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 BHP Billiton 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	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	X
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.

San Juan Coal has plugged and abandon this well per the attached 4 page report to conform to MSHA regulations.

A closed loop system was used for this work.

An underground plate was installed at N 36° 48' 32.6" and W 108° 22' 18.7"

Surface reclamation will be completed in accordance with the San Juan Coal's approved plan at a later date.

Notified NMOCD on February 29, 2016

Spud Date: Rig Release Date: March 17, 206

OIL CONS. DIV DIST. 3
MAR 24 2016

PNR Only

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

SIGNATURE _____ TITLE Mine Geologist DATE March 19, 2016

Type or print name Eric Herth E-mail address: eric.d.herth@bhpbilliton.com PHONE: 505-598-2105

For State Use Only

APPROVED BY: _____ TITLE DEPUTY OIL & GAS INSPECTOR DISTRICT #3 DATE MAR 29 2016

Conditions of Approval (if any):

Approved for plugging of wellbore only. Liability under bond is retained pending Receipt of C-103 (Subsequent Report of Well Plugging) which may be found @ OCD web page under forms www.emnrd.state.us/ocd

5

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
Farmington, New Mexico 87499
505-325-2627 *fax: 505-325-1211

San Juan Coal
Sly Slav #2

March 17, 2016

790' FSL and 1700' FWL, Section 13, T-30-N, R-15-W
San Juan County, NM
Lease Number: FEE
API #30-045-25353

Plug and Abandonment Report
Notified NMOCD and BLM on 2/26/16

Plug and Abandonment Summary:

Plug #1 with CR at 5336': spot 24 sxs (28.32 cf) Class B cement mixed with 2% CaCl inside casing from 5336' to 5020' to isolate the Dakota interval. WOC and tag TOC at 5022'.

Plug #2 with 24 sxs (28.32 cf) Class B cement inside casing from 4551' to 4235' to cover the Gallup top. WOC overnight and tag TOC at 4268'.

Plug #3 with 24 sxs (28.32 cf) Class B cement mixed with 2% CaCl inside casing from 3578' to 3260' to cover the Mancos top. WOC and ran gyro log. Then TIH and tag TOC at 3341'.

Plug #4 with 40 sxs (28.32 cf) Class B cement inside casing from 2320' to 2004' to cover the Mesaverde top. WOC overnight. Tag TOC at 2042'.

Plug #5 with 24 sxs (28.32 cf) Class B cement mixed with 2% CaCl inside casing from 1503' to 1187' to cover the Chacra top. WOC for 4 hours and then TIH and tag TOC at 1218'.

Plug #6 with five set of squeeze holes (6 each) from 921' to 721': mix and pump 44 sxs (51.92 cf) Class B cement with 18% salt (BWOW) inside the casing from 937' to 357' to fill the squeeze holes and cover the Pictured Cliffs top as follows: 1) spot all cement inside casing; 2) TOH with tubing; 3) fill casing with 2 bbls of water; and 4) hesitation squeeze 10 sxs cement outside the casing with final squeeze pressure at 1000 PSI and calculate TOC at 470'.

Plug #7 with two sets of squeeze holes (6 each) at 608' and 558'; mix and pump 36 sxs (42.48 cf) Class B cement with 18% salt inside the casing and milled out interval and to cover the Fruitland top: 1) mix and spot all cement from 692' to 218' inside casing; 2) TOH with tubing; 3) fill casing with 15 bbls water; 4) hesitation squeeze casing with 2.75 bbl. to achieve a final squeeze pressure of 1000 PSI. WOC overnight. Tag cement at 408'. Approximately 15 sxs outside the casing.

Plug #8 with squeeze holes (6 each) at 405' and 220' and a CR at 385': mix and pump suicide squeeze of 65 sxs (76.7 cf) Class B cement below the CR; left 2 sxs inside casing and squeezed 63 sxs outside 4-1/2" casing; TOH with tubing and pressure up into top set of open squeeze holes at 220' to 200 PSI. WOC overnight.

