

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 17 2013

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.
NMSF08008
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Running Horse Production Co. LLC

3a. Address
P. O. Box 369, Ignacio, CO 81137

3b. Phone No. (include area code)
970-563-5281

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1750FSL & 790FEL, Sec. 8, T26N, R12W

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

8. Well Name and No.
Frontier A #1 SWD

9. API Well No.
3004505919

10. Field and Pool, or Exploratory Area
Mesaverde

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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" 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 recomplete 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 recompletion 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.)

In reference to BLM letter dated June 5, 2013, Running Horse Production, LLC is requesting to leave the Frontier A#1 SWD (lease NMSF080008) shut-in an additional two years. This is due to the lack of E&P activity in the area. Thus, produced water volumes have not been sufficient enough to warrant operation and injection at this well. Running Horse is evaluating future E&P plans for this area and requests maintaining this well for possible future injection activities. A MIT was performed on the subject well in November 2011 (see attached). The results from this MIT indicated no mechanical issues with the well. Running Horse will continue to operate this well in accordance with the Navajo Nation EPA UIC permit requiring MITs every 5 years. The next MIT is scheduled for November 2016. Running Horse plans to submit a sundry bi-annually notifying the BLM of its future plans for this well a per UIC permit.

RCVD JUN 19 '13
OIL CONS. DIV.
DIST. 3

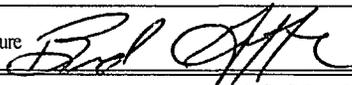
old Accepted For Record ^{BP}

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

Bud Guffey

Title **Production Superintendent**

Signature



Date

6-13-13

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: **Stephen Mason**

Title

Date

JUN 18 2013

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.

(Instructions on page 2)

NMOCDAV

SAGLE ENERGY CONSULTING

MECHANICAL INTEGRITY TEST REPORT

Date of test: 11/04/11

Well Name: Frontier A.#1

Operator: Running Horse Production Company

Remarks: Well was shut-in upon arrival. Shut-in tubing pressure was 55 psig as measured with electronic gauge. There was no pressure gauge on the casing. The casing pressure was measured to be 4.5 psig. Took 0 bbl water to reach test pressure of 900 psig and flowed 0 bbl back when bled off.

Test witnessed by Leroy Lee, NNEPA and Monica Kuehling, NMOCD. Leroy Lee took original pressure chart and e-mailed back a copy. NMOCD also requested a bradenhead test and a test of the high pressure injection kill switch. Both tests passed.

No paperwork needs to be submitted to either agency.

Since no electronic gauges are installed on the tubing or casing, it is important to schedule the contract operator to be present during the test to provide gauges/fittings, etc. and to test high pressure kill if requested.

Data:

Time (minutes) (minutes)	Casing Pressure (psig)	Tubing Pressure (psig)
0	910	57
15	910	55
30	910	55

Bob Sagle, P.E.
Operator Representative


Signature

ANNULAR PRESSURE TEST

(Mechanical Integrity Test)

Operator Running Horse Prod. Co. Date of Test 11/4/11

Well Name Frontier A#1 EPA Permit No. _____

Location NESE Sec 8 T26N R12W Tribal Lease No. NMSE-080008

State and County San Juan Co., NM

Continuous Recorder? YES NO Pressure Gauge? YES NO

Bradenhead Opened? YES NO Fluid Flow? YES NO

TIME	ANNULUS PRESSURE, psi		TUBING PRESSURE, psi
	Chart	(0-1000)	(0-2000)
0934	910	910	55.8
0939	910	910	55.6
0944	910	910	55.4
0949	910	910	54.6
0954	908	910	54.7
0959	908	910	54.6
1004	905	910	54.7

MAX. INJECTION PRESSURE: 930 PSI

MAX. ALLOWABLE PRESSURE CHANGE: 45.5 PSI (TEST PRESSURE X 0.05)

REMARKS: Passed? Failed? If failed, cease injection until well passes MIT (40CFR§144.21(c)(6)).

Active Status
Safety Mtg (Bob Saagle)
API # 30-045-27949
Bradenhead pressure = 0
MC-II Flow Analyzer = 33560.0 Total (bbls)
Wilson Service Co; Bloom Field, NM 337-2575
3683 pump
3110-2350 pump
Pass MIT Injection

Bob Saagle P.E. M/Sa
COMPANY REPRESENTATIVE: (Print and Sign)

11/4/11
DATE

Leroy Lee
INSPECTOR: (Print and Sign)

11/4/11
DATE

U.S. ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF INSPECTION

Address (EPA Regional Office) Region 9 Environmental Inspection Agency 75 Hawthorne Street (WTR-9) San Francisco, CA 94105	Inspection Contractor Underground Injection Control PO Box 1999 Shiprock, NM 87420-1999	Firm To Be Inspected <i>Running Horse Prod. Co.</i> <i>P.O. Box 369</i> <i>Ignacio, CO</i> <i>81137</i>
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Date <i>11/4/11</i>	Notice of inspection is hereby given according to Section 1445(b) of the Safe Drinking Water Act (42 U.S.C. §300 f et seq.).
Hour <i>1006</i>	

Reason For Inspection

For the purpose of inspecting records, files, papers, processes, controls and facilities, and obtaining samples to determine whether the person subject to an applicable underground injection control program has acted or is acting in compliance with the Safe Drinking Water Act and any applicable permit or rule.

