

RECEIVED

submitted in lieu of Form 3160-5

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Sundry Notices and Reports on Wells

MAR 21 2013

Farmington Field Office
Bureau of Land Management

1. Type of Well
Gas X

2. Name of Operator
Schalk Development Company

3. Address & Phone No. of Operator
P.O. Box 25825, Albuquerque, NM 87125

Location of Well, Footage, Sec., T, R, M
940' FSL & 800' FWL, Section 23, T-29-N, R-4-W,

5. Lease Number
NM 18322

6. If Indian, All. or
Tribe Name

7. Unit Agreement Name

8. Well Name & Number
Schalk 29-4 #10

9. API Well No.
30-039-22765

10. Field and Pool
Choza Mesa PC

11. County & State
Rio Arriba County, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission

X Notice of Intent

___ Subsequent Report

___ Final Abandonment

Type of Action

X Abandonment

___ Recompletion

___ Plugging Back

___ Casing Repair

___ Altering Casing

___ Other - Production test

___ Change of Plans

___ New Construction

___ Non-Routine Fracturing

___ Water Shut off

___ Conversion to Injection

RCVD MAR 28 '13
OIL CONS. DIV.
DIST. 3

13. Describe Proposed or Completed Operations

The operator proposes to P&A the above well per the attached procedure.

Notify NMOCD 24 hrs
prior to beginning
operations

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

Signed Jack Evans Title Production Superintendent Date March 7, 2013
Jack Evans

(This space for Federal or State Office use)

APPROVED BY Original Signed: Stephen Mason Title _____ Date MAR 26 2013

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly 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.

NMOCD

PLUG AND ABANDONMENT PROCEDURE

March 5, 2013

Schalk 29-4 #10

Choza Mesa Pictured Cliffs
940' FSL, 800' FWL, Section 23, T29N, R4W, Rio Arriba County, New Mexico
API 30-039-22765 / Lat: _____ N Long: _____ W

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 _____, No X, Unknown _____
Tubing: Yes X, No _____, Unknown _____, Size 2-3/8", Length 4114'KB
Packer: Yes _____, No X, Unknown _____, Type _____
If well has rods or a packer, then modify the work sequence in Step #2 as appropriate. Round trip 7" gauge ring to 3040'.

NOTE: BLM requires a CBL log to be run on all wells where the cement did not circulate to surface or where a T.S. or CBL log was not previously run. This procedure is prepared with the understanding that it may be modified based on the TOC from the CBL.

4. Plug #1 (Chacra top, ⁴⁹¹⁵ ~~4989~~' – ⁴⁸¹⁵ ~~4889~~'): Mix and pump 12 sxs Class B cement and spot a plug inside casing to cover the Chacra top. PUH and WOC. TIH and tag plug at ¹⁵ ~~4889~~' or higher. If necessary top off plug. TOH.
5. Plug #2 (Pictured Cliffs interval, Fruitland, Kirtland and Ojo Alamo tops, ²² 3993' – ~~3544~~'): TIH and set 4.5" cement retainer at 3993'. Load casing with water and circulate well clean. Pressure test tubing to 1000#. Pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as necessary. Mix ~~38~~ sxs Class B cement above CR to isolate the Pictured Cliffs interval and cover through the Ojo Alamo top. PUH.
6. Plug #3 (Nacimiento top, ²³⁷¹ ~~2418~~' – ²²⁷¹ ~~2318~~'): Mix and pump 12 sxs Class B cement and spot a balanced plug inside casing to cover the Nacimiento top. PUH.
7. Plug #4 (Surface Casing shoe, 357' 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 35 sxs Class B cement and spot a balanced plug inside the casing from 357' 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.

8. 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.

