Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
June 19, 2008

WELL API NO. 30-045-25353

5. Indicate Type of Lease STATE ☐ FEE X☐

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: Sly Slav

1. Type of Well: Oil Well ☐ Gas Well X☐ Other

8. Well Number #2

2. Name of Operator: Dugan Production, c/o San Juan Coal

9. OGRID Number

3. Address of Operator: PO Box 561, Water Flow, NM, 87421 Phone: 505-598-2000

10. Pool name or Wildcat: Basin Dakota

4. Well Location
Unit Letter __N_:_790__feet from the __South_ line and __1700__feet from the __West__line
Section 13 Township 30N Range 15W NMPM San Juan County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*: 5320' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	X☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
OTHER:	☐			OTHER:	☐		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Dugan as the operator, desires San Juan Coal to plug and abandon this well per the attached procedure.

Also requested is approval for an underground plate instead of a 4" pipe above ground marker to prevent stray electrical currents from entering the underground coal mine.

A closed loop system will be used for waste fluid handling.

* Extend PC plug up to 620'
* Move Mancos plug to 3478'-3578'

Notify NMOCD 24 hrs prior to beginning operations

OIL CONS. DIV DIST. 3
FEB 17 2016

Spud Date: Feb 29, 2016 Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE _____ TITLE Mine Geologist DATE February 16, 2016

Type or print name Eric Herth E-mail address: eherth@westmoreland.com PHONE: 505-598-2105

For State Use Only

APPROVED BY: _____ TITLE DEPUTY OIL & GAS INSPECTOR DISTRICT #3 DATE 2/22/16

Conditions of Approval (if any):

KC
6

A-Plus Well Service, Inc.
PLUG AND ABANDONMENT PROCURE

February 16, 2016

Sly Slav #2

Basin Dakota
790' FNL and 1700' FWL, Section 13, T30N, R15W
San Juan County, New Mexico / API 30-045-25353

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be water or drilling mud with sufficient weight to balance all exposed formation pressures. Cement is Class B mixed at 15.6 ppg with 1.18 cf/sxs yield or Class B with 18% salt by weight of water (for expansion, MSHA requirement through the Fruitland Coal zone).

MILLING OUT CASING AND PLUGGING PROCEDURE:

A closed loop system will be utilized.

1. Comply with all applicable MSHA, NMOCD, BLM and BHP Billiton safety regulations. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. Lay relief line to the waste pit and blow well down, kill well with water as necessary. ND wellhead and NU BOP. Test BOP. Pull rod and tubing from well if present.

2. Rods: Yes_____, No____, Unknown_____.
   Tubing: Yes __X__, No ____, Unknown_____, Size __1-1/2"____, Length __5315' RKB____.
   Packer: Yes____, *No* __X__, *Unknown*_____, *Type* _____.
   If this well has rods, a packer or tubing anchor, then modify the work sequence in step #2 appropriate. Pump twice the tubing capacity down the tubing before ND wellhead. TOH and LD the 1.990" tubing and pick up a 2.375" workstring.

3. Round trip 4.5" string mill to 5340' or as deep as possible. TIH and set a 4.5" cement retainer at 5332'. Pressure test the tubing to 1500 PSI. Load the well and circulate the casing clean. If paraffin is present, then circulate the well with hot water from a hot oil truck until clean. *Pressure test the casing to 1000 PSI. If the casing does not test, then tag or WOC plugs as appropriate.* TOH with setting tool. Run a CBL to determine the annulus top of cement.

4. **Plug #1 (Dakota perforations and top, 5332' – 5232'):** TIH with open ended tubing and tag the CR at 5332'. Mix 20 sxs Class B cement and spot a balanced plug inside the casing to isolate the Dakota perforations and top. PUH.

5. **Plug #2 (Gallup top, 4542' – 4442'):** Mix 20 Class B sxs cement and spot a balance plug to cover the Gallup top. PUH.

6. **Plug #3 (Mancos, 3780' – 3680'):** Mix 20 Class B sxs cement and spot a balance plug to cover the Gallup top. PUH.

