

RECEIVED

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELL

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.

- 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 #5-1

9. API Well No.

30-045-21755

10. Field and Pool, or Exploratory Area

Beautiful Mountain

11. County or Parish, State

San Juan, New Mexico

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

Nacogdoches TX 75703

3b. Phone No. (include area code)

936-560-4747

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Section 5 26N 19W

1650/N ~ 2035/W

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 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 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 the attached Plugging Procedure:

RCVD APR 20 '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

By E-mail

Date

04/14/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

APR 16 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

5/4/09

Plug and Abandonment Plan

Nacogdoches Oil & Gas Inc.

Navajo #5-1

Sec. 05 T26N 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.
4. **Plug # 1- (Mississippi Lime 5960'-6040')** GIH with Wireline and 5 1/2" Bridge Plug. Set at 5910'. TIH with tubing pump, 50' of Class B Cement on top of plug.
5. **Plug #2- (Ismay 5334')** TIH with Tubing, pump 150', Class B Cement from ~~5330'-5180'~~ across Ismay formation interval. TOH with Tubing.
5384-5234
6. GIH with Wireline bond log to determine TOC, calculated @4503'. TOH with bond tool. GIH with casing cutter, cut casing at ~~4500'~~ ^{3750'} or TBD.
→ Hermosa plug 4644'-4544'
7. **Plug #3- (Organ Rock & Dechelly)** GIH with Tubing to casing stub at ~~4500'~~ ^{3750'}. Pump 200' cement plug over stub to ~~4300'~~ ^{3550'}.
3130
8. **Plug #4- (Dechelly)** Pull tubing up to ~~3736'~~ ³¹³⁰. Pump 760' cement plug across Dechelly Formation to ~~2976'~~ ³⁰³⁰.
→ Chino 2186-2280' 71
9. **Plug #5-** Pull tubing to ~~1425'~~ ⁷¹. Pump 200' Cement plug across surface casing shoe.
10. **Plug #6-** Pull tubing to 150'. Pump cement plug to surface.
11. Cut off well 3' below ground and install P&A marker per BLM specifications. RD, cleanup MOL.
12. 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: 1 Navajo 5

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 Ismay plug from 5384' – 5234'. This plug already includes 50' excess.

b) Place the Hermosa plug from 4644' - 4544'.

c) Place the Organ Rock plug from 3750' - 3550' to cover 4 ½" casing stub.

d) Place the DeChelly plug from 3130' – 3030'.

e) Place a cement plug from 2286' – 2186' to cover the Chinle top.

f) Place the Surface Casing Shoe plug from 1471' – 1271'. This plug already includes 100% excess due to open hole.

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

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