submitted in lieu of Form 3160-5

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070 FARMINGTON NM

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

1. **Type of Well**
   Other

2. **Name of Operator**
   Schalk Development

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

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

1650' FSL and 790' FWL, Sec. 2, T-30-N, R-5-W,

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OIL CON. DIV
DIST. 3

5. **Lease Number**
   NM 4454
6. **If Indian, All. or Tribe Name**
7. **Unit Agreement Name**
8. **Well Name & Number**
   Schalk 54 #2
9. **API Well No.**
   30-039-20928
10. **Field and Pool**
    Blanco Mesaverde
11. **County & State**
    Rio Arriba County, NM

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

Type of Submission	Type of Action		
_X_ Notice of Intent	_X_ Abandonment	___ Change of Plans	
	___ Re-completion	___ New Construction	
____ Subsequent Report	___ Plugging Back	___ Non-Routine Fracturing	
	___ Casing Repair	____ Water Shut off	
____ Final Abandonment	___ Altering Casing	____ Conversion to Injection	
	___ Other -		

13. Describe Proposed or Completed Operations

Schalk Development plans to plug and abandon this well per the attached procedure.

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

Signed: Steve Schalk Title General Manager Date 9/7/01

(This space for Federal or State Office use)
APPROVED BY _____ Title _____ Date 10/16/01
CONDITION OF APPROVAL, if any:

NMOCD

PLUG AND ABANDONMENT PROCEDURE

09/07/01

Schalk 54 #2
Blanco Mesaverde
1650' FSL & 790' FEL, Section 2, T30N, R5W
Rio Arriba County, New Mexico
Long: / Lat:

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

1. MO and RU cementing equipment. Prepare blow pit. Comply with all NMOCD, BLM, and Schalk safety regulations. Conduct safety meeting for all personnel on location. NU relief line. Blow down well and kill with water as necessary. ND wellhead and install double cementing valve.

2. Open bradenhead valve. Establish rate down 2-7/8" casing with 20 bbls water, record pump rate and pressure. Monitor bradenhead for flow. If no flow or blow, then pump 10 7/8" RCN balls in additional water and monitor pressure, rate and volumes pumped, to confirm perforations are taking water and there is not a casing leak. If the bradenhead flows water or there are other indications of a casing leak, then MO and RU pulling unit to use 1-1/4" IJ tubing workstring to plug the well.

3. **Plug #1 (Mesaverde perforations and Pictured Cliffs, Fruitland, Kirtland, Ojo Alamo and Nacimiento tops, 3856' – 1504'):** Establish rate into Mesaverde perforations with water. Mix and pump a total of 250 sxs cement (long plug, 30% excess) and bullhead cement down 2-7/8" casing as follows:
   - Mix 25 sxs cement
   - Drop 30 frac balls
   - Mix 45 sxs more sxs of cement
   - Drop another 10 frac balls
   - Then pump remaining 150 sxs of cement
   - Displace with water to 400'

   Shut in well. WOC. Tag cement with wireline. Cement must be above 1504', top off as necessary.

4. **Plug #2 (8-5/8" surface casing, 358' - Surface):** Perforate 4 HSC holes at 358' and establish circulation out 4-1/2" annulus valve and bradenhead valve. Mix and pump 100 sxs cement down the 2-7/8" casing, circulate good cement out annulus and bradenhead valves. If unable to establish circulation out 2-7/8"X4-1/2" annulus, then perforate one 7/8" hole in the 2-7/8" casing at 50'; establish circulation and then cement. Shut in well and WOC.

5. ND wellhead and cut off casing below surface. Top off cement as necessary. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

Schalk 54 #2

Current

Blanco Mesaverde

SE, Section 2 T-30-N, R-5-W, Rio Arriba County, NM

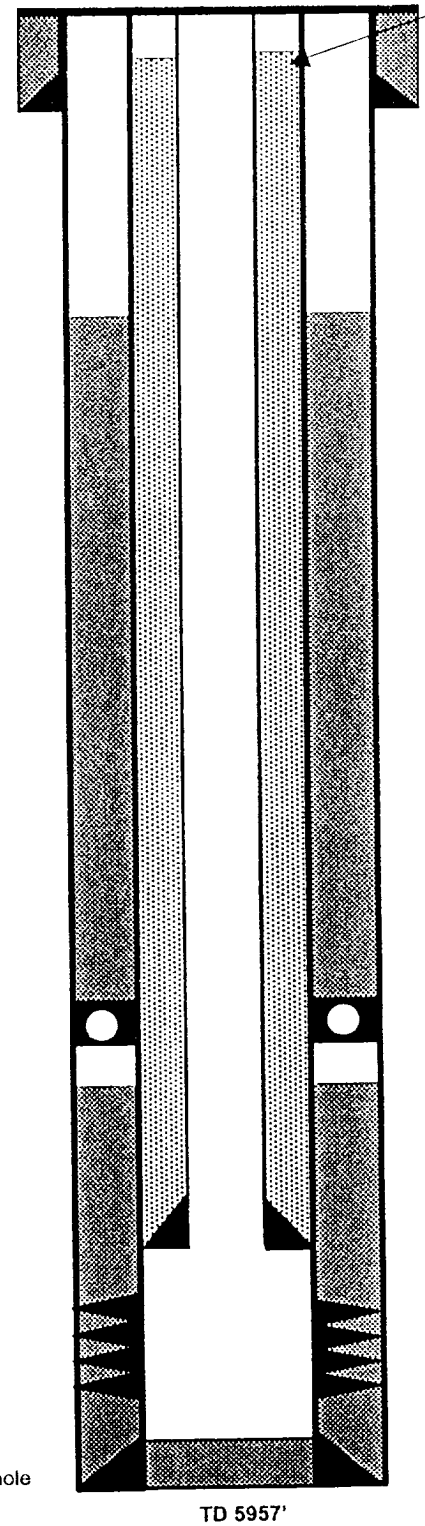
Today's Date: 08/30/01

Spud: 7-9-74

Completed: 8-7-74

Elevation: 6569'

12-1/4" hole



7-7/8" hole

TD 5957'

2-7/8" TOC – unknown
(Using a 75% factor, the calculation indicates cement should be at the surface, however this was not reported.

