

submitted in lieu of Form 3160-5

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
Schalk Development Company

3. Address & Phone No. of Operator
PO Box 25825, Albuquerque, NM 87125 (505) 881-6649

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

1700' FNL and 905' FEL, Section 6, T-25-N, R-3-W,

5. Lease Number
NMSF-080565-A

6. If Indian, All. or
Tribe Name

7. Unit Agreement Name

8. Well Name & Number
Schalk Gulf #3A

9. API Well No.
30-039-22506

10. Field and Pool
Mesaverde

11. County & State
Rio Arriba, 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

13. Describe Proposed or Completed Operations

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

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RECEIVED
OTO FARMINGTON NM

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

Signed Steve Schalk Title General Manager Date 3/19/06

(This space for Federal or State Office use)

APPROVED BY Original Signed: Stephen Mason
CONDITION OF APPROVAL, if any:

Title _____ Date MAR 29 2006

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 10, 2006

Schalk Gulf #3A

Blanco Mesaverde

1700' FNL & 905' FEL, NE, Section 6, T25N, R3W
Rio Arriba County, New Mexico, API #30-039-22506

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.
Cement will be ASTM Type III, mixed at 14.8 ppg with a 1.32 cf/sx yield or Class B.

1. Install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM, and Schalk safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. NU relief line and blow down well; kill with water as necessary.
2. PU on rods and unseat pump. Re-seat pump. Pressure test tubing to 1000#. TOH with rods and LD. ND wellhead and NU BOP. Test BOP. TOH and tally 2.375" tubing, total 5685', TAC at 5685'. If necessary, LD tubing and use a workstring.
3. Plug #1 (Mesaverde perforations and top, 5586' – 5492'): TIH and set 4.5" CR at 5586'. Load casing with water and circulate well clean. Pressure test casing to 500#. *If the casing does not pressure test, then spot or tag subsequent plugs as appropriate.* Mix 11 sxs Type III and spot a balanced plug inside casing above CR to isolate the Mesaverde perforations. TOH with tubing.
4. Plug #2 (Pictured Cliffs and Fruitland tops, ²¹4050' – ^{3765'}3650'): Perforate 3 squeeze holes at ²¹4021' 3655'. Set 4.5" cement retainer at 3605'. Establish rate into squeeze holes. Mix and pump 169 sxs cement, squeeze 138 sxs outside the casing and leave 31 sxs inside casing to cover Pictured Cliffs and Fruitland tops. PUH to 3670' and reverse circulate well clean. Shut in well and WOC.
5. Plug #3 (Kirtland and Ojo Alamo tops, ^{3757'}3662' – ^{3427'}3427'): Perforate 3 squeeze holes at 3662'. Set 4.5" cement retainer at 3612'. Establish rate into squeeze holes. Mix and pump 199 sxs cement, squeeze 81 sxs outside the casing and leave 19 sxs inside casing to cover Kirtland and Ojo Alamo tops.
6. Plug #4 (Nacimiento top, ^{2320'}1805' – ^{2220'}1705'): Perforate 3 squeeze holes at ^{2320'}1805'. Attempt to establish rate into squeeze holes if the casing pressure tested prior to perforating. Set 4.5" cement retainer at 4755'. Establish rate into squeeze holes. Mix and pump 46 sxs cement, squeeze 35 sxs outside the casing and leave 11 sxs inside casing to cover the Nacimiento top. PUH to 355'.
7. Plug #5 (Surface, 355' – 0'): With open ended tubing at 355', establish circulation out the casing valve with water. Mix and spot approximately 30 sxs cement from 355' to surface, circulate good cement out casing valve. TOH and LD tubing. 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 Gulf #3A

Current

Blanco Mesaverde

1700' FNL & 905' FEL, Section 6, T-25-N, R-3-W
Rio Arriba County, NM / API #30-039-22506

Today's Date: 3/10/06

Spud: 11/29/80

Comp: 4/10/81

Elevation: 7418' GI

12.25" Hole

Nacimiento @ 1755' * est.

Ojo Alamo @ 3477' * est.

Kirtland @ 3612' * est.

Fruitland @ 3700' * est.

Pictured Cliffs @ 3905' * est.

