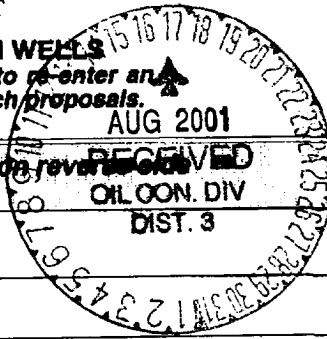


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**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**



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

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

2. Name of Operator  
*Billco Energy*

3a. Address  
*2800 E. Cedar Farming way, NM 87414*

3b. Phone No. (include area code)  
*505-326-6015*

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
*1000' ESH & 970' EWL, Sec. 6, T-22-N, R-4-W  
23N*

5. Lease Serial No.  
*Contract 362*

6. If Indian, Allottee or Tribe Name  
*Jicarilla Apache*

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

8. Well Name and No.  
*M & M #2*

9. API Well No.  
*30-039-23042*

10. Field and Pool, or Exploratory Area  
*Ballard PC*

11. County or Parish, State  
*Rio Arriba, N.M.*

**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 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.)

*Billco Energy plans to plug & abandon this well per the attached procedure.*

AFMSS

Adjud	<i>AM's</i>
Engr	
Geol	
Surf	
Appvl	

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

Name (Printed/Typed) *Randy K. Thille* Title *President*

Signature *Randy K. Thille* Date *7-23-01*

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by */s/ Brian W. Davis* Lands and Mineral Resources Title *Aug 15 2001*

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.

*surface restoration requirements attached*

submitted in lieu of Form 3160-5

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

1. Type of Well Gas	5. Lease Number Contract #362
2. Name of Operator <del>V&amp;R Production</del> <i>Billco Energy</i>	6. If Indian, All. or Tribe Name Jicarilla Apache
3. Address & Phone No. of Operator <del>#28 Country Road 4190, LaPlata, NM 87418</del> <i>2800 E. Cedar, Farmington, NM 87401</i>	7. Unit Agreement Name
Location of Well, Footage, Sec., T, R, M 1000' FSL and 970' FWL, Sec. 6, T-32-N, R-4-W,	8. Well Name & Number M&M #2
	9. API Well No.
	10. Field and Pool Ballard Pictured Cliffs
	11. County & State Rio Arriba County, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action	
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Re-completion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other -	

13. Describe Proposed or Completed Operations

~~V&R Production~~ plans to plug and abandon this well per the attached procedure.

*Billco Energy*

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

Signed *Randy Thile* Title Operator Date 7/20/01  
Randy Thile

(This space for Federal or State Office use)

APPROVED BY \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
CONDITION OF APPROVAL, if any:

## PLUG AND ABANDONMENT PROCEDURE

07/18/01

### M & M #2

Ballard Pictured Cliffs

1000' FSL & 970' FWL, Section 6, T23N, R4W

Rio Arriba County, New Mexico API #30-039-

Long: / Lat:

Note: All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type II, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. Install and/or test rig anchors. Prepare blow pit. Comply with all NMOCD, BLM and V&R Production safety rules and regulations. ND wellhead and NU BOP, test BOP.
2. Prepare a 1-1/4" tubing workstring. Round-trip a 2-7/8" gauge ring to 2445' or as deep as possible.
3. **Plug #1 (Pictured Cliffs perforations and Fruitland, Kirtland and Ojo Alamo tops, 2445' – 1930')**: Set a 2-7/8" wireline CIBP at 2445'. TIH with open ended tubing and tag CIBP. Load casing with water and circulate the well clean. Pressure test casing to 500#. If casing does not test, then spot or tag subsequent plugs as necessary. Mix 28 sxs cement and spot a balanced plug (in two 14 sack stages) inside casing above the CIBP to isolate the Pictured Cliffs perforations and Fruitland, Kirtland and Ojo Alamo tops. TOH and LD tubing.
4. **Plug #2 (Nacimiento top and 7" Surface casing, 540' - surface)**: Perforate 2 bi-wire squeeze holes at 540'. Establish circulation out bradenhead valve. Mix and pump approximately 120 sxs cement down 2-7/8" casing to circulate good cement out bradenhead valve. Shut well in and WOC.