MIT Injection well inspection @
Running Horse Prod. Co.
Well # Frontier A # 1
NESE, sec, 8, T26N, R12W
San Juan Co., NM

PASS MIT Inspection

Section 1445(b) of the SDWA (42 U.S.C. §300 j-4 (b) is quoted on the reverse of this form.

Receipt of this Notice of Inspection is hereby acknowledged.

Firm Representative <i>Bob Spyle</i> <i>M Spyle</i>	Date <i>11-4-11</i>	Inspector <i>Leroy Lee</i> <i>Leroy Lee</i>
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LAT - 36° 31' 20" N
 Long - 108° 5' 30.5" W

CONTRACTOR PRE-JOB SAFETY ORIENTATION REPORT
 Southern Ute Growth Fund

Facility Name and Location: Frontier #1 Company Job Representative: Bob Sayle
 Contractor Company Name: _____ Address: _____
 Contractor Telephone: (970) 749-0473 Contractor Representative: _____
 Area where work will be performed: Wellhead Brief description of work: Pressure Test CASING
 Length of project _____ Miles _____ Days Number of employees: 1
 Normal work hours: _____ AM to _____ PM Subcontractors: Wilson Service
 Special equipment: _____

A. Topics Discussed During Orientation:		
<input type="checkbox"/> Orientation requirements	<input type="checkbox"/> Excavations / trenching / shoring	<input type="checkbox"/> Lead in construction
<input checked="" type="checkbox"/> Accident / injury reporting	<input type="checkbox"/> Fall protection	<input type="checkbox"/> Noise / hearing conservation
<input type="checkbox"/> Asbestos	<input type="checkbox"/> Fire prevention & protection	<input type="checkbox"/> OQ tasks & site specific AOC's
<input type="checkbox"/> Chains, slings, & cables	<input type="checkbox"/> First aid & bloodborne pathogens	<input type="checkbox"/> Permit to begin work
<input type="checkbox"/> Confined space entry	<input type="checkbox"/> Hazardous atmospheres	<input checked="" type="checkbox"/> Personal protective equipment (PPE)
<input type="checkbox"/> Drug / alcohol & firearm	<input type="checkbox"/> Hazardous energy control LOTO	<input type="checkbox"/> Process safety management (PSM)
<input type="checkbox"/> Electrical safety	<input type="checkbox"/> Hot Work permits	<input type="checkbox"/> Radiation producing equipment
<input checked="" type="checkbox"/> Emergency evacuation	<input checked="" type="checkbox"/> Identification of hazard materials	<input type="checkbox"/> Regulatory inspections
<input type="checkbox"/> Environmental req.	<input checked="" type="checkbox"/> Job hazard analysis / assessment	<input type="checkbox"/> Respiratory equipment
		<input type="checkbox"/> Scaffold & ladder requirements
		<input type="checkbox"/> Security requirements
		<input type="checkbox"/> Training requirements
		<input type="checkbox"/> Vehicle & mobile equipment policy
		<input type="checkbox"/> Water/ dock operations
		<input type="checkbox"/> Welding safety
		<input type="checkbox"/> Work clothing
		<input type="checkbox"/> Worksite safety
		<input type="checkbox"/> Other:
		<input type="checkbox"/> Other:
		<input type="checkbox"/> Site-specific or business unit procedures

B. Company chemicals to which contract employees may be exposed:

1. <u>METHANOL</u>	2. _____
3. <u>Pressure Fluid</u>	4. _____

Were MSDS sheets provided to the Contractor? Yes No N/A
 (If No, the Company representative informed the Contractor of the location of the facility's MSDS files and provided the Contractor with access to the files.)
 Location of MSDS File: _____
 This list may not include all chemicals to which contract employees may be exposed.
 Contractor is responsible for identifying all chemicals and for protecting contract employees from exposure to chemicals that are or are not on this list.

