

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

SEP 28 2010

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.		7. If Unit of CA/Agreement, Name and/or No. N/A
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. Ute Mountain Tribal 24-43
2. Name of Operator Elk San Juan, LLC		9. API Well No. 30-045-34114
3a. Address 1401 17th Street, Suite 700 Denver, Colorado 80202	3b. Phone No. (include area code) 303-296-4505	10. Field and Pool or Exploratory Area Verde Field, Gallup
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660° FSL, 1650° FEL, Section 30, T31N - R15W, NMP 24		11. Country or Parish, State San Juan County, New Mexico

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 recompleate 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 recompleation 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.)

Elk San Juan intends to plug and abandon the Ute Mountain Tribal #24-43 well according to the attached procedure. The procedure will be handled by A-Plus Well Service, Inc. and the timing will be dependent upon their rigs' availability.

RCVD NOV 9 '10

OIL CONS. DIV.

DIST. 3

SEE ATTACHED
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Merrell Olsen	Title Engineer I
Signature	Date 09/27/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date 11/3/2010
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.

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PLUG AND ABANDONMENT PROCEDURE

September 23, 2010

Ute Mountain Tribal 24-43

Verde Gallup

SWSE, Section 24, T31N, R15W, San Juan County, New Mexico

API 30-045-34114/ 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 _____, No _____, Unknown _____;
Tubing: Yes X , No _____, Unknown _____, Size 2.375" , Length 2889' ;
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. **Plug #1 (Gallup open hole interval and Mesaverde top, 2827' – 2345')**: PU and RIH with 7" cement retainer, set at 2827'. Pressure test tubing to 1000 PSI. Pressure test casing to 800 PSI. *If casing does not test, then spot or tag subsequent plugs as appropriate. Circulate well clean.* Spot 100 sxs Class B inside casing above CR to isolate the Gallup interval and cover the Mesaverde top. PUH.
5. **Plug #2 (Pictured Cliffs top, 835' – 735')**: Spot 29 sxs Class B cement balanced plug inside casing to cover the Pictured Cliffs top. PUH.
6. **Plug #3 (Fruitland top, 9.625" surface casing shoe and surface, 370' - 0')**: Connect the pump line to the bradenhead valve. Pressure test the BH annulus to 300#; note the fluid volume to load. If the BH annulus tests, then mix 75 sxs Class B cement and spot a balanced plug inside the 7" casing to cover the Fruitland top, 9.625 surface casing shoe, circulate cement to surface out the casing valve. TOH and LD the tubing. If the BH annulus does not test, then perforate at the appropriate depth to fill the bradenhead annulus to surface. TOH and LD tubing. Shut in well and WOC.
7. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

Ute Mountain Tribal 24-43

Proposed P&A

Verde Gallup

SWSE, Section 24, T-31-N, R-15-W, San Juan County, NM

Today's Date: 9/23/10

Lat: _____ N / Long: _____ W API #30-045-34114

Spud: 5/7/09

Completion: not completed

Elevation: 5549' GL
5561' KB

Kirtland @ surface *est

Fruitland @ 320' *est

Pictured Cliffs @ 785' *est

Mesaverde @ 2395' *est

12.25" hole

8.75" Hole

6.25" Hole

TD 3705'

TOC @ surface

9.625", 36#, J-55 Casing set @ 215'
Cement with 200 sxs, circulate to surface

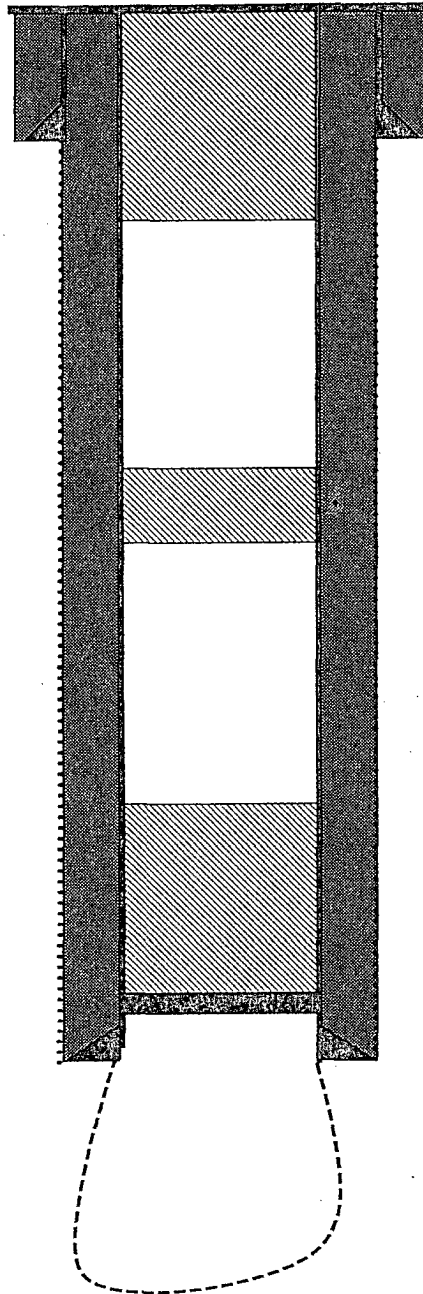
Plug #3: 370' - 0'
Class B cement, 75 sxs

