

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.

NMSF080008

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

- ☒
- Notice of Intent
-
- ☐
- Subsequent Report
-
- ☐
- Final Abandonment Notice

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <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. 3o.d 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)

NMOC DAV

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 N55E S.10E 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 Sagale)

API # 30-045-27949

Bradenhead pressure = 0

Mc-III Flow Analyzer = 33560.0 Total (cbls)

Wilson Service Co; Elbow Field, NM 337-2575

3683 Parker

3116 - 2350 - 4000

Pass MIT Integrity

COMPANY REPRESENTATIVE: B. Smith P.E. 1/5/11
(Print and Sign)

11/4/11
DATE

INSPECTOR: Leroy Lee 11/4/11
(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 Running Horse Prod. Co. P.O. Box 369 Ignacio, CO 81137
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Date 11/4/11	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 1006	

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 Bob Spyle <i>[Signature]</i>	Date 11-4-11	Inspector Leroy Lee <i>[Signature]</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 type="checkbox"/> Security requirements
<input checked="" type="checkbox"/> Accident / injury reporting	<input type="checkbox"/> Fall protection	<input type="checkbox"/> Noise / hearing conservation	<input type="checkbox"/> Training requirements
<input type="checkbox"/> Asbestos	<input type="checkbox"/> Fire prevention & protection	<input type="checkbox"/> OQ tasks & site specific AOC's	<input type="checkbox"/> Vehicle & mobile equipment policy
<input type="checkbox"/> Chains, slings, & cables	<input type="checkbox"/> First aid & bloodborne pathogens	<input type="checkbox"/> Permit to begin work	<input type="checkbox"/> Water/ dock operations
<input type="checkbox"/> Confined space entry	<input type="checkbox"/> Hazardous atmospheres	<input checked="" type="checkbox"/> Personal protective equipment (PPE)	<input type="checkbox"/> Welding safety
<input type="checkbox"/> Drug / alcohol & firearm	<input type="checkbox"/> Hazardous energy control LOTO	<input type="checkbox"/> Process safety management (PSM)	<input type="checkbox"/> Work clothing
<input type="checkbox"/> Electrical safety	<input type="checkbox"/> Hot Work permits	<input type="checkbox"/> Radiation producing equipment	<input type="checkbox"/> Worksite safety
<input checked="" type="checkbox"/> Emergency evacuation	<input checked="" type="checkbox"/> Identification of hazard materials	<input type="checkbox"/> Regulatory inspections	<input type="checkbox"/> Other:
<input type="checkbox"/> Environmental req.	<input checked="" type="checkbox"/> Job hazard analysis / assessment	<input type="checkbox"/> Respiratory equipment	<input type="checkbox"/> Other:
		<input type="checkbox"/> Scaffold & ladder requirements	<input type="checkbox"/> Site-specific or business unit procedures

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

1. METHANOL
3. PROPER FLUID

2.

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.
3.

2.

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. Pressure
3. Chemicals

2. Cell Signal - Riser
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 Representative:

Bob Sayle

Contractor Representative(s):

Field Ticket # A 6414

Date 11-4-11

Bill To: Red Willow (Running Horse Production) Attn: Jake Hansen
Company
Address

Work Performed On: Lease Frontier A Well # 1 Field

County San Juan State N.M. Sec. TWP. RGE

[illegible]

