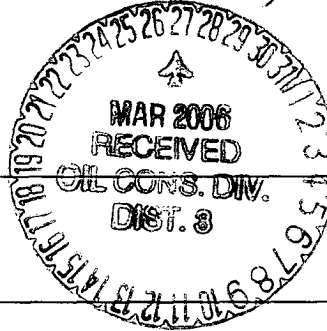


submitted in lieu of Form 3160-5

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

1. Type of Well Oil	5. Lease Number Jicarilla 54
2. Name of Operator Chace Oil c/o Golden Oil Holding Corporation	6. If Indian, All. or Tribe Name Jicarilla Apache
3. Address & Phone No. of Operator  2200 Post Oak Blvd., Suite 720, Houston, TX 77027 713-626-1110	7. Unit Agreement Name
Location of Well, Footage, Sec., T, R, M  990' FSL & 1850' FEL, Section 34, T-23-N, R-3-W, Unit C	8. Well Name & Number Chace Apache 54 #3
	9. API Well No. 30-043-20306
	10. Field and Pool Chacon Dakota
	11. County & State Sandoval, NM



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.

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.

OPERATOR NMOCB

NMOCB

PLUG AND ABANDONMENT PROCEDURE 9/6/02

3/14/06

**Chace Apache 54 #3**  
**Chacon Dakota**  
**990' FSL & 1850' FEL, Section 34, 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 all 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 3100' +/- . Inspect tubing, if necessary LD. Prepare additional workstring. Round-trip 4-1/2" gauge ring or casing scraper to 6860'. Note fluid level.
3. **Plug #1 (Dakota perforations and top, 6860' – 6760')**: Set a 4-1/2" cement retainer at 6860'. Pressure test tubing to 1000#. 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 the retainer to isolate the Dakota perforations. PUH to 5810'.
4. **Plug #2 (Gallup top, 5810' – 5710')**: Mix 11 sxs cement and spot a balanced plug inside casing to cover the Gallup top. PUH to 4260'.
5. **Plug #3 (Cliffhouse top, 4260' – 4160')**: 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, 2780' – 2350')**: Perforate 3 squeeze holes at 2780'. If the casing tested, then establish rate into squeeze holes. Set 4-1/2" CR at 2730'. Mix and pump 200 sxs cement, squeeze 100 sxs outside casing and leave 34 sxs inside casing to cover through the Ojo Alamo top. TOH with tubing.
7. **Plug #5 (Nacimiento, 1250' – 1150')**: Perforate 3 squeeze holes at 1250'. If the casing tested, then establish rate into squeeze holes. Set 4-1/2" CR at 1200'. 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, 319' - Surface)**: Perforate 3 squeeze holes at 319'. Establish circulation out bradenhead with water. Mix and pump approximately 110 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.