3650' to 3700'. Squeeze
with 200 sxs cement.
(1981)

TOC @ 4450' (T.S.)

3.5", 9.3#, DSS tubing set @ 4502'
Cement with 115 sxs, circ 2 bbls

Gallup Perforations:
5354' - 5626'

Bridge Plug set at 5644' (1968)

5660' - 5674'

4.5", 9.5#, J-55 Casing set @ 5748'
Cement with 175 sxs

TD 5750'
PBTD 5644'

SE Cha Cha #15

Proposed P&A

Cha Cha Gallup

1980' FNL, 1980' FWL, Section 17, T-28-N, R-13-W,

San Juan County, NM / API #30-045-07467

Lat _____ / Long _____

Today's Date: 9/7/10

Spud: 7/12/60

Completed: 7/22/60

Re-Completed: 8/20/81

Elevation: 6015' GL

6023' KB

Ojo Alamo @ 440'

Fruitland @ 1102'

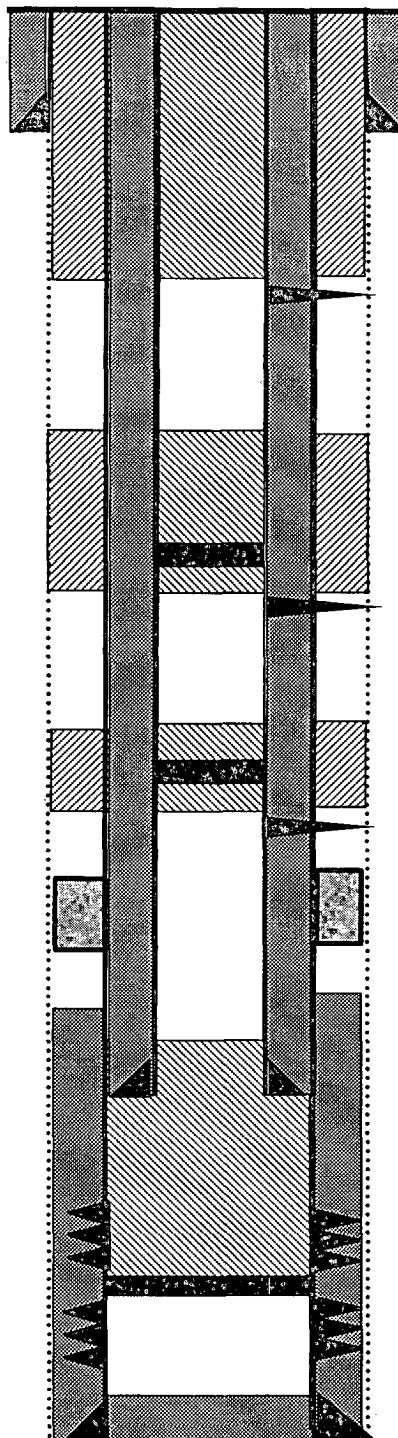
Pictured Cliffs @ 1537'

Mesaverde @ 2510'

Gallup @ 5255'

12.25" hole

7.875" hole



8.625" 24#, J-55 Casing set @ 254'
Cement with 200 sxs (Circulated to Surface)

Plug #4: 490' - 0'
Class B cement, 175 sxs

Perforate @ 490'

Plug #3: 1587' - 1052'
Class B cement, 230 sxs
207 outside and 23 inside

Cement Retainer @ 1537'

Perforate @ 1587'

Plug #2: 2560' - 2460'
Class B cement, 43 sxs:
39 outside and 4 inside

Set CR @ 2510'

Perforate @ 2560'

Isolated casing leak from
3650' to 3700'. Squeeze
with 200 sxs cement.
(1981)

TOC @ 4450' (T.S.)

3.5", 9.3#, DSS tubing set @ 4502'
Cement with 115 sxs, circ 2 bbls

Plug #1b: 4944' - 4452'
Class B cement, 42 sxs

Gallup Perforations:
5354' - 5626'

Plug #1a: 5644' - 4944'
Class B cement, 70 sxs
(30% excess, long plug)

Bridge Plug set at 5644' (1968)

5660' - 5674'

4.5", 9.5#, J-55 Casing set @ 5748'
Cement with 175 sxs

TD 5750'
PBTD 5644'

**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: 15 Southeast Cha Cha Unit

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 Pictured Cliffs/Fruitland plug from 1627' – 1200' inside the 3 ½" casing and outside the 4 ½" casing.

b) Place the Kirtland/Ojo Alamo/Surface plug from 304' to surface inside the 3 ½" casing 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.