

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 12 2008

FORM APPROVED
OMB No 1004-0137
Expires: July 31, 2010

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.

Lease Serial No.
NM-16470

Indian, Allottee or Tribe Name

Field Office

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Cowsaround 1 #11

2. Name of Operator
Running Horse Production Co.

9. API Well No.
30-045-27949 6

3a. Address
PO Box 369 Ignacio, CO 81137

3b. Phone No. (include area code)
970-563-5167

10. Field and Pool or Exploratory Area
Basin Fruitland Coal

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1560' FSL, 1700' FWL Section 1 T26N R12W NMPM

11. Country or Parish, State
San Juan, New Mexico

12. CHECK THE 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 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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 plans to P&A this well- attached are the current wellbore schematic, P&A procedures, and the final wellbore schematic.

RCVD MAY 14 '08

OIL CONS. DIV.

DIST. 3

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

Title Engineer

Signature

Date 05/08/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

MAY 13 2008

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)

NMOCB

Cowsaround 1 #11

Current

Basin Fruitland Coal / API #30-045-27946

1560' FSL & 1700' FWL, Section 1, T-26-N, R-12-W, San Juan County, NM

Lat: 36.5141464 / Long: -108.0662807

Today's Date: 5/1/08

Spud: 8/11/90

Completed: 11/27/90

Elevation: 5980' GI

9.25" hole

Ojo Alamo @ 192'

Kirtland @ 327'

Fruitland @ 1038'

Basin Fruitland Coal @ 1076'

6.25" Hole

TD 1480'
PBSD 1395'

Circulate 5 bbls cmt to surface
per Sundry

7", 23# N-80 Casing set @ 127'
Cement with 71 cf (Circulated to Surface)

Fruitland Coal Perforations:
1077' - 1326'

4.5" 9.5#, ST&C Casing set @ 1464'
Cement with 130 sxs (283 cf)
circulated 5 bbs to surface

PLUG AND ABANDONMENT PROCEDURE

May 1, 2008

Cowsaround 1 #11

Basin Fruitland Coal
1560' FSL and 1700' FWL, Section 1, T26N, R12W
San Juan County, New Mexico / API 30-045-27946
Lat: 36.5141464 / Lat: -108.0662807

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type G, mixed at 15.8 ppg with a 1.15 cf/sx yield.

1. Project will use a steel tank for a pit.
1. Install and test location rig anchors. Prepare and line a waste fluid pit. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
2. Rods: Yes X , No , Unknown
Tubing: Yes X , No , Unknown , Size 2.375" , Length 1354'
Packer: Yes , No X , Unknown , Type
3. TOH and visually inspect tubing. If necessary, LD tubing and PU workstring.
4. **Plug #1 (Basin Fruitland Coal interval and Fruitland top, 1027' – 927')**: TIH and set CR at 1027'. Spot 12 sxs Class G cement above CR to isolate the Basin Fruitland Coal intervals and cover the Fruitland top. Pressure test casing to 800#. *If casing does not test, then tag Plug #1 and spot additional cement if required.* PUH.
5. **Plug #2 (Kirtland, Ojo Alamo tops and 7" casing shoe, ^{438'}~~377'~~ - Surface)**: Attempt to pressure test the bradenhead annulus to 300#. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 35 sxs Class G cement and spot a balanced plug from ^{438'}~~377'~~ to surface to cover the Kirtland top and 7" casing shoe, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing and the annulus.
6. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Cowsaround 1 #11

Proposed P&A

Basin Fruitland Coal / API #30-045-27946

1560' FSL & 1700' FWL, Section 1, T-26-N, R-12-W, San Juan County, NM
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9.25" hole

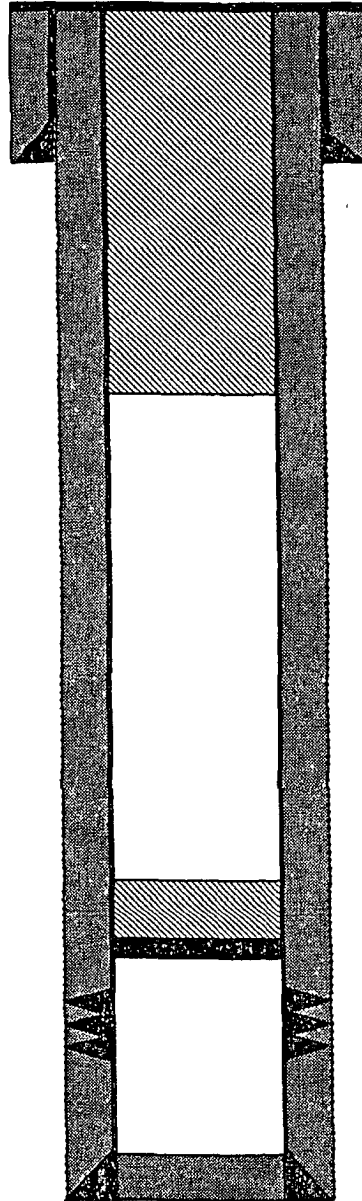
Ojo Alamo @ 192'

Kirtland @ 327'

Fruitland @ 1038'

Basin Fruitland Coal @ 1076'

6.25" Hole



Circulate 5 bbls cmt to surface
per Sundry

7", 23# N-80 Casing set @ 127'
Cement with 71 cf (Circulated to Surface)

Plug #2: 377' - 0'
Class G cement, 35 sxs

Plug #1: 1027' - 927'
Class G cement, 12 sxs

Set CR @ 1027'

Fruitland Coal Perforations:
1077' - 1326'

4.5" 9.5#, ST&C Casing set @ 1464'
Cement with 130 sxs (283 cf)
circulated 5 bbs to surface

TD 1480'
PBTD 1395'

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

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 11 Cowsaround 1

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) Place the Kirtland/Ojo Alamo/Surface plug from 438' to Surface.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

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