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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 07 2009

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.

5. Lease Serial No.
N0006-14-20-5340

6. Indian, Allottee or Tribe Name
Southern Ute Indian Tribe

Navyjo Allottee

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Running Horse Production Co.

3a. Address
PO Box 369 Ignacio, CO 81137

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
790' FNL 790' FWL, Section 27 T26N R12W

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

8. Well Name and No.
Designated Hitter #1

9. API Well No.
30-045-22637

10. Field and Pool or Exploratory Area

11. Country or Parish, State
San Juan County, NM

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 Production Co. plans to P&A the Designated Hitter #1. See attached Plug & Abandonment procedures and wellbore schematics.

RCVD APR 13 '09
OIL CONS. DIV.
DIST. 3

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

Title Engineer II

Signature

Date 03/16/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

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

APR 10 2009

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

PLUG AND ABANDONMENT PROCEDURE

March 10, 2009

Designated Hitter #1

NIPP-Pictured Cliffs
790' FNL and 790' FWL, Section 27, T26N, R12W
San Juan County, New Mexico / API 30-045-22637
Lat: _____ / Long: _____

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 Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. This project requires the Operator to obtain an approved NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. 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.
3. Rods: Yes ☐ , No ☒ , Unknown ☐ .
Tubing: Yes ☒ , No ☐ , Unknown ☐ , Size 1.25" , Length 1164' .
Packer: Yes ☐ , No ☒ , Unknown ☐ , Type ☐ .
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
4. Open bradenhead valve. Establish rate down 2.875" casing with 20 bbls water, record pump rate and pressure. Monitor bradenhead for flow. If no flow or blow out the BH valve, then pump 10 - 7/8" RCN balls in additional water and monitor pressure and rate while pumping. Confirm that the perforations are taking water and there is not a casing leak. If the bradenhead flows water or there are other indications of a casing leak, then use 1.25" IJ tubing to plug the well.
5. **Plug #1 (Pictured Cliffs perforations, Fruitland, Kirtland and Ojo Alamo tops, 1148' -0')**:
Mix and pump 45 sxs Class B cement and bullhead down 2.875" casing: first pump 10 sxs cement, then drop 5 RCN balls, then pump 35 sxs cement to fill the casing and circulate good cement out casing valve. Shut in well. WOC.
6. ND cementing valves and cut off wellhead. Fill 2.875" casing with cement as necessary. Install P&A marker to comply with regulations. RD, MOL, cut off anchors, and restore location.

NIPP-Pictured Cliffs

Lat _____ / Long _____

Spud: 12/12/77

Elevation: 6093' G1

Kirtland @ 230'

Pictured Cliffs @ 1126'

5.5" 14#, ST&C Casing set @ 40'
Cement with 6 sxs (Circulated to Surface)

Pictured Cliffs Perforations:
1128' - 1148'

4.75" hole

TD 1254'
PBTD 1195'

Designated Hitter #1 Proposed P&A

NIPP-Pictured Cliffs

790' FNL, 790' FWL, Section 27, T-26-N, R-12-W,

San Juan County, NM / API #30-045-22637

Lat _____ / Long _____

Today's Date: 3/10/09

Spud: 12/12/77

Completed: 1/11/78

Elevation: 6093' GI

8.75" hole

TOC @ Surface (Calc, 75%)

5.5" 14#, ST&C Casing set @ 40'
Cement with 6 sxs (Circulated to Surface)

Ojo Alamo @ 178'

Kirtland @ 230'

Plug #1: 1148' – Surface:
Class B cement, 45 sxs

Fruitland @ 871'

Pictured Cliffs @ 1126'

Pictured Cliffs Perforations:
1128' – 1148'

4.75" hole

2.875", 6 4#, J-55 Casing set @ 1254'
Cement with 125 sxs (240 cf)

TD 1254'
PBTD 1195'