Sks. Cement _____ Date Cemented _____ Time _____ Date Surveyed _____ Time _____

Joints Tested _____ Damaged Joints _____ Pressured To 900

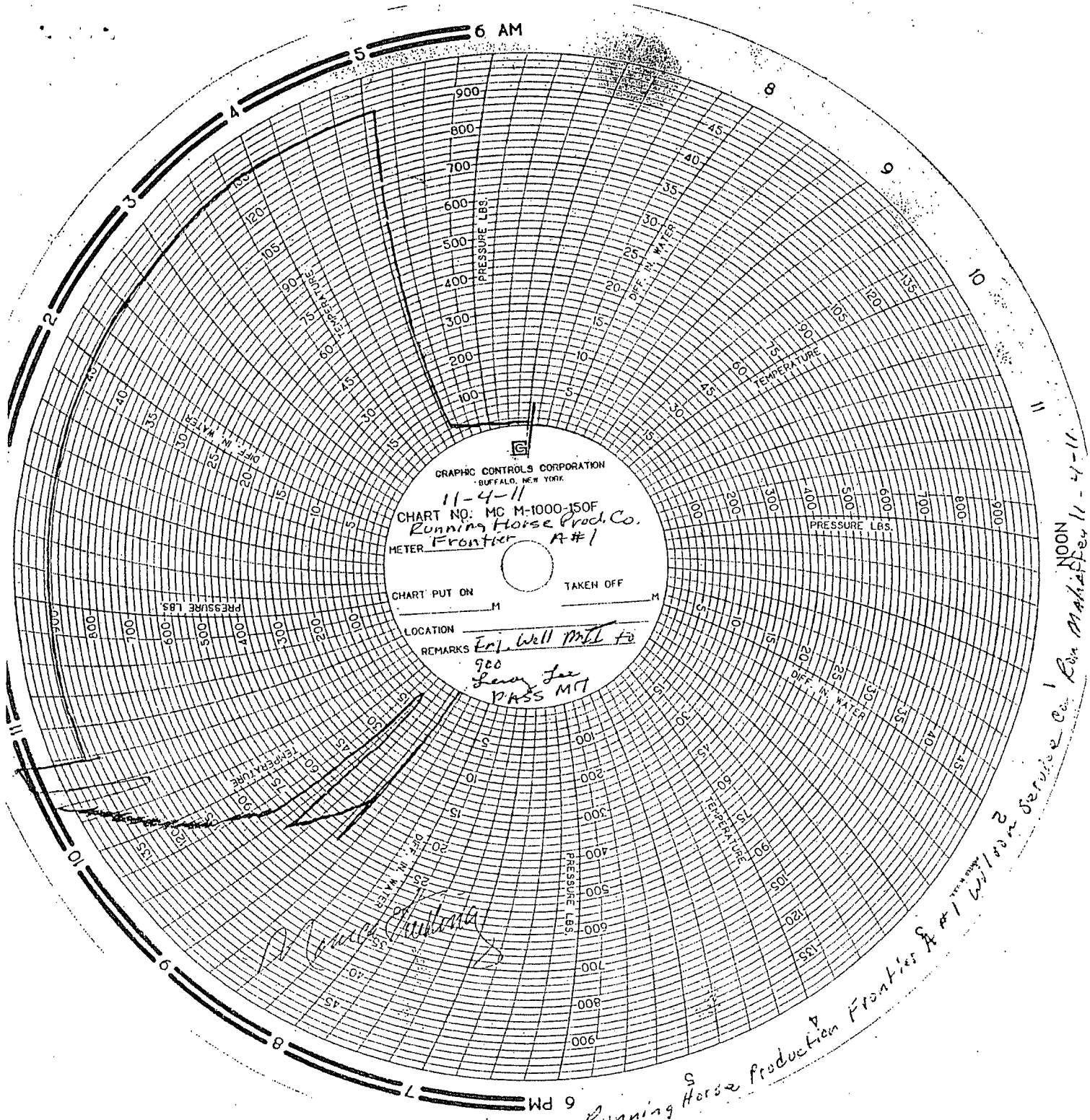
[illegible]

Sub Total	1617.00
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Tax	102.07
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Total	1719.07
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As part of the consideration hereof, it is hereby agreed that Wilson Service Co., Inc. shall not be liable or responsible for any loss, damage or injury to said well, resulting from the use of said company's equipment or acts of any persons engaged in or doing said work on above described well. If tools or equipment belonging to W.S.C. are damaged or lost in above described well, said company agrees to pay retail cost for same. Upon recovery of tools said company will be given credit less cost of repairs. All sums are due upon receipt of invoice.



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 *Enl. Well Prod. Co.*
900
Leaky Joe
PASS MT

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

6 PM