Plug #2: 835' - 735'
Class B cement, 29 sxs

Plug #1: 2827' - 2345'
Class B cement, 100 sxs

Set CR @ 2827'

7", 23#, J-55 casing set @ 2877'
Cmt with 346 sxs (circulated to surface)



Ute Mountain Tribal 24-43

Current

Verde Gallup

SWSE, Section 24, T-31-N, R-15-W, San Juan County, NM

Today's Date: 9/23/10

Lat: _____ N / Long: _____ W API #30-045-34114

Spud: 5/7/09

Completion: not completed

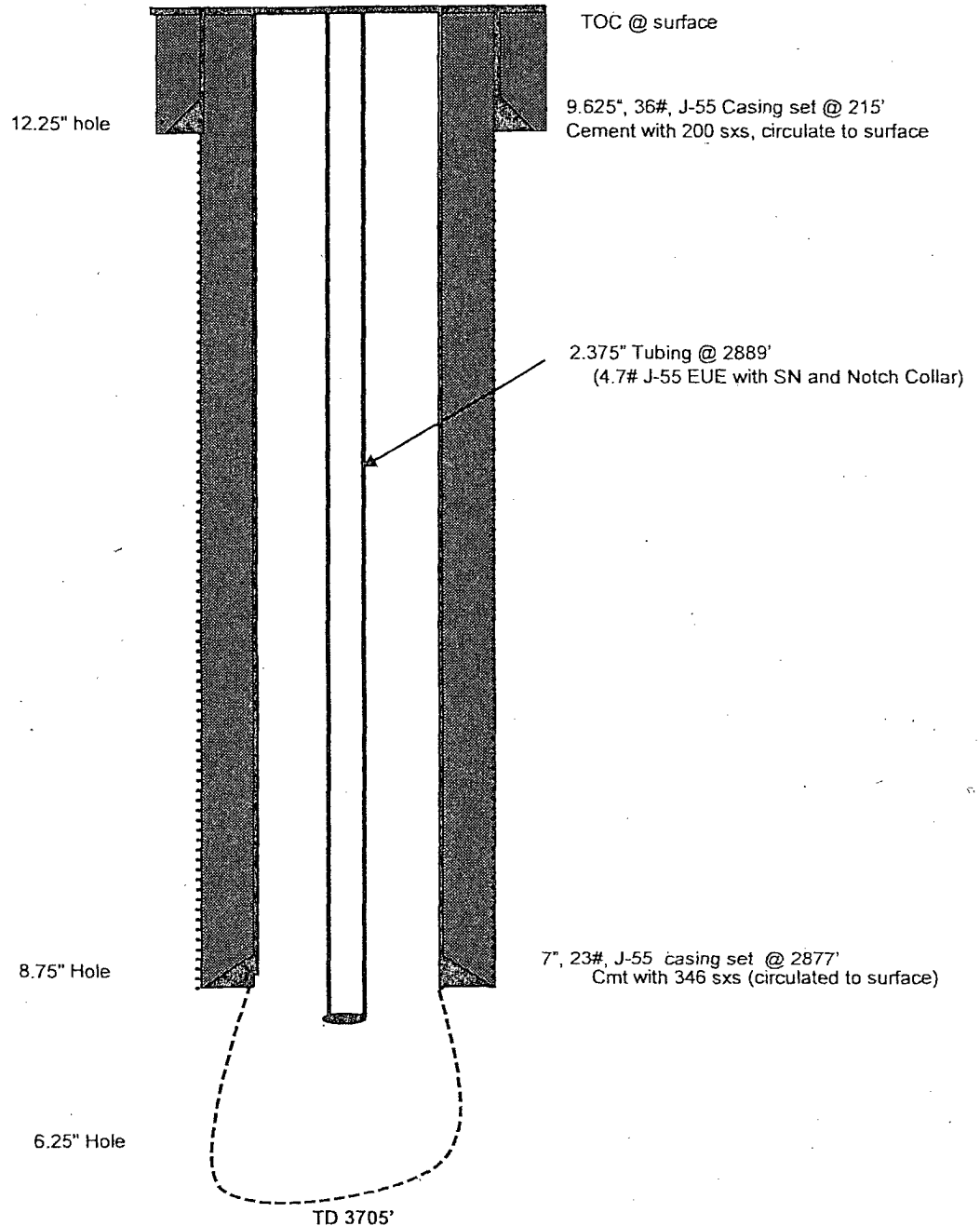
Elevation: 5549' GL
5561' KB

Kirtland @ surface *est

Fruitland @ 320' *est

Pictured Cliffs @ 785' *est

Mesaverde @ 2395' *est



Elk San Juan, LLC
Tribal IMDA: 751-05-1025
Well: Ute Mountain Tribal #24-43
660' FSL & 1650' FEL
Sec. 24, T. 31 N., R. 15 W.
San Juan County, New Mexico

3160

This approval is for the completion of the downhole plugging portion of the well only. Surface reclamation must be completed, weed free vegetation established, and site accepted by the BIA prior to closure and bond release.

The Bureau of Land Management, SJPLC (david_swanson@co.blm.gov or 970.385.1370) shall be notified at least 48 hours prior to commencement of surface reclamation. The BIA-UMU (970.565-6094) and UMU Tribal Energy at 970.564-5690 shall be contacted prior to surface reclamation procedures for specific requirements and seed mixtures.

- The pits and boreholes shall be filled, access road restored, surface re-contoured to blend with surrounding terrain, top soil evenly redistributed.
- Well equipment, dead-men, concrete slabs, cables, piping and trash shall be removed, slash piles chipped and scattered.
- The site shall require weed control, soil preparation and reseeding with a BIA approved seed mix and shall be monitored for self-sustaining growth. **A full list of "Oil and Gas Well Surface Reclamation" requirements is available through the BLM.**

According to the regulations in 43 CFR 3162.3-4, a well site is to be reclaimed and re-vegetated directly following plugging. The BLM-SJRA stipulates that **surface reclamation** be completed within 180 days of final plugging operation completion. When re-vegetation has subsequently been re-established, BLM shall be notified by the operator with a Final Abandonment Notice. A field inspection will then be arranged between the SUIT/UMU Tribe, the BLM and the respective BIA agency, so that the well pad can be inspected for release from bond liability.

