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Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 01 2009

FORM APPROVED
OMB No 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Nacogdoches Oil & Gas Inc.

3a. Address
PO BOX 632418

3b. Phone No. (include area code)
936-560-4747

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1050' FNL & 1610' FEL,
Section 32 T27N R19W

5. Lease Serial No
NOO-C-14-20-4158

6. If Indian, Allottee or Tribe Name
Navajo

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

8. Well Name and No.
Navajo # 32-2

9. API Well No.
30-045-24945

10. Field and Pool, or Exploratory Area
Beautiful Mountain

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

12. CHECK 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 recomple 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please see attached plugging procedure:

RCVD APR 9 '09
OIL CONS. DIV.
DIST. 3

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

Mike Allen

Title Production Engineer

Signature

Date

03/30/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason	Title	Date APR 06 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 Plan

Nacogdoches Oil & Gas Inc.

Navajo #32-2

1050' FNL & 1610' FEL

Sec. 32 T27N R19W

San Juan County, New Mexico

1. Comply with all BLM, NOG and contractor safety rules and regulations. Hold safety meetings each morning.
2. MIRU, Workover Rig, Pump Truck. Kill Well, Install BOP.
3. Pull 5755' of 2 3/8" Tubing and Packer. If packer will not release, GIH with Wireline cutter, shoot Tubing loose from Packer. Pull Tubing. LD. GIH with sandline, drive packer to bottom of wellbore. MI Wireline truck.
4. **Plug # 1- (Mississippi Lime 5855'-5941')** GIH with Wireline and 5 1/2" Bridge Plug. Set at 5825'. GIH with Wireline bailer, dump 50' of Class B Cement on top of plug. TOH Wireline. LD.
5. **Plug #2- (Pennsylvanian & Ismay 5500'-5169')** GIH with Wireline and 5 1/2" Bridge Plug. Set at 5500'. TIH with Tubing, pump ~~500'~~ Class B Cement on top of bridge plug and across Ismay formation interval. TOH with Tubing.
→ Hermosa plug from 4519'-4419' inside outside 5 1/2" casing
3650'
6. GIH with Wireline, perforate two 3/8" squeeze holes @ ~~4100'~~ 2905'.
7. **Plug #3-(Organ Rock-Dechelly)** GIH with Tubing and J type packer set and circulate cement from ~~4100'~~ 2905'. Inside and Outside of casing.
3650'
8. TOH with Tubing and Packer.
9. GIH with Wireline and perforate squeeze holes at ~~630'~~ 2082'.
10. **Plug #4-**GIH with Tubing and Packer. Circulate cement from ~~630'~~ 2082' to ~~480'~~ 1982'. Inside and outside casing. (Ch:12)
→ Surfs Casing 605'-505' inside outside casing
11. **Plug #5-**TOH with Tubing and Packer, remove packer. GIH with Tubing to 50'. Fill casing to surface. inside outside.
12. Cut off well 3' below ground and install P&A marker per BLM specifications. RD, cleanup MOL.
13. Restore location to BLM specifications

**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: 2 Navajo 32

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 a cement plug from 4519' – 4419' top cover the Hermosa top inside and outside the 5 ½" casing.

b) Place the Organ Rock/DeChelly plug from 3650' – 2905' inside and outside the 5 ½" casing.

b') Or the Organ Rock plug from 3650' - 3550' and DeChelly from 3005' – 2905' both inside and outside the 5 ½" casing.

c) Place a cement plug from 2082' – 1982' inside and outside the 5 ½" casing to cover the Chinle top.

d) Place the Surface casing shoe plug from 605' – 505' inside and outside the 5 ½" casing.

e) Place the Surface plug from 50' to surface inside and outside the 5 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.