

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

1. Type of Well
Gas

2. Name of Operator
M & G Drilling Company, Inc.

3. Address & Phone No. of Operator
PO Box 5940, Farmington, NM 87499 (505) 325-6779

Location of Well, Footage, Sec., T, R, M

1980' FNL & 660' FWL, Section 10, T-27-N, R-11-W,

5. Lease Number
NMSF078673
6. If Indian, All. or
Tribe Name

7. Unit Agreement Name

8. Well Name & Number
Schlosser No. 20S

9. API Well No.
30-045-32481

10. Field and Pool
Basin FtC.

11. County & State
San Juan County, NM

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

Type of Submission

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment

Type of Action

☒ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☐ Other -

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut off

☐ Conversion to Injection

OIL CONS. DIV DIST. 3

AUG 11 2014

13. Describe Proposed or Completed Operations

Operator proposes to plug and abandon the referenced well as follows:

MOL and RU. PU additional tubing workstring (Note: 58 joints 2-3/8" tubing in well). Pressure test tubing to 1000#. Pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as appropriate. TIH and tag CIBP at 1918'.

Plug #1: Mix and pump 17 sxs Class B cement (15.6 ppg, 1.18 cf/sx) from 1918' to 1744' to cover the Pictured Cliffs interval and Fruitland top. PUH.

Plug #2: Mix and pump 19 sxs Class B cement (15.6 ppg, 1.18 cf/sx) from 1074' to 884' to cover the Kirtland and Ojo Alamo tops. PUH to 257'.

Plug #3. Attempt to pressure test the bradenhead 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 25 sxs cement and spot a balanced plug from 257' to surface, circulate good cement out casing valve. TOH and LD tubing. If bradenhead does not test then modify procedure as appropriate. SI well and WOC. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. Cut off anchors and clean up location. Restore location per BLM stipulations.

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

Signed David Hinson Title Manager Date 7/9/14

(This space for Federal or State Office use)

APPROVED BY Troy Salvors Title Petroleum Engineer Date 8/7/2014
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.

**ACTION DOES NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS**

NMCCD PV

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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: Schlosser #20S

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Leases."
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) Bring the top of plug # 1 to 1623 ft. to cover the Fruitland top. Adjust cement volume accordingly.
 - b) Bring the top of plug # 2 to 843 ft. to cover the Ojo Alamo top. Adjust cement volume accordingly.

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.