

RECEIVED

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.

Bureau of Land Management
Flagstaff Field Office
Lease Serial No. 0559974

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

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.
Armour Federal #1Y

2. Name of Operator
Running Horse Production Co.

9. API Well No.
30-045-22076

3a. Address
PO Box 369 Ignacio, CO 81137

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

10. Field and Pool or Exploratory Area

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
970' FNL 1350' FWL, Section 4 T26N R13W

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 Armour Federal #1Y. See attached Plug & Abandonment procedures and wellbore schematics.

RCVD APR 14 '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

APR 13 2009

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

PLUG AND ABANDONMENT PROCEDURE

March 3, 2009

Armour Fed 1Y

WAW Pictured Cliffs
970' FNL and 1350' FWL, Section 4, T26N, R13W
San Juan County, New Mexico / API 30-045-22076
Lat: 36.5218751 / Lat:-108.2288723

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 Class B, mixed at 15.8 ppg with a 1.18 cf/sx yield.

1. This project requires a 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. 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. 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 2.375" , Length 1272'
Packer: Yes ☐ , No ☒ , Unknown ☐ , Type
If well has rods or a packer, then modify the work sequence in Step #2 as appropriate.
3. **Plug #1 (Pictured Cliffs interval and Fruitland top, 1274' – 910')**: PU and TIH with 4.5" cement retainer, set at 1274'. Pressure test tubing to 1000 PSI. Load casing above the CR with water and circulate well clean. Pressure test casing to 800#. *If casing does not test, spot or tag subsequent plugs as appropriate.* Mix and pump 32 sxs Class B cement above CR to isolate the PC and Fruitland intervals. TOH.
4. **Plug #2 (8.625" Surface Casing, ²⁵⁶180' – ²⁵⁶Surface)**: Perforate 3 squeeze holes at ~~180'~~. Establish circulation out bradenhead with water. Circulate the BH annulus clean. Mix and pump approximately 60 sxs Class B cement down 4.5" casing to circulate good cement out the bradenhead. SI well and WOC.
5. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

Armour Fed 1Y Current

WAW Pictured Cliffs
970' FNL, 1350' FWL, Section 4, T-26-N, R-13-W,
San Juan County, NM / API #30-045-22076
Lat 36.5218751 / Long -108.2288723

Today's Date: 3/3/09
Spud: 5/30/76
Completed: 7/17/76
Elevation: 6181' GI

Kirtland @ 130'

Fruitland @ 960'

Pictured Cliffs @ 1300'

12.25" hole

8.625" 23#, J-55 Casing set @ 63'
Cement with 50 sxs (Circulated to Surface)

TOC @ 563' (Calc, 75%)

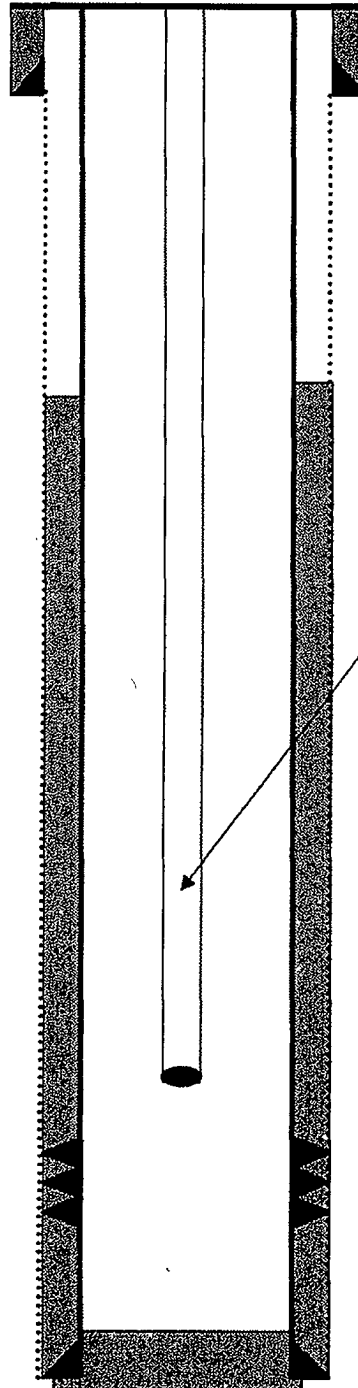
2.375" tubing at 1272'

Pictured Cliffs Perforations:
1324' - 1352'

4.5", 10.5#, Casing set @ 1527'
Cement with 150 sxs (177 cf)

6.75" hole

TD 1575'
PBTD 1492'



Armour Fed 1Y

Proposed P&A

WAW Pictured Cliffs

970' FNL, 1350' FWL, Section 4, T-26-N, R-13-W,

San Juan County, NM / API #30-045-22076

Lat 36.5218751 / Long -108.2288723

Today's Date: 3/3/09

Spud: 5/30/76

Completed: 7/17/76

Elevation: 6181' GI

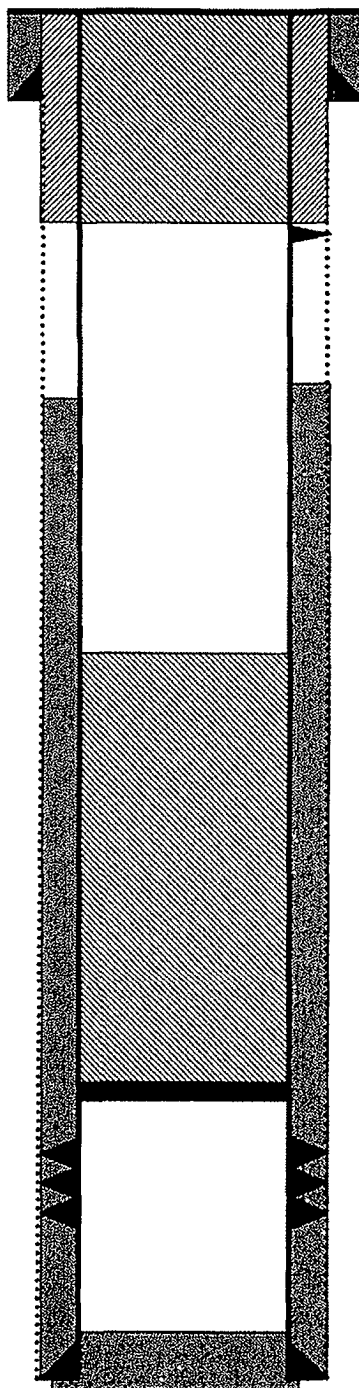
12.25" hole

Kirtland @ 130'

Fruitland @ 960'

Pictured Cliffs @ 1300'

6.75" hole



8.625" 23#, J-55 Casing set @ 63'
Cement with 50 sxs (Circulated to Surface)

Plug #2: 180' - 0'
Class B cement, 60 sxs

Perforate @ 180'

TOC @ 563' (Calc, 75%)

Plug #1: 1274' - 910'
Class B cement, 32 sxs

Set CR @ 1274'

Pictured Cliffs Perforations:
1324' - 1352'

4.5", 10.5#, Casing set @ 1527'
Cement with 150 sxs (177 cf)

TD 1575'
PBTD 1492'

**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: 1Y Armour Federal

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 256' to surface inside and outside the 4 ½" casing.

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.