Plug #9 with squeeze holes (6 each) at 220' and 180'; set CR at 170': mix and pump 77 sxs (90.86 cf) Class B cement below CR at 170', squeeze 73 sxs outside 4-1/2" casings to isolate surface casing shoe and leave 4 sxs inside to fill the casing from 220' to 170'; hesitation / mix squeeze to a final pressure of 150 PSI.

Plug #10 with squeeze holes (6 each) at 130' and 70': mix and squeeze 21 sxs (24.78 cf) Class B cement from 170' as surface plug: 1) spot 16 sxs inside the 4-1/2" casing from 170' to surface; 2) TOH LD all tubing and ND BOP; 3) NU wellhead and connect pump to 4-1/2" casing valve; 4) mix and pump 5 sxs to squeeze cement into the two sets of squeeze holes; and 5) final pressure at 2000 PSI. SI casing with 1800# and SI bradenhead.

Weld on underground plate marker with coordinates N 36° 48' 32.6" / W 108° 22' 18.7".

Plug and Abandonment Summary:

2/29/16 Drive rig and equipment to location. RU. Check well pressures: SITP 450 PSI, SICP 15 PSI and SIBHP 0 PSI. Dig out bradenhead valve. Found casing head and bradenhead (BH) valve filled with cement. RU relief lines and blow well down. X-over for 1-1/2" tubing. ND wellhead. NU and function test BOP. RU pump to tubing and pump 15 bbl. of fresh water down well. PU on tubing string, pulling over and LD hanger. Work packer free pulling up to 28,000#. TOH and LD 143 joints 1-1/2" 2.9# EUE tubing, 4-1/2" packer and 25 joints 1-1/2" EUE tubing with profile nipple on bottom (total 168 joints 1-1/2" EUE = 5366.09'). This tubing will be taken to Dugan's West yard. SI well. SDFD.

3/1/16 Held safety meeting. Open up well; no pressures. Function test BOP. Round trip 4-1/2" A-Plus string mill and A-Plus 2-3/8" workstring to 5336'. TIH and set 4-1/2" DHS CR at 5336'. Pressure test tubing to 800 PSI, OK. Load casing with 45 bbl. and then circulate well clean with 85 bbl. Attempt to pressure test casing, establish rate of 1.5 bpm at 700 PSI. TOH with tubing. A-Plus wireline ran CBL from 5336' to surface, good cement in annulus up to 4100', from 4100' to 3540' void, good cement from 3540' to 850', from 850' to 200' void and good cement from 200' to surface. SI well. SDFD.

3/2/16 Held safety meeting. Open up well; no pressures. Function test BOP. Spot plug #1 with calculated TOC at 5020'. SI well and WOC. After 4 hours, TIH and tag plug #1 at 5022'. Attempt to pressure test casing, establish rate of 1.5 bpm at 700 PSI. Spot plug #2 with calculated TOC at 4235'. SI well. SDFD.

3/3/16 Held safety meeting. Check well pressures: SICP 0 PSI and SIBHP 7 PSI. Function test BOP. TIH and tag plug #2 at 4268'. Attempt to pressure test casing, establish rate of 1 bpm at 800 PSI. Spot plug #3 with calculated TOC at 3260'. TOH with tubing. While WOC, RU Jet West. Ran Gamma/Neutron log from 800' to surface. Ran MS survey Gyro to 700' to surface. TIH with tubing and tag plug #3 at 3341'. Attempt to pressures test casing, establish rate of 1 bpm at 800 PSI. Spot plug #4 with calculated TOC at 2004'. SI well. SDFD.

3/4/16 Held safety meeting. Check well pressures: SITP and SICP 5 PSI, SIBHP 3 PSI. Function test BOP. TIH and tag plug #4 at 2042'. Attempt to pressure test casing bled 800 PSI down to 750 PSI in 10 minutes. Spot plug #5 with calculated TOC at 1187'. TOH and WOC for 4 hours. TIH with tubing and tag plug #5 at 1218'. TOH and with tubing. Attempt to pressure test casing; bled 850 PSI down to 825 PSI in 5 minutes. RU A-Plus wireline. Note: Procedure change approved by J. Durham, NMOCD. Perforate 5 sets of perforations each with 6 holes at: 921', 871', 821', 771', and 721'. Establish rate of 3 bpm at 650 PSI into these perforations. SI well. SDFD.