Mesaverde @ 5542'

7.875" Hole

TD 6445'
PBT 6412'

8.625" 24# K-55 Casing set @ 305'
250 sxs cement, circulated to surface

Casing leaks 354' to 790'; squeeze with
170 sxs and circulate out bradenhead

Well History

Sep '04: Isolate casing leaks: 354' to 790' and
3771' to 4061'. Squeeze 740' to surface with 170
sxs cement; circ out BH. Drill out from 10' to 792'.
Perforate upper MV zone and frac. CO with air.
Land tubing with rods and pump at 5685'.

Jan '05: Fluid level at 3225'. Clean out fill to 6224'
with bailer. Found tubing packed with mud and
sand. Land tubing with anchor at 5636'. RIH with
rods and pump.

2.375" Tubing set at 5685'
(203 joints, TAC at 5685')

Top of Cmt @ 4311' (Calc, 75%)

Mesaverde Perforations:
5636' - 5751'
6142' - 6304"

4.5" 10.5# K-55 Casing @ 6445'
Cemented with 405 sxs (648 cf)

Schalk Gulf #3A

Proposed P&A

Blanco Mesaverde

1700' FNL & 905' FEL, Section 6, T-25-N, R-3-W
Rio Arriba County, NM / API #30-039-22506

Today's Date: 3/10/06

Spud: 11/29/80

Comp: 4/10/81

Elevation: 7418' GL

12.25" Hole

Nacimiento @ 1755' * est.

Ojo Alamo @ 3477' * est.

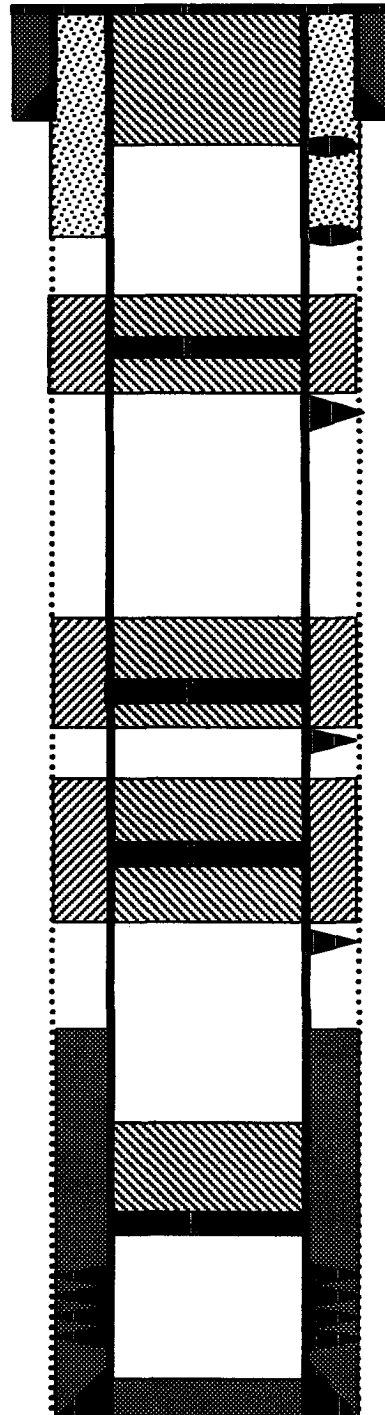
Kirtland @ 3612' * est.

Fruitland @ 3700' * est.

Pictured Cliffs @ 3905' * est.

Mesaverde @ 5542'

7.875" Hole



Plug #6: 355' - 0'
Type III cement, 30 sxs

8.625" 24# K-55 Casing set @ 305'
250 sxs cement, circulated to surface

Casing leaks 354' to 790'; squeeze with
170 sxs and circulate out bradenhead

Cmt Retainer @ 1755'

Perforate @ 1805'

Plug #4: 1805' - 1705'
Type III cement, 46 sxs:
35 outside and 11 inside

Cmt Retainer @ 3612'

Perforate @ 3662'

Plug #3: 3662' - 3427'
Type III cement, 100 sxs:
81 outside and 19 inside

Cmt Retainer @ 3905'

Perforate @ 3955'

Plug #2: 4050' - 3650'
Type III cement, 169 sxs:
138 outside and 31 inside

Top of Cmt @ 4311' (Calc, 75%)

Set CR @ 5586'

Mesaverde Perforations:
5636' - 5751'
6142' - 6304"

Plug #1: 5586' - 5492'
Type III cement, 11 sxs

4.5" 10.5#, K-55 Casing @ 6445'
Cemented with 405 sxs (648 cf)

TD 6445'
PBTD 6412'