

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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MAR 07 2011

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 and manage 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

816 North Street, Nacogdoches TX. 75963

3b. Phone No. (include area code)

936-560-4747

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

S-12-17N-9W 2210' FSL & 990' FWL

5. Lease Serial No.

NMNM 0536034

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

South Hospah Unit #22

9. API Well No.

30-031-05498

10. Field and Pool, or Exploratory Area

Hospah

11. County or Parish, State

McKinley County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

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 shall 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 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 MAR 11 '11

OIL CONS. DIV.

DIST. 3

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Mike Allen

Title VP Engineering

Signature

M. Allen

Date

03/07/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason

Title

Date

MAR 09 2011

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)

NMOC

Plug and Abandonment Plan
Nacogdoches Oil & Gas Inc.
South Hospah #22
2210' FSL & 990' FWL
Sec. 12 T17N R9W
McKinley County, New Mexico

1. Comply with all BLM, NOG and contractor safety rules and regulations. Hold safety meetings each morning.
2. MIRU, check tubing, casing annulus and Braden head for pressure. Bleed pressure off of well if necessary.
3. Unseat pump, POOH and LD rods. Break rods down to singles for hauling purposes. POOH with tubing and tally. RIH with 45 degree cut nipple and collar with 1709' of 2 3/8" work string. Circulate hole clean to 1709' or as deep as possible. Circulate fluids into NOG water truck. Place contents into BLM approved storage. POOH with 2 3/8" work string LD.
Will call OED office if less than 1709'
4. **Plug # 1- (Lower Hospah & Gallup Top. 1709'-1532')** RIH with perforating shot. Perforate one 3/8" shot in casing @650' to serve as a squeeze hole. POOH with perforating gun, LD. RIH with 2 3/8" workstring to approximately 1709'. Pump Class B cement from 1709' to approximately 1532' (50' above Gallup Sand plus 50' excess). POOH with approximately 800' of workstring LD. Load casing with 8.33 ppg water through workstring from 1532' to 650'. POOH with workstring LD and attach 4 1/2" J-Packer.
1396
5. **Plug #2-(Squeeze and Surface plug) (650' to Surface)** RIH with approximately 620' of workstring with packer, J set packer. Pump Class B cement through squeeze hole and circulate cement into 6.25" hole and around 4 1/2" casing to surface. At successful surface circulation, allow cement to stabilize, un-J Packer POOH with workstring LD. Pump cement into casing to within 3' of surface. Allow cement to stabilize, top off cement within 3' of surface.
6. Cut off well 3' below ground and install P&A marker per BLM specifications. RD, cleanup MOL.
7. 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: 22 South Hospah

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 Gallup plug to 1390'.

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.