3/7/16 Held safety meeting. Check well pressures: SICP on vacuum and SIBHP 20 PSI. Function test BOP. TIH open-ended to 937'. Spot and squeeze plug #6 from 937' to 357' inside casing. TOH and LD all tubing. Load casing with 2 bbl. Then hesitate squeeze 1.75 bbl. with final pressure at 1000 PSI, last hour bled 25 PSI for 10 minutes constant bleed, relieve pressure. Calculated TOC at 470'. PU 3-7/8" blade bit, bit sub, 6 - 3-1/8" drill collars, x-over and 2-3/8" tubing to taking weight at 584'; but no stack out. TOH and LD tubing to bit at 432'. RU power swivel and circulation system. RIH with tubing and stack out at 559', break circulation. Ream down through cement to 601', drilling slowed. Drill cement 601' to 692'. Hang back power swivel. TOH with tubing and drill collars and LD bit. SI well. SDFD.

Plug and Abandonment Summary:

3/8/16 Held safety meeting. Check well pressures: SICP 0 PSI and SIBHP 3 PSI. Function test BOP. Attempt to pressure test casing; bled 1025 PSI down to 1000 PSI in 10 minutes. PU 3-1/2" section mill and 6 drill collars with change overs (BHA). TIH with tubing to 640'. PU swivel, lower knives to 647'. Start pipe rotation and bring on pump. Work down 6" no pressure drop indicating knives fully opened. Hang back power swivel, TOH with tubing and collars, swap out section mill. TIH with collars and tubing. PU swivel and lower knives to 647'. Found no problems with 1st section mill, knives edges slightly worn. Start rotation and bring on pump work down 6", no pressure drop but cement and formation in returns, mill 647' to 649', check stumps, OK. Good cement and metal in returns. Mill casing from 649' to 655', good metal and cement volumes in returns. Circulate well clean. SI well. SDFD.

3/9/16 Held safety meeting. Check well pressures: SICP 0 PSI and SIBHP 16 PSI. Function test BOP. PU power swivel. Break circulation. Check upper and lower stumps, start rotation. Mill casing 655' to 664', good amounts metal and cement in returns, cement in returns diminishing 662' to 664. Circulate well clean. Hang back power swivel. TOH with tubing and collars. Found knives half worn, replace knives. TIH with collars and tubing. PU swivel and lower knives to 646', start pump and lower knives to 647'. Saw slight pressure drop. Start rotation and ream down to 664', cement and formation in returns. Mill casing from 664' to 670', good volumes metal and cement in returns. Circulate well clean. LD power swivel and 1 joint tubing. SI well. SDFD.

3/10/16 Held safety meeting. Check well pressures: SICP on vacuum and SIBHP 22 PSI. Function test BOP. PU power swivel and 1 joint break circulation. Check stumps at 647' and 670', start rotation. Mill casing from 670' to 677', good volumes metal and cement in returns. Circulate well clean. Hang back swivel. TOH tubing and collars and LD section mill, knives half worn. RU Jet West. Run caliper log successful milling zone 647' to 677'. Establish rate of 4 bpm at 300 PSI into mill out casing section. RD Jet West. RU A-Plus wireline. Perforate 2 sets of 6 HSC squeeze holes at 608' and 558'. Establish rate of 4 bpm at 300 PSI. TIH with 6 - 3-1/8" drill collars. TOH and LD all drill collars. RD power swivel. SI well. SDFD.

