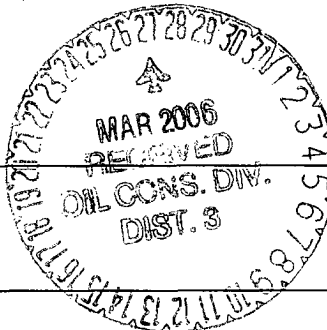


**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**
Sundry Notices and Reports on Wells

<p>1. Type of Well Oil</p> <p>2. Name of Operator Chace Oil c/o Golden Oil Holding Corporation</p> <p>3. Address & Phone No. of Operator 2200 Post Oak Blvd., Suite 720, Houston, TX 77027 713-626-1110</p> <p>Location of Well, Footage, Sec., T, R, M 1775' FSL & 990' FEL, Section 20, T-23-N, R-3-W, Unit I</p>	<p>5. Lease Number Jicarilla 15</p> <p>6. If Indian, All. or Tribe Name Jicarilla Apache</p> <p>7. Unit Agreement Name</p> <p>8. Well Name & Number Chace Apache 15 #2</p> <p>9. API Well No. 30-043-20280</p> <p>10. Field and Pool Chacon Dakota</p> <p>11. County & State Sandoval, NM</p>
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**12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA**

Type of Submission	Type of Action
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other - Return to Production

13. Describe Proposed or Completed Operations

Golden Oil plans to repair the casing in this well or plug and abandon it. A plug and abandonment intent Sundry was approved on October 11, 2002 by the Rio Puerco BLM office.

Please review and re-approve the attached plugging procedure.

2006 MAR 16 PM 2 45
 RECEIVED
 OTO FARMINGTON NM

14. I hereby certify that the foregoing is true and correct.

Signed William F. Clark Title Contractor Date March 14, 2006
 William F. Clark

(This space for Federal or State Office use)
 APPROVED BY Original Signed: Stephen Mason Title _____ Date MAR 23 2006
 CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly 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.

NMOC

PLUG AND ABANDONMENT PROCEDURE 9/6/02-

3/14/06

**Chace Apache 15 #2
Chacon Dakota / WC Gallup
1775' FSL & 990' FEL, Section 20, T23N, R3W
Sandoval County, NM**

Note: All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type II, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. Install and test rig anchors. Prepare blow pit. Comply with NMOCD, BLM and Golden safety rules and regulations. MOL and RU daylight pulling unit. Blow well down; kill with water if necessary. ND wellhead and NU BOP and stripping head; test BOP.
2. TOH with 2-3/8" tubing, total 7242'. Inspect tubing, if necessary LD and PU workstring. Round-trip 4-1/2" gauge ring or casing scraper to 7042'. Note fluid level.
3. **Plug #1 (Dakota perforations and top, 7042' - 6942')**: Set a 4-1/2" cement retainer at 7042'. Pressure test tubing to 1000#. Pump 40 bbls water down tubing. Mix 11 sxs cement and spot a balanced plug inside casing above the retainer to isolate the Dakota perforations. TOH.
4. **Plug #2 (Gallup perforations and top, 5944' - 5844')**: TIH and set a 4-1/2" cement retainer at 5944'. Load casing with water and circulate the well clean. Pressure test casing to 500#. If casing does not test, then spot or tag subsequent plugs as appropriate. Mix 11 sxs cement and spot a balanced plug inside casing above retainer to isolate Gallup perforations. PUH to 4510'.
5. **Plug #3 (Cliffhouse top, 4510' - 4410')**: Mix 11 sxs cement and spot a balanced plug inside casing to cover the Cliffhouse top. TOH with tubing.
6. **Plug #4 (Pictured Cliffs, Fruitland, Kirtland, Ojo Alamo tops, 2960' - 2475')**: Perforate 3 squeeze holes at 2960'. If the casing tested, then establish rate into squeeze holes. Set 4-1/2" CR at 2910'. Mix and pump 228 sxs cement, squeeze 187 sxs outside casing and leave 41 sxs inside casing to cover through the Ojo Alamo top. TOH with tubing.
7. **Plug #5 (Nacimiento, ¹²⁹⁰1375' - ¹¹⁹⁰1275')**: Perforate 3 squeeze holes at ¹²⁹⁰1375'. If the casing tested, then establish rate into squeeze holes. Set 4-1/2" CR at 1325'. Mix and pump 50 sxs cement, squeeze 39 sxs outside casing and leave 11 sxs inside casing to cover the Nacimiento top. TOH and LD tubing.
8. **Plug #6 (8-5/8" casing shoe, 296' - Surface)**: Perforate 3 squeeze holes at 296'. Establish circulation out bradenhead with water. Mix and pump approximately 100 sxs cement down 4-1/2" casing to circulate cement out the bradenhead valve. Shut in and WOC.
9. ND BOP and cut off wellhead below surface casing. Install P&A marker to comply with regulations. RD, MOL, cut off anchors, and restore location.