Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED OMB NO. 1004-0137 Expires July 31, 2010

5. Lease Serial No.

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.			NMNM-7787 6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICAT	TE - Other instructio	nstoń page 2 ETWE		7. If Unit or CA	/Agreement, Name and/or N
Type of Well Oil Well Gas Well Other		DEC 02 2010		8. Well Name as	
	C.25(H)-T26N-R1	DICATE NATURE OF NO	OTICE, REPO	9. API Well No. 30-045-2892 10. Field and P BASIN FRUIT 11. County or I SAN JUAN RT, OR OTHE	20 20 20 20 20 20 20 20 20 20 20 20 20 2
Subsequent Report Final Abandonment Notice	Casing Repair Change Plans Convert to Injectic	New Construction X Plug and Abandon Plug Back	Recomplete Temporaril Water Disp	y Abandon	Other
following completion of the involved operations. It testing has been completed. Final Abandonment Metermined that the final site is ready for final inspective. The Energy Inc. proposes to plug Please see the attached current a	Notices shall be filed on ction.) and abandon this	ly after all requirements, inclos	uding reclamatio	n, have been com	ppleted, and the operator has
Notify NMOCD 24 hrs prior to beginning operations		, and the second			D DEC 6'10 CONS. DIV. DIST. 3
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) TEENA M. WHITING Signature JONN M. U) Lit	ing	Title REGULAT Date 12/1/2010		ANCE TECHNIC	TAN
Approved by	SPACE FOR FED	ERAL OR STATE OFFI	ICE USE	Date	9
Original Signed: Stephe Conditions of approval, if any, are attached. Approval of this noti the applicant holds legal or equitable title to those rights in the subentitle the applicant to conduct operations thereon.	ce does not warrant or certi				* DEC 0.3 2010

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

WFL
TJF

PLUG AND ABANDONMENT PROCEDURE

11-15-10

Gallegos Federal 26-13-25 #1

1,434' FNL and 1,041' FEL, Section 25, T26N, R13W
1, 10 1 1 11E and 1,041 1 EE, 000001 E0, 12011, 111011
San Juan County, New Mexico / API 30-045-28920
Lat:/ Lat:

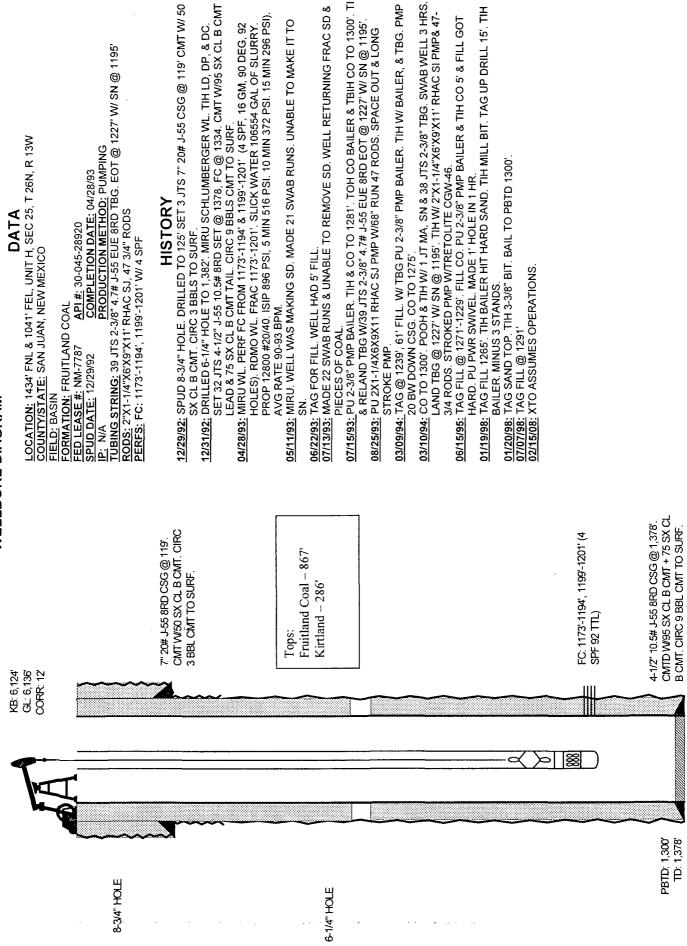
Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

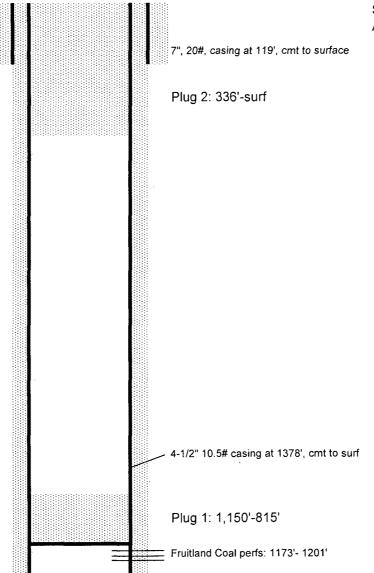
- 1. This project requires a NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
- Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling 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. TOH and LD rods. ND wellhead and NU BOP. Function test BOP. TOH and LD BHA.

3.	Rods: Yes X , No, Unknown
	Tubing: Yes X , No, Unknown, Size, Length1227'
	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 (Pictured Cliffs interval and Fruitland top, 1150' 815'): PU and TIH with 4.5" cement retainer, set at 1150'. Pressure test tubing to 1000 PSI. Pressure test casing to 800 PSI. If casing does not test, then spot or tag subsequent plug as appropriate. Mix and pump 30 sxs Class B cement above CR to isolate the Pictured Cliffs interval and cover the Fruitland top. PUH.
- 5. Plug #2 (Kirtland top and Surface Casing shoe, 336' to Surface): Connect the pump line to the bradenhead valve and attempt to pressure test the BH annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 30 sxs Class B cement and spot a balanced plug inside the casing from 336' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the 4.5" casing and the BH annulus to surface. Shut well in 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.

GALLEGOS FEDERAL 26-13-25 #1 WELLBORE DIAGRAM





Tops:	
Casing shoe	119'
Kirtland	286'
Fruitland Coal	867'