7. **Plug #4 (Mesaverde top, 2310' – 2210'):** Mix 20 Class B sxs cement and spot a balanced plug to cover the Mesaverde top. PUH...

Plugging Procedure Continued:

8. **Plug #5 (Chacra top, 1497' – 1397'):** Mix 20 Class B sxs cement and spot a balanced plug to cover the Chacra top. TOH with tubing.

9. **Rig up Jet West wireline and run a Gamma - Neutron log and a directional survey log. Adjust the milling intervals as appropriate from these logs.**

All reported depths should be from ground level.

10. **Perforate the 4.5" casing below the Basel Fruitland Coal Seam (#8):** [this is at 50' intervals from the bottom of the zone to 200'; note: make the appropriate correcting depth adjustments]:
    a) Perforate 6 squeeze holes in a 2 foot interval from 926' to 928'
    b) Perforate 6 squeeze holes in a 2 foot interval from 876' to 878';
    c) Perforate 6 squeeze holes in a 2 foot interval from 826' to 828';
    d) Perforate 6 squeeze holes in a 2 foot interval from 776' to 778';
    e) Perforate 6 squeeze holes in a 2 foot interval from 726' to 728';
    f) Attempt to establish a rate into these squeeze holes, up to 1500 PSI
    g) *If the CBL log shows poor bond in the interval from 930' to 700', then adjust the above perforations as appropriate to enhance the cement placement quality in the 4.5" casing by 7-7/8" open hole annulus below the coal zone.*

    Plug #6 (Pictured Cliffs interval, 928' to 675'): Squeeze the above holes with Class B neat cement with 18% salt (by weight of water); volume depending on the injection rate and pressure; between 25 to 100 sxs cement; hesitate squeeze up to 2000 PSI pressure. WOC overnight.

11. Pick up a 3.875" blade bit and 6 - 3.125" drill collars and TIH to tag cement. Drill out cement from plug #6 down to 678'. Pressure test the casing to 1000 PSI. TOH and LD bit.

12. PU a flat bottom mill, the 3.875" section milling tool and the drill collars; this is the milling bottom hole assembly(BHA). TIH with BHA and work string to 656'. Rig up drilling equipment and establish circulation with a high viscosity low solids fresh water mud.

13. **Note: The intervals to be milled out below are from ground level - not KB.**

14. **Mill out the 4.5" casing from 656' to 682'.** Start milling out the 4.5" casing from 656' down to 682'. Mill per the tool hands instructions for weight on mill, circulation rate and power swivel's RPM. Circulate well clean with mud. TOH with section will and workstring; stand back the drill collars. TIH with bit and clean out to 678'. Circulate the well clean. TOH with the bit.

Plugging Procedure Continued:

15. Rig up a wireline truck and run a caliper log through the milled interval to insure all the 4.5" casing from the planned milling depths (656' to 682') has been removed. Re-mill as appropriate. Re-log as necessary.

16. **Perforate the 4.5" casing with 6 SPF at 612' and 562'.** This is 50' and 100' above the top of Coal Seam #8 and the depths should be modified as appropriate from the logs run in step #8.

17. **Plug #7 (Fruitland Coal interval, 678' to 235'):** TIH open ended workstring and. Circulate out the mud with water in the well. Mix 50 sxs Class B cement with 18% salt (by weight of water) and spot a balanced plug from 678' to 235' to fill the milled interval and cover the Fruitland top. Displace cement with water. TOH with workstring and shut the casing valve. Then hesitate squeeze the cement down as appropriate inside the 4.5" casing to achieve a 1000 PSI pressure.

18. **Plug #8 (8.625" Surface casing shoe, 235' to Surface):** Connect the pump line to the bradenhead valve. Pressure test the BH annulus to 300#; note the fluid volume to load. If the BH annulus tests, then mix approximately 25 sxs cement with or without 18% salt cement and spot a balanced plug inside the 4.5" casing from 235' (or TOC) to surface to cover the 8.625" surface casing shoe. TOH and LD the tubing. If the BH annulus does not test, then perforate at the appropriate depth and fill the bradenhead annulus and 4.5" casing with cement to surface. TOH and LD tubing. Shut in well and WOC.

