

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

OCT 13 2010

Farmington Field Office

Bureau of Land Management

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Running Horse Production Company

3a. Address

c/o Walsh Engr, 7415 E. Main, Farmington, NM

3b. Phone No. (include area code)

(505) 327-4892

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1640' FNL & 1700' FEL, Section 2, T26N, R12W

5. Lease Serial No.

NM 16471

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Cowsaround 2 #7

9. API Well No.

30-045-27947

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan, NM

12. CHECK 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 Operations (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.)

Running Horse Production Co. proposes to plug and abandon this well according to the attached procedure.

Notify NMOCD 24 hrs
prior to beginning
operations

RCVD NOV 1 '10
OIL CONS. DIV.
DIST. 3

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

Name (Printed/Typed)

Paul C. Thompson, P.E.

Title

Agent/Engineer

Signature

Paul C. Thompson

Date

October 11, 2010

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Original Signed: Stephen Mason

Title

Date

OCT 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, 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 reverse)

NMOCD

Walsh Engineering and Production

P & A Procedure for
Running Horse Production Company, LLC
Cowsaround 2 #7

Location: NE/4 Sec 2 T26N R12W
San Juan County, NM
API 30-045-27947

Date: October 11, 2010

Field: Basin Fruitland Coal

Elev: GL 5912'

Surface: NAPI

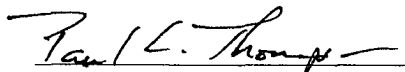
4-1/2", 10.5# @ 1365'

Minerals: Federal NM 16471

PBTD 1289' GL

Procedure:

1. MOL and RU completion rig. Hold safety meeting and explain the procedure to the crew.
2. NU 2-3/8" relief line. Blow well down and kill with water if necessary.
3. Pull the polished rod, 4', and two 8' pony rods, 48 plain 3/4" rods, and a 2" X 1-1/2" X 12' RWAC insert pump. ND tubing head and NU BOP. Pick up extra joints of 2-3/8" tubing and tag PBTD at 1289' KB. Tubing is landed at 1266' GL. Perfs are from 1234' - 1246'.
4. Pump Plug #1 - PBTD to ⁹¹⁰932' (50' above the Fruitland formation). Spot a balanced plug with 40 sx (47 cu.ft.) of Type III neat cement with 2% CaCl₂.
5. POH to 500' and circulate the hole with clean water. WOC 3 hrs. TIH and tag the cement top. Top off if necessary. Pressure test the casing to 500 psi.
6. POH to ³⁴⁴178'. Plug #2 (50' below the ^{killand top}surface casing shoe to surface). Spot a balanced plug with 15 sx (18 cu.ft.) of Type III cement with 2% CaCl₂. TOH. Nipple down the BOP and tubinghead. Top off the hole with cement as necessary.
7. Cut off the wellhead and install a dryhole marker. Reclaim location as per BLM specifications.



Paul C. Thompson, P.E.

**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: 7 Cowsaround 2

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) Bring the top of the Fruitland plug to 910'.
 - b) Place the Kirtland/Ojo Alamo/Surface plug from 344' to surface.

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.