8-5/8" 32#, KS Casing set @ 308'
Cmt w/250 sxs (Circulated to Surface)

4-1/2" TOC @ 1050' (T.S.)

Nacimiento @ 1554'*
(*estimate)

Ojo Alamo @ 2724'

Kirtland @ 2847'

Fruitland @ 3234'

Pictured Cliffs @ 3374'

Mesaverde @ 5400'*
* Estimate

Well History

Aug '94: Circulate well and pull 2-3/8" tubing. RIH with 2-7/8" tubing and land at 5552'. RIH with wireline and tag PBTD at 5835'. Pump 30 sxs sand and tag at 5575'. Cement 2-7/8" tubing with 500 sxs cement; did not circulate to surface.

Nov '94: Drill out cement 5559' to 5563'. Clean out sand from 5563' to 5780' and clean well up.

DV Tool @ 3952'
Cmt with 690 sxs (1518 cf)

TOC @ 4124' (Calc, 75%)

2-7/8" Casing set @ 5552'
Cement with 500 sxs

Mesaverde Perforations:
5636' – 5856' (50 holes)

4-1/2" 10.5# Casing set @ 5957'
Cement with 320 sxs (557 cf)

Schalk 54 #2

Proposed P&A

Blanco Mesaverde

SE, Section 2 T-30-N, R-5-W, Rio Arriba County, NM

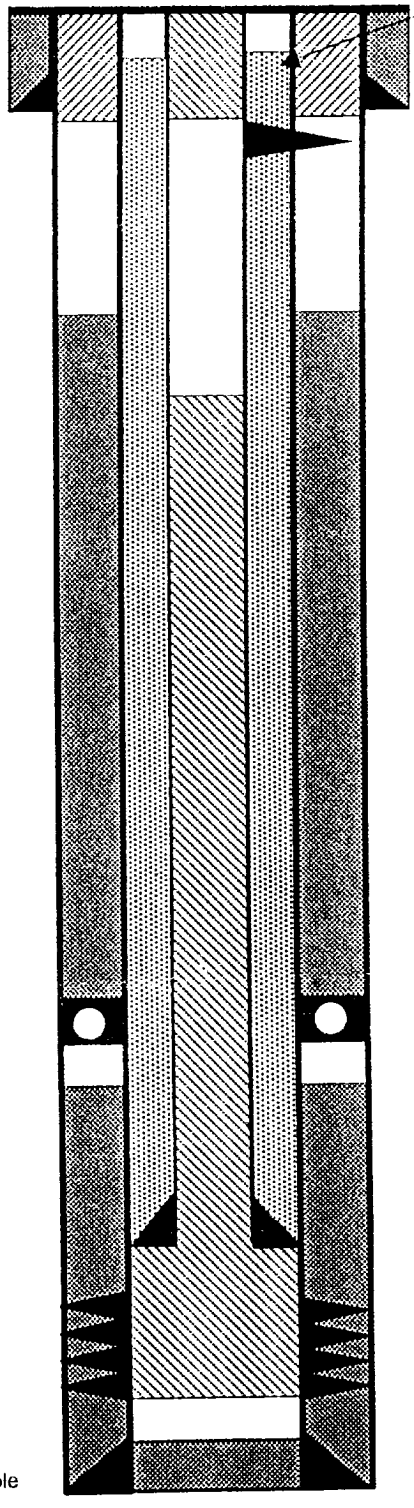
Today's Date: 08/30/01

Spud: 7-9-74

Completed: 8-7-74

Elevation: 6569'

12-1/4" hole



2-7/8" TOC – unknown
(Using a 75% factor, the calculation indicates cement should be at the surface, however this was not reported.

8-5/8" 32#, KS Casing set @ 308'
Cmt w/250 sxs (Circulated to Surface)

Perforate @ 358'

Plug #2 358' - Surface
Cement with 100 sxs

4-1/2" TOC @ 1050' (T.S.)

Nacimiento @ 1554'*
(*estimate)

Plug #1 5856' – 1504'
Cement with 220 sxs,
(long plug, 30% excess,
mix 25 sxs then drop 30 balls
then mix 45 sxs then drop 10
balls then mix remaining 150
sxs and finally displace to
400' with water)

Ojo Alamo @ 2724'

Kirtland @ 2847'

Fruitland @ 3234'

Pictured Cliffs @ 3374'

DV Tool @ 3952'
Cmt with 690 sxs (1518 cf)

TOC @ 4124' (Calc, 75%)

Mesaverde @ 5400'*
* Estimate

2-7/8" Casing set @ 5552'
Cement with 500 sxs

Mesaverde Perforations:
5636' – 5856' (50 holes)

4-1/2" 10.5# Casing set @ 5957'
Cement with 320 sxs (557 cf)

7-7/8" hole

TD 5957'