

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

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

FEB 23 2012

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.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No NM 63320
2. Name of Operator Running Horse Production Co.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 369, Ignacio, CO 81137	3b. Phone No. (include area code) 505-327-4892	7. If Unit or CA/Agreement, Name and/or No
4. Location of Well (Footage, Sec., T, R, M, or Survey Description) 790' FSL & 1295' FWL, Section 9, T26N, R12W		8. Well Name and No Susco #3
		9. API Well No 30-045-28166
		10. Field and Pool, or Exploratory Area Basin Fruitland Coal
		11. County or Parish, State San Juan County, 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 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 shall 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 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. plans to plug and abandon the Susco #3 according to the attached procedure.

Notify NMOCD 24 hrs  
prior to beginning  
operations

RCVD FEB 29 '12  
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 <i>Paul C. Thompson</i>	Date February 22, 2012

THIS SPACE FOR FEDERAL OR STATE USE

Approved by Original Signed: Stephen Mason	Title	Date FEB 27 2012
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.

NMOCD A

Walsh Engineering and Production

P & A Procedure for  
Running Horse Production Co.  
Susco #3

Location: SW/4 Sec 90 T26N R12W  
San Juan County, NM

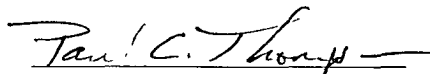
Date: February 22, 2012

Field: Basin Fruitland Coal  
Surface: BLM  
Minerals: BLM NM 63320

Elev: GL 5991'  
4-1/2" @ 1316'  
PBSD 1271' GL

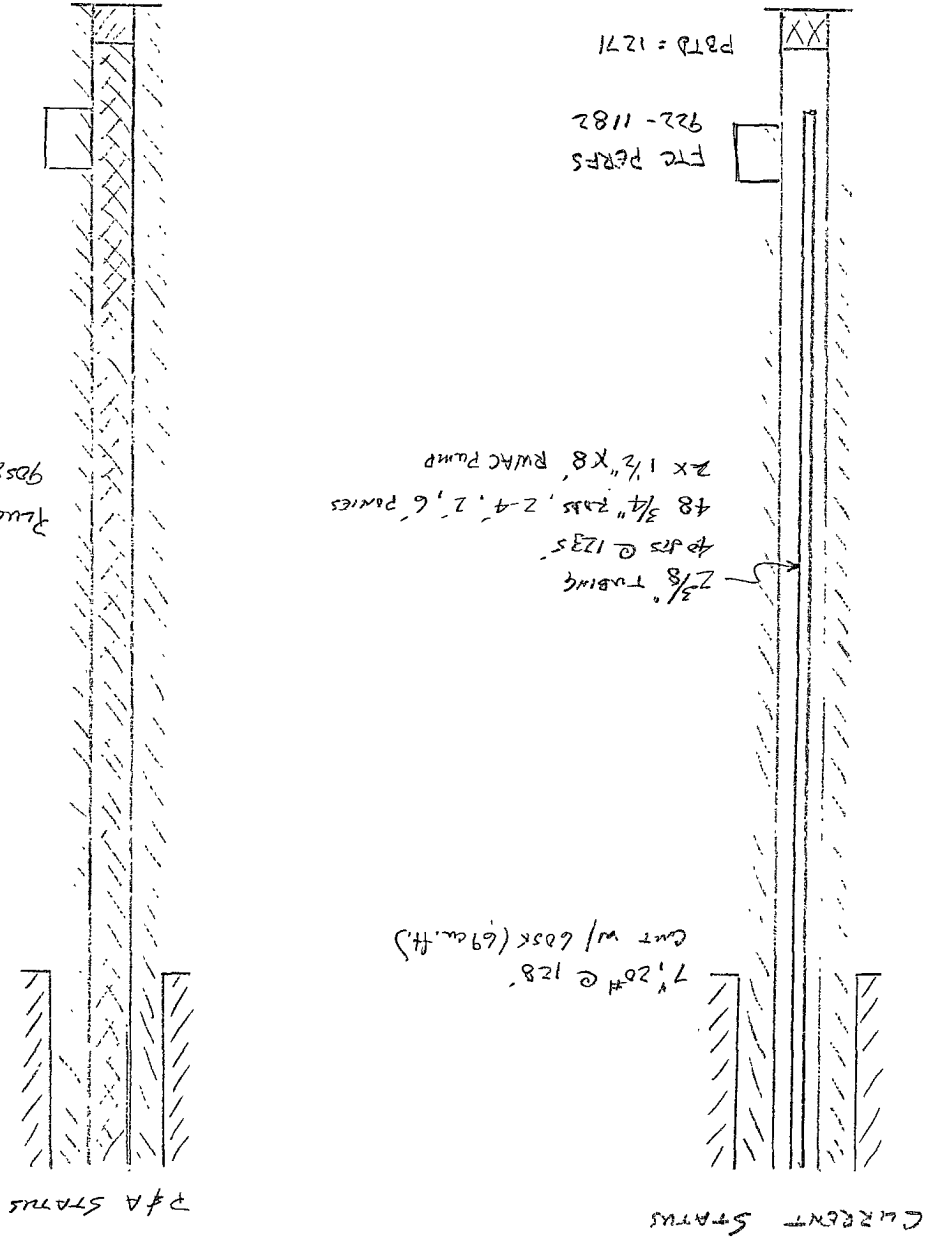
Procedure:

1. MOL and RU completion rig. Hold safety meeting.
2. NU 2-3/8" relief line. Blow well down and kill with water if necessary.
3. Lay down the polished rod, two 4', one 2', and one 6' pony rods, 48 plain 3/4" rods and the 2" X 1-1/2" X 8' RWAC pump. Nipple down the wellhead. TOH and lay down 40 joints (1235') of 2-3/8" tubing.
4. Remove tubing head.
5. Connect cement truck directly to 4-1/2" casing and fill the casing with 90 sx (106 cu.ft.) of Type 5 cement with 3% CaCl<sub>2</sub>. Pump cement until the casing stands full.
6. Cut off wellhead and install dryhole marker. Reclaim location as per BLM specifications.



Paul C. Thompson, P.E.

RUNNING HORSE PRODUCTION Co.  
SUSC #3  
SW SEC 9, T26N, R12W  
30-045-28166



2/22/12

**UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
FARMINGTON FIELD OFFICE  
1235 LA PLATA HIGHWAY  
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of

Re: Permanent Abandonment

Intention to Abandon:

Well: 3 Susco

**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) After plug has set, tag top of cement and refill casing with cement if necessary.

b) Since the top of cement behind the 4 1/2" casing is shown to be @ 200' ran on September 4, 1990, a cement plug between the 7" and the 4 1/2" casings will be required 178' to surface.

Office Hours: 7:45 a.m. to 4:30 p.m.