19. ND BOP and cut off wellhead below surface. Install P&A marker with cement to comply with regulations. RD, MOL. Cut off anchors and clean up location.

Sly Slav #2

Current

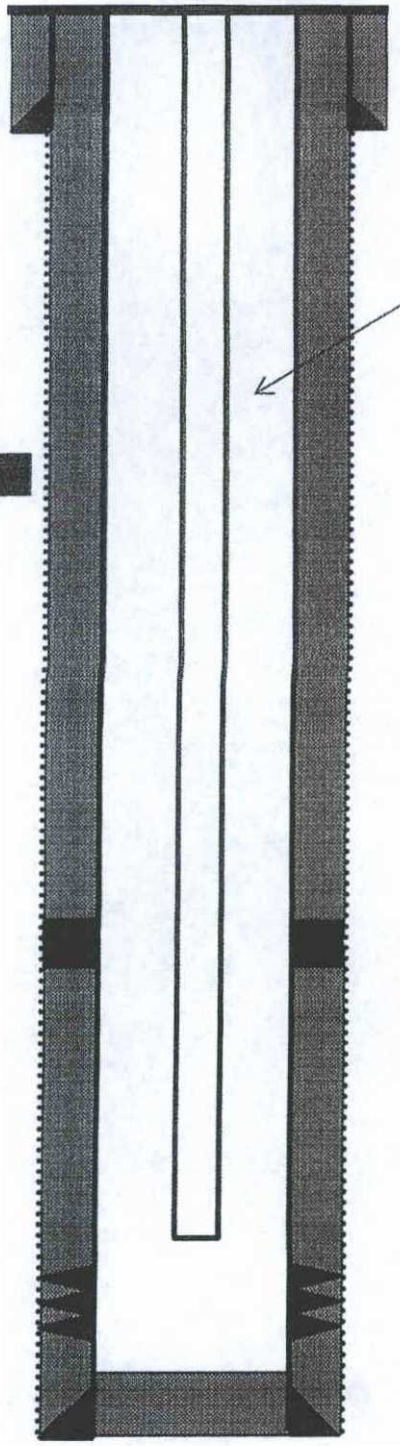
Basin Dakota

Today's Date: **2/16/16**

Spud: 4/8/82
Completed: 5/27/82
Elevation: 5320' GL

790' FSL & 1700' FWL, Section 13, T-30-N, R-15-W
San Juan County, NM / API #30-045-25353

Lat: N_____ / Long: W _____



12-1/4" Hole

Fruitland @ 279'

Fruitland Coal Seam #9: 540' – 545'

Fruitland Coal Seam #8: 662' – 676'

Pictured Cliffs @ 691'

Chacra @ 1447'

Mesaverde @ 2260'

Mancos @ 3662'

Gallup @ 4492'

Dakota @ 5382'

7-7/8" Hole

TOC: Primary – circulated trace to surface;
2003 Casing repair – 185' to surface.

9-5/8" 53.5#, Casing set @ 185'
135 cf cement, Circ. to Surface

1-1/2" tubing at 5315' KB

Workover History:

2003: Casing repair – hole at 185'; cement with 89 cf; circulate out BH valve; drill out and pressure test; returned to production.

1983: Re-frac the Dakota perforations.

DV Tool @ 3544'
Stage #2: Cemented with 1331 cf

TOC at DV Tool, Circ. to Surface

Dakota Perforations:
5382' – 5396'

4.5" 10.5# Casing set 5565'
Stage #1: Cemented with 422 cf;
Circulated 5 bbls to surface.

