

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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.
N90-C-14-20-7471

6. If Indian, Allottee or Tribe Name
Southern Ute Indian Tribe
Navajo 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)
1740' FSL 870' FEL, Section 35 T27N R12W

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

8. Well Name and No.
Pete #1R

9. API Well No.
30-045-25663

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 recomplate 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 recompletion 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 Pete #1R. 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)

NMOCD

PLUG AND ABANDONMENT PROCEDURE

March 12, 2009

Pete #1R

Basin Fruitland Coal
1740' FSL and 870' FEL, Section 35, T27N, R12W
San Juan County, New Mexico / API 30-045-25663
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 X, No , Unknown .
Tubing: Yes X, No , Unknown , Size 1.5", Length 1300'.
Packer: Yes , No X, Unknown , Type .
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
4. **Plug #1 (Fruitland interval, 1350' - ~~934'~~ 861')**: PU and TIH with 4.5" cement retainer, set at 1034'. 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 ~~58~~ sxs Class B cement, squeeze 48 sxs below CR and leave ~~10~~ sxs above CR to isolate the Fruitland interval. PUH.
5. **Plug #2 (Kirtland, Ojo Alamo and 7" Surface Casing, 445' - Surface)**: Connect the pump line to the bradenhead valve. Pressure test the BH annulus to 300#, note the fluid volume to load. If the BH annulus tests, then mix 40 sxs cement and spot a balanced plug inside the 4.5" casing to surface, circulate cement out the casing valve. TOH and LD the tubing. If the BH annulus does not test, then perforate at the appropriate depth to fill the bradenhead annulus from the perforation to surface. TOH and LD tubing. Shut in well and WOC.
6. 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.

Pete #1R

Current

Basin Fruitland Coal / API #30-045-25663

1740' FSL & 870' FEL, Section 35, T-27-N, R-12-W, San Juan County, NM

Lat _____ / Long _____

Today's Date: 3/24/09

Spud: 7/26/83

Completed: 4/21/84

Elevation: 5935' GI

9.75" hole

Circulate cmt to surface per Sundry

7", # Casing set @ 100'
Cement with 59 cf (Circulated to Surface)

Ojo Alamo @ 285'

Kirtland @ 395'

1.90" tubing @ 1300'
(rods and pump)

Fruitland @ 1095'

Fruitland Coal Perforations:
1084' - 1157' (1990)

Fruitland Coal Perforations:
1218' - 1253' (1990)

6.25" Hole

4.5" 10.5# Casing set @ 1264'
Cement with 150 sxs (177 cf)
Circulated 1 bbl cement per Sundry

3.875" Hole

3.5" Slotted Liner, Flush Joint
From 1255' to 1350' with On/Off
Tool on top.

TD 1350'
PBTD 1350'

Pete #1R **Proposed P&A**

Basin Fruitland Coal / API #30-045-25663

1740' FSL & 870' FEL, Section 35, T-27-N, R-12-W, San Juan County, NM

Lat _____ / Long _____

Today's Date: 3/24/09

Spud: 7/26/83

Completed: 4/21/84

Elevation: 5935' GI

9.75" hole

Ojo Alamo @ 285'

Kirtland @ 395'

Fruitland @ 1095'

6.25" Hole

3.875" Hole

TD 1350'
PBSD 1350'

Circulate cmt to surface per Sundry

7", # Casing set @ 100'
Cement with 59 cf (Circulated to Surface)

Plug #2: 445' - 0'
Class B cement, 40 sxs

Plug #1: 1350' - 934'
Class B cement, 58 sxs:
48 sxs below CR and 10 sxs
Above CR

Set CR @ 1034'

Fruitland Perforations:
1084' - 1157' (1990)

Pictured Cliffs Perforations:
1218' - 1253' (1990)

4.5" 10.5# Casing set @ 1264'
Cement with 150 sxs (177 cf)
Circulated 1 bbl cement per Sundry

3.5" Slotted Liner, Flush Joint
From 1255' to 1350' with On/Off
Tool on top.

**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: 1R Pete

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) Bring the top of the Fruitland plug to 861'.

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.