C. Contractor chemicals to which contract employees may be exposed:

1. _____	2. _____
3. _____	4. _____

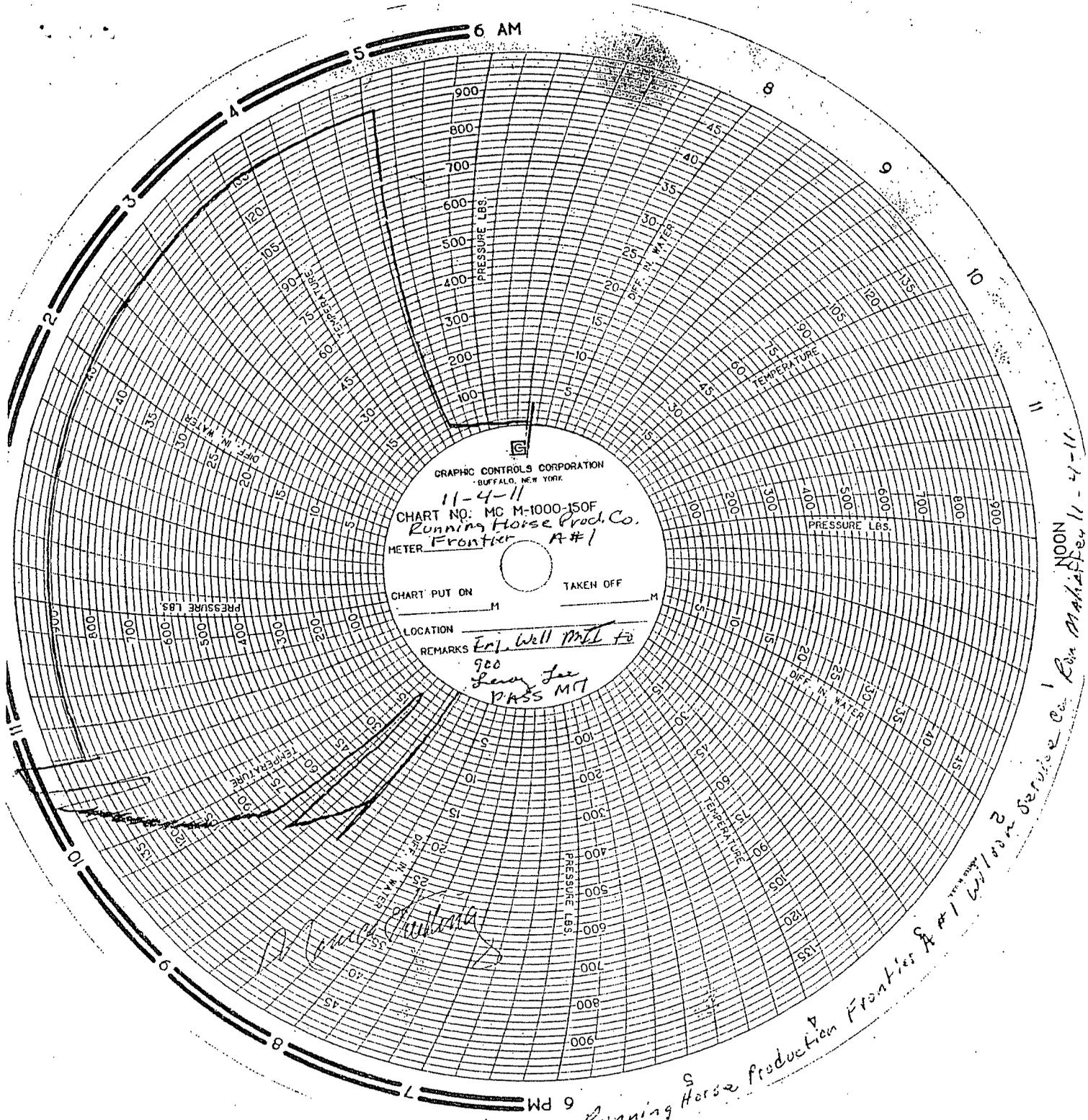
Were MSDS sheets provided to the Company? Yes No N/A
 Does Contractor have all required PPE, tools and equipment required to safely perform the job? Yes No N/A
 Were known existing site hazards discussed? Yes No N/A
 Contractor is responsible for obtaining all required PPE, tools and equipment prior to conducting any work.

D. List known existing site hazards:

1. <u>Pressure</u>	2. <u>Cell Signal - Risc</u>
3. <u>Chemicals</u>	4. _____

Note: Site hazards may include:
 • High pressure natural gas
 • Use or storage of chemicals that may present a fire hazard or an exposure hazard
 • Equipment used simultaneously in area where Contractor will be working
 • Ground and overhead hazards, such as pits, trenches, electrical lines and booms
 Contractor is not relieved of its duty to exercise due care while on Company property or while performing work for Company.
 Contractor is responsible for all site hazards caused or created by Contractor.

Contractor orientation conducted by: _____ Date: 11-4-11
 Company Representatives: Bob Sayle Contractor Representative(s): _____



GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

11-4-11
CHART NO: MC M-1000-150F
Running Horse Prod. Co.
METER Frontier A#1

CHART PUT ON _____ M
TAKEN OFF _____ M

LOCATION _____
REMARKS Earl Well Mill to
900 Leary Lee
PASS MT

A. J. ...

9 PM

Running Horse Production Frontier A#1 Wilson Service Co. 11-4-11
NOON