

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUL 15 2011

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

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
NCO-14-20-4157
6. If Indian, Allottee or Tribe Name
Navajo

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

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

2. Name of Operator
Nacogdoches Oil & Gas Inc.

3a. Address
816 North Street, Nacogdoches Tx. 75963

3b. Phone No (include area code)
936-560-4747

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FSL & 660' FWL Section 5 26N 19W

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

8. Well Name and No
Navajo 5-2

9. API Well No
30-045-21499 8-16

10. Field and Pool, or Exploratory Area
Beautiful Mountain

11. County or Parish, State
San Juan County, New Mexico

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.)

Please See Plugging Procedure:

BP

- * Bring bottom of Hermosa plug to 4932' (4932'-4590')
- * Bring Organ Rock plug to 3620' (3924'-3620')
- * Bring DeChelly plug to 2964' (3183'-2964')
- * Bring Chinle plug to 2021' (2250'-2021')



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

Mike Allen

Title **VP Engineering**

Signature **Electronic Submission**

Date **07/14/2011**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Original Signed: Stephen Mason

Approved by

Title

Date

JUL 15 2011

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 USC Section 1001 and Title 43 USC 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 A

Plug and Abandonment Plan
Nacogdoches Oil & Gas Inc.
Navajo #05-2
1980' FSL & 660' FWL
Sec. 05 T26N R19W
San Juan County, New Mexico

1. Comply with all BLM, NOG and contractor safety rules and regulations. Hold safety meetings each morning.
2. MIRU, Workover Rig, Pump Truck. Kill Well, Install BOP.
3. Pull 3950' of 1.5" Tubing and 6080' of 2 3/8" tubing and packer. If packer will not release, GIH with Wireline cutter, shoot Tubing loose from Packer. Pull Tubing. LD. GIH with sandline, drive packer to bottom of wellbore. MI Wireline truck for Bond Log. RIH with Bond Tool for CBL. Run CBL from TD to surface.
4. **Plug # 1- (Mississippi Lime ^{Leadville} 6016'-6090')** GIH with 2 3/8" WS to 6090', mix and pump 16 Sks of Class B Cement from 6095' to ^{5916'} for bottom plug. SD for cement setup. After setup time, GIH to tag bottom plug.
5. **Plug #2- (Leadville ¹² 5947'-5847')** With WS at 5947', mix and pump ¹² 9 Sks, Class B Cement across Leadville Zone. Pull WS Up hole. SD for Cement setup. Tag Plug.
- ✓ 6. **Plug #3- (Ismay ^{5427 5327} 5334'-5234')** With WS at ⁵⁴²⁷ 5334', mix and pump ¹² 9 Sks, Class B cement across Ismay Zone. Pull WS Up hole. SD for Cement Setup. Tag Plug.
7. **Plug #4- (Hermosa ^{4690 4590} 4907'-4807')** With WS at ⁴⁶⁹⁰ 4907', mix and pump ¹² 9 Sks Class B cement across Hermosa. Pull WS up hole. SD for Cement to Setup. Tag Plug.
8. **Plug #5- (Organ Rock ³⁷³³ 3924'-3753')** With WS inside 7" casing at 3924', mix and pump ³⁸ 38 Sks of Class B Cement to ³⁷³³ 3733' to cover Organ Rock Perforations. Pull WS up hole. SD for Cement Setup. Tag Plug.
9. **Plug #6- (DeChelly ^{3183 3083} 3150'-3050')** With WS inside 7" casing at ³¹⁸³ 3150', mix and pump ²² 22 Sks, Class B Cement to cover DeChelly interval. Pull WS up hole. SD for Cement Setup. Tag Plug.
10. **Plug #7- (Chinle ^{2750 2450} 1525'-1425')** With WS at ²²⁵⁰ 1525', mix and pump ²² 22 Sks, Class B Cement across Chinle interval. Pull WS up hole. SD for Cement Setup. Tag Plug.
→ Plug from 1541'-1441' to cover 7 7/8" casing shoe.
11. **Plug #8- (Dakota Surface Plug ^{130'} 130' to Surface)** With WS at 130', mix and Pump ²⁹ 29 Sks, Class B Cement from ^{216'} 130' to Surface.

12. Cut off well 3' below ground and install P&A marker per BLM specifications.
RD, cleanup MOL.

13. Restore location to BLM specifications

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: 2 Navajo 5

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 Mississippian/Leadville plug from 6095' – 5905'.

b) Place the Ismay plug from 5427' – ~~5327'~~ (5427' - 5327')

c) Place the Hermosa plug from 4690' – 4590' inside and outside the 4 1/2" casing. * Bring bottom of plug to 4932' (4932' - 4590')

d) Place the Organ Rock plug from 3924' – 3733'. * Move top of plug to 3620' (3924' - 3620')

e) Place the DeChelly plug from 3183' – 3083'. * Move top of plug to 2964' (3183' - 2964')

f) Place the Chinle plug from 2250' – 2150'. * Move top of plug to 2021' (2250' - 2021')

g) Place a cement plug from 1541' – 1441'.

h) Place the Dakota/Surface plug from 226' to surface inside and outside the 4 1/2" 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.