FORM APPROVED Form 3160-5 Budget Bureau No. 1004-0135 (June 1990) Expires: March 31, 1993 **UNITED STATES** 5. Lease Designation and Serial No. DEPARTMENT OF THE INTERIOR 14-20-604-1950 6. If Indian, Allottee or Tribe Name BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to deepen or reentry to a different reservoir, 7. If Unit or CA. Agreement Designation Use "APPLICATION FOR PERMIT--" for such proposals Horseshoe Gallup Unit SUBMIT IN TRIPLICATE 8. Well Name and No. 1. Type of Well Horseshoe Gallup Unit #206 X Oil Well Other Gas Well 9. API Well No. 2. Name of Operator 30-045-10106 Central Resources, Inc. 10. Field and Pool, or Exploratory Area 3. Address and Telephone No. Horseshoe Gallup P.O. Box 2810, Farmington, New Mexico 87499 (505)326-3325 11. County or Parish, State 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1875' FSL, 2010' FWL, Section 35, T31N, R16W San Juan, New Mexico CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Change of Plans Abandonment New Construction Recompletion X Notice of Intent Non-Routine Fracturing Plugging Back Water Shut-Off Casing Repair Subsequent Report Conversion to Injection Altering Casing Dispose Water Other Final Abandonment Notice (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13. Describe Proposed or Completed Operations (Clearly state all pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)* Central Resources, Inc. plans to plug and abandon the referenced well as outlined in Attachment "A". 14. I hereby certify that the foregoing is true and correct Title Production Engineer Signed Gregoty E. McIntosh (This space for Federal or State office use) Title Approved by Conditions of approval, if any: Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United Sta fictitious or fraudulent statements or representations as to any manner within its jurisdiction. fictitious or fraudulent statements or representations as to any manner within its jurisdiction.

*See Instruction on Reverse Side

Plugging and Abandonment Procedure Horseshoe Gallup Unit No. 206 Attachment "A"

WELL DATA:

Location: 1875' FSL, 2010' FWL, Section 35, T31N, R16W

San Juan County, New Mexico

TD: 1510' PBTD: 1462'

Surface Casing: 8-5/8", 24 ppf, J-55 set @ 95'. Cement w/ 100 sks cement.

Production Casing: 4-1/2", 9.5 ppf, J-55, set @ 1499'. Cement with 135 sks pozmix.

Perforations: 1422' and 1425', notched.

PROCEDURE:

1. Run in hole with tubing.

- 2. Mix and pump 21 sacks (24.8 cuft) cement. Spot balanced plug from 1425' 1275'. Pull up to 1000' and reverse out tubing. WOC for 2 to 3 hours.
- 3. TIH and tag plug. (Plug must be at least 1322'.) TOH and lay down tubing.
- 4. Perforate squeeze hole at 145'.
- 5. Establish circulation down casing, through annulus and out bradenhead.
- 6. Mix and pump 54 sacks (63.7 cuft) cement down casing, through perforations, into annulus and out through bradenhead. Leave casing and annulus full of cement.
- 7. Cut off casing and install regulation dry hole marker.
- 8. Reclaim location as per BLM regulations.