Schalk 29-4 #10

Current

Choza Mesa Pictured Cliffs

940' FSL, 800' FWL, Section 23, T-29-N, R-4-W,

Rio Arriba County, NM / API #30-039-22765

Lat _____ / Long _____

Today's Date: 3/5/13

Spud: 2/10/82

Completed: 10/29/82

Elevation: 7322' GI

12-1/4" hole

TOC circulated to surface per sundry

8.625" 23#, Casing set @ 307'

Cement with 210 sxs (Circulated to Surface)

Nacimiento @ 2368'

Ojo Alamo @ 3594'

Kirtland @ 3769'

Fruitland @ 3966'

Pictured Cliffs @ 4041'

2.375" tubing at 4114' KB

Pictured Cliffs Perforations:
4043' - 4227'

DV Tool @ 4599'

Cement with 570 sxs (970 cf)

TOC @ at DV Tool

Chacra @ 4939'

4.5" CIBP set at 6060' and
capped with 50' cement (1982)

Mesaverde Perforations:
6109' - 6209'

Mesaverde @ 6107'

4.5", 11.6# Casing set @ 6592'
Cement with 550 sxs (649 cf)

7.875" hole

TD 6592'
PBD 6010'

Schalk 29-4 #10

Proposed P&A

Choza Mesa Pictured Cliffs

940' FSL, 800' FWL, Section 23, T-29-N, R-4-W,

Rio Arriba County, NM / API #30-039-22765

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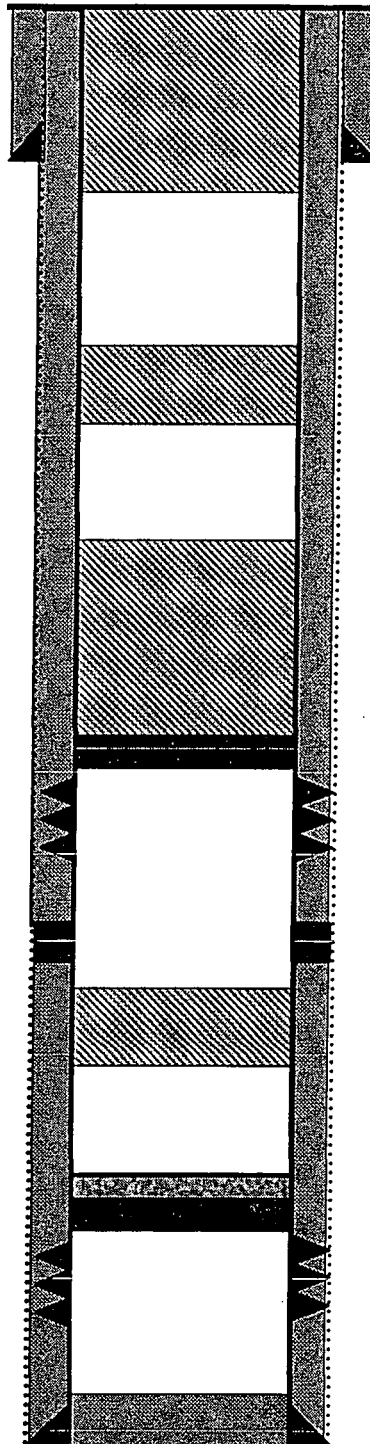
Fruitland @ 3966'

Pictured Cliffs @ 4041'

Chacra @ 4939'

Mesaverde @ 6107'

7.875" hole



TOC circulated to surface per sundry

8.625" 23#, Casing set @ 307'

Cement with 210 sxs (Circulated to Surface)

Plug #4: 357' - 0'

Class B cement, 35 sxs

Plug #3: 2418' - 2318'

Class B cement, 12 sxs

Plug #2: 3993' - 3544'

Class B cement, 38 sxs

Set CR @ 3993'

Pictured Cliffs Perforations:
4043' - 4227'

DV Tool @ 4599'

Cement with 570 sxs (970 cf)

TOC @ at DV Tool

Plug #1: 4989' - 4889'

Class B cement, 12 sxs

4.5" CIBP set at 6060' and
capped with 50' cement (1982)

Mesaverde Perforations:
6109' - 6209'

4.5", 11.6# Casing set @ 6592'
Cement with 550 sxs (649 cf)

TD 6592'
PBTD 6010'

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 10 Schalk 29-4

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) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Place the Chacra plug from 4915' – 4815'.
 - b) Bring the top of the Pictured Cliffs/Fruitland/Kirtland/Ojo Alamo plug to 3522'.
 - c) Place the Nacimiento plug from 2371' - 2271'.

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.