Conditions of Approval - Notice of Intent to Abandon:

1. Notify this office at least **72 hours** prior to commencing plugging operations.
2. Approval of this Notice of Intent to Abandon (NIA) is for down hole plugging only.
3. Materials used will be accurately measured.
4. A tank or approved pit must be used for containment of any fluids from the wellbore during plugging operations. All unattended pits are to be fenced.
5. Pits are not to be used for disposal of any unauthorized materials.
6. All cement plugs are to be placed through a work string. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.
 - 6a. **Cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100 ft. of the casing or annular void(s) between casings, plus 10% excess volume per 1000 ft. of depth.**
 - 6b. **Surface plugs must be a minimum of 50 ft. within casing and annular voids.**
 - 6c. **Cement plugs placed to fill an open hole shall have sufficient volume to fill a minimum of 100 ft. of open hole, plus 10% excess volume per 1000 ft. of depth.**
 - 6d. **An additional 100 ft. cement plug must be placed midway between the Gallup and surface casing plugs.**
 - 6e. **Tag the Gallup Mesaverde plug.**
 - 6f. **Tag the Pictured Cliffs plug.**
7. The well must be filled with a wellbore mud sufficient to stabilize the wellbore. In the absence of any formation pressure data provided by the operator, this mud will have a minimum weight of **9 ppg**. The mud must be left between all plugs.
8. A blowout preventer and related equipment shall be installed and tested prior to working in a wellbore with any exposed zones (a) that are overpressured, (b) where pressures are unknown, or (c) known to contain H₂S.
9. Within 30 days after plugging of the well, file 5 copies of a Subsequent Report of Abandonment (SRA) via Sundry Notice. This report should include the following information:
 - a. Date(s) of plugging operations.
 - b. Procedure used to plug the well.
 - c. Depth of plugs.
 - d. Type and volume of plugs set.
 - e. Casing types/lengths left in the well.