If unable to establish circulation to surface or the casing does not pressure test after plug #1, then do the Nacimiento plug from 540' to 440' by setting a cement retainer at 490' and use 22 sxs cement outside the casing and 5 sxs inside the casing. Then for the surface plug, perforate at 147' and establish circulation to surface with water. Then circulate cement to surface out the bradenhead valve.

5. ND BOP and cut off casing below surface. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

# M&M #2

## Current

Ballard Pictured Cliffs

SW, Section 6, T-23-N, R-4-W, Rio Arriba County, NM

Jicarilla Contract #362

Long: / Lat:

Today's Date: 07/18/01

Spud: 07/09/82

Completed: 08/27/82

Elevation: 6884' GI

8-5/8" hole

7" 17#, J-55 Casing set @ 97'  
Cemented with 90 sxs (106 cf),  
(Circulated to Surface)

Nacimiento @ 490'

### WELL HISTORY

No workover history in NMOCD records.

Well was TA in 1991 due to low volume and low prices.

Tubing was pulled recently.

TOC @ 1571' (Calc, 75%)

Ojo Alamo @ 1980'

Kirtland @ 2130'

Fruitland @ 2335'

Pictured Cliffs @ 2495'

Pictured Cliffs Perforations:  
2495' – 2516'

PBTD 2575'

5-5/8" hole

2-7/8" 6.4#, J-55 Casing set @ 2602'  
Cement with 150 sxs (177 cf)

TD 2602'

**M&M #2**  
**Proposed P&A**

Ballard Pictured Cliffs

SW, Section 6, T-23-N, R-4-W, Rio Arriba County, NM

Jicarilla Contract #362

Long: / Lat:

Today's Date: 07/18/01

Spud: 07/09/82

Completed: 08/27/82

Elevation: 6884' GI

8-5/8" hole

7" 17#, J-55 Casing set @ 97'  
Cemented with 90 sxs (106 cf),  
(Circulated to Surface)

**Plug #2 540' – Surface**  
Cmt with 120 sxs

Nacimiento @ 490'

**Perforate @ 540'**

TOC @ 1571' (Calc, 75%)

Ojo Alamo @ 1980'

**Plug #1 2445' – 1930'**  
Cement with 28 sxs  
(2 stages)

Kirtland @ 2130'

Fruitland @ 2335'

**Set CIBP @ 2445'**

Pictured Cliffs @ 2495'

Pictured Cliffs Perforations:  
2495' – 2516'

5-5/8" hole

PBTD 2575'

TD 2602'

2-7/8" 6.4#, J-55 Casing set @ 2602'  
Cement with 150 sxs (177 cf)

## BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work should be submitted with a Sundry Notice. Questions? Call Pat Hester at (505) 761-8786.

1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location. Non-retrieved flowlines and pipelines will be abandoned in accordance with State Rule 714. Information supporting the non-retrieval will be included in the subsequent report or final abandonment Sundry Notice.

2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils can be remediated on-site according to these guidelines or disposed of in an approved facility.

3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped to a minimum of 12" in depth before reseeding.

4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to deter vehicle travel. Access will be ripped to a minimum of 12" in depth, water barred and reseeded. All erosion problems created by the development must be corrected prior to acceptance of release. Water bars should be spaced as shown below along the fall line of the slope:

% Slope	Spacing Interval
Less than 20%	200'
2 to 5 %	150'
6 to 9 %	100'
10 to 15 %	50'
Greater than 15%	30'

5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required). Seed mix must be certified weed free to avoid the introduction of noxious weeds. Refer to the original APD for seed mix.

6. Notify Surface Managing Agency seven (7) days prior to seeding so that they may be present to witness.

7. The period of liability under the bond of record will not be terminated until the well is inspected and the surface rehabilitation approved.

Other Surface Managing Agencies (SMA's) may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us. On private land, a letter from the fee owner stating that the surface restoration is satisfactory will be provided to the office. Questions? Call Pat Hester at (505) 761-8786.