TD 5570'
PBTD 5468'

Sly Slav #2

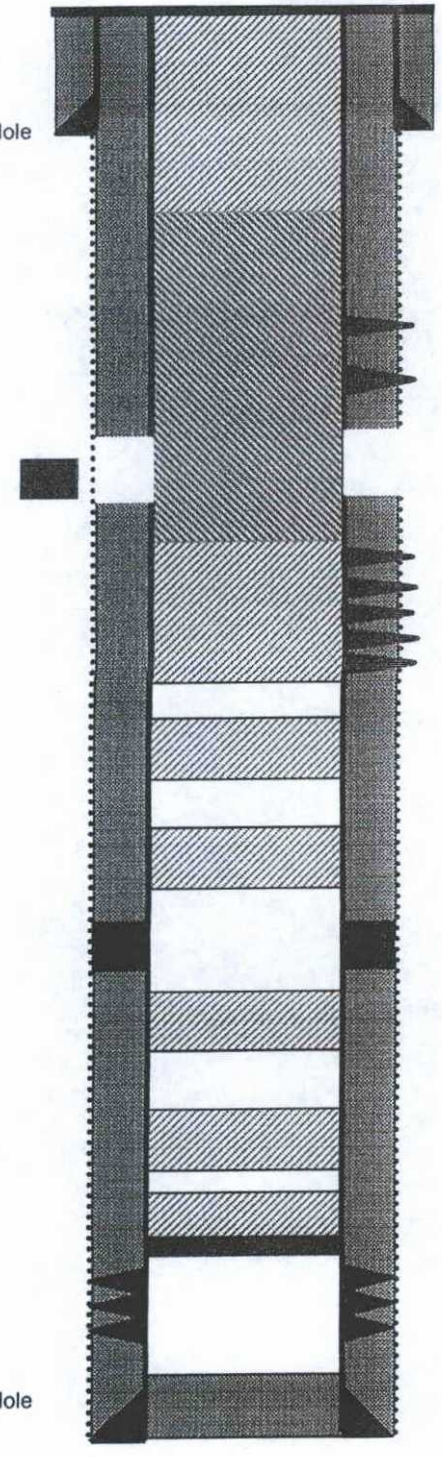
Proposed P&A

Basin Dakota

790' FSL & 1700' FWL, Section 13, T-30-N, R-15-W
San Juan County, NM / API #30-045-25353

Lat: N_____ / Long: W _____

Today's Date: **2/16/16**
Spud: 4/8/82
Completed: 5/27/82
Elevation: 5320' GL



12-1/4" Hole

9-5/8" 53.5#, Casing set @ 185'
135 cf cement, Circ. to surface

Fruitland @ 279'

Plug #8: 235' – Surface
Class B cement, 25 sxs'

Perforate @ 562'

Plug #7: 678' – 235'
Class B cement, 50 sxs
With 18% salt WOW.

Fruitland Coal Seam #9: 540' – 545'

Perforate @ 612'

Fruitland Coal Seam #8: 662' – 676'

Mill out casing from 656' – to 682'

Plug #6: 925' – 675'
Class B cement, 40 sxs,
With 18% salt WOW.

Pictured Cliffs @ 691'

Perforate @ 700'
Perforate @ 750'
Perforate @ 800'
Perforate @ 850'
Perforate @ 900'

Plug #5: 1497' – 1397'
Class B cement, 20 sxs

Chacra @ 1447'

Plug #4: 2310' – 2210'
Class B cement, 20 sxs'

Mesaverde @ 2260'

DV Tool @ 3544'
Cemented with 1331 cf

Mancos @ 3662'

Plug #3: 3712' – 3612'
Class B cement, 20 sxs

Plug #2: 4542' – 4442'
Class B cement, 20 sxs

Gallup @ 4492'

Set CR @ 5332'

Plug #1: 5332' – 5232
Class B cement, 20 sxs

Dakota @ 5382'

Dakota Perforations:
5382' – 5396'

4.5" 10.5# Casing set 5565'
Stage #1: Cemented with 422 cf,
Circulated 5 bbl. to Surface

7-7/8" Hole

TD 5570'
PBTD 5468'