3/11/16 Held safety meeting. Check well pressures: SICP on vacuum and SIBHP 22 PSI. Function test BOP. TIH open-ended to 692'. Circulate well clean. Mix, spot and squeeze plug #7 with calculated TOC at 218'. TOH and LD all tubing. Hesitate squeeze 2.75 bbl. keeping pressure at 1000 PSI, no bleed, relieve pressure from 4-1/2" casing. Connect pump line to the BH valve and attempt to pressure test the surface casing annulus. BH annulus pressured up to 300 PSI, and then bled down to 100 PSI in 10 minutes. SI well. SDFD

Plug and Abandonment Summary:

3/14/16 Held safety meeting. Check well pressures: SICP 0 PSI and SIBHP 22 PSI. Function test BOP. TIH and tag plug #7 at 408'. **Note: the following work was approved by the NMOCD to address the bradenhead pressure on this well.** Pressure test casing to 1000 PSI, OK. RU A-Plus wireline. Perforate 6 HSC squeeze holes at 405'. Unable to establish rate; bled 1000 PSI down to 800 PSI in 15 seconds. Then perforate 6 HSC squeeze holes above at 220'. Establish rate of 4 bpm at 600 PSI into the upper squeeze holes. Wireline 4-1/2" PW CR set at 385'. TIH and sting into CR. Initially establish rate ½ bpm at 1000 PSI under the CR. Broke down these squeeze holes and increased rate to 4 bpm at 600 PSI with limited returns out the casing valve. Mix and pump suicide squeeze plug #8. Sting out of CR and circulate well clean. TOH with tubing. Shut in casing and squeeze down casing to 200 PSI; would bled down to 100 PSI in 10 minutes. Relieve pressure. SI well. SDFD.

3/15/16 Held safety meeting. Check well pressures: SICP 8 PSI and SIBHP 22 PSI. Function test BOP. RU A-Plus wireline. Ran CBL from 385' to surface. Found good cement throughout annulus from 385' to 220' and 200' to surface. Establish rate down casing through existing perfs at 220' of 4 bpm at 600 PSI. Wait on orders. Note: received orders approved by Eric Herth, SLC and Brandon Powell, NMOCD to perforate. RU A-Plus wireline. Perforate 6 HSC squeeze holes at 180'. Establish rate down casing of 4 bpm at 600 PSI. Wireline 4-1/2" PW CR set at 170'. Pressure test casing above CR to 800 PSI, OK. TIH and sting into CR. Establish rate below CR of 4 bpm at 650 PSI. Mix and squeeze plug #9 with TOC at 170'. Squeezed 44 sxs at 1.5 bpm at 400 PSI; then hesitate pumping 33 sxs and 0.6 bbl. displacement. Sting out of CR at 170' with 150# below CR, circulate casing clean above CR with 4 bbl. TOH and LD all tubing. WOC overnight. SI well. SDFD.

3/16/16 Held safety meeting. Check well pressures: SICP 0 PSI and SIBHP 2 PSI. Function test BOP. Note: Chris Barbee, San Juan Coal and Thomas Vermersch, NMOCD approved procedure change. RU A-Plus wireline. Perforate 6 HSC squeeze holes at 130'. Attempt to establish rate; bled from 1000 PSI down to 500 PSI in 1 minute. Perforate 6 HSC squeeze holes at 70'. Attempt to establish rate bled from 1000 PSI to 500 PSI. TIH open-ended to 170 PSI. Circulate well clean. Spot plug #10 with TOC at surface. TOH and squeeze into holes. SI well. WOC overnight. SDFD.

3/17/16 Held safety meeting. SICP N/A - valve cemented shut, remove valve and found cement in wellhead, SIBHP 0 PSI. Dig out wellhead with backhoe. Perform Hot Work permit. Cut off wellhead. Found cement at cut off point in 4-1/2" and 8-5/8" casings. Weld on underground plate marker with coordinates N 36° 48' 32.6" / W 108° 22' 18.7". RD and MOL.

Monica Keuhling, NMOCD representative was on location.
John Durham, NMOCD representative was on location.
Thomas Vermersch, NMOCD representative was on location.
Wes Lackey, Weatherford Fishing Tools representative was on location.

I hereby certify that the foregoing is true and correct

Phillip Fitzpatrick
Field Supervisor

Date: March 19, 2016