



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Sundry Print Report

03/21/2023

Well Name: CHACO SLOPE 22-7-35	Well Location: T22N / R7W / SEC 35 / NENE / 36.10039 / -107.53783	County or Parish/State: SANDOVAL / NM
Well Number: 1	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM99740	Unit or CA Name:	Unit or CA Number:
US Well Number: 300432115400X1	Well Status: Drilling Shut In	Operator: SG INTERESTS I LIMITED

Notice of Intent**Sundry ID:** 2721597**Type of Submission:** Notice of Intent**Date Sundry Submitted:** 03/20/2023**Date proposed operation will begin:** 04/03/2023**Type of Action:** Plug and Abandonment**Time Sundry Submitted:** 07:45

Procedure Description: SG Interests drilled a surface hole and ran 9-5/8", 40# surface casing to 510' KB on 10/21/2015. Cemented with 298 sks Class G w/2% CaCl₂. Circulated 30 bbls cement to surface. Dugan Production plans to plug and abandon the well per the following procedure: 1) Run 2-3/8" work string to tag @ surface casing float collar. Fill up 9-5/8" casing from approximately 470' to surface w/195 sks, 224.3 cu ft, Class G neat cement. 2) Install dry hole marker.

Surface Disturbance**Is any additional surface disturbance proposed?:** No**NOI Attachments****Procedure Description**

Chaco_Slope_22_7_35_1_PA_Reclamation_Plan_20230320074002.pdf

Chaco_Slope_22_7_35_1_PA_formation_tops_20230320073937.pdf

Chaco_Slope_22_7_35_1_PA_current_wellbore_schematic_20230320073927.pdf

Chaco_Slope_22_7_35_1_PA_planned_wellbore_schematic_20230320073834.pdf

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Conditions of Approval**Specialist Review**

General_Requirement_PxA_20230320093122.pdf

2721597_NOI_PnA_Chaco_Slope_22_7_35_1H_33004321154_MHK_032023_20230320093104.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: TYRA FEIL**Signed on:** MAR 20, 2023 07:40 AM**Name:** SG INTERESTS I LIMITED**Title:** Authorized Representative**Street Address:** PO Box 420**City:** Farmington**State:** NM**Phone:** (505) 325-1821**Email address:** tyrafeil@duganproduction.com**Field****Representative Name:** ALIPH REENA**Street Address:** PO BOX 420**City:** FARMINGTON**State:** NM**Zip:** 87499-0420**Phone:** (505)325-1821**Email address:** Aliph.Reena@duganproduction.com**BLM Point of Contact****BLM POC Name:** MATTHEW H KADE**BLM POC Phone:** 5055647736**Disposition:** Approved**Signature:** Matthew Kade**BLM POC Title:** Petroleum Engineer**BLM POC Email Address:** MKADE@BLM.GOV**Disposition Date:** 03/21/2023

Planned P & A Procedure

Chaco Slope 22-7-35 # 1H

30-043-21154

Surface Hole

800' FNL & 250' FEL

S35 T22N R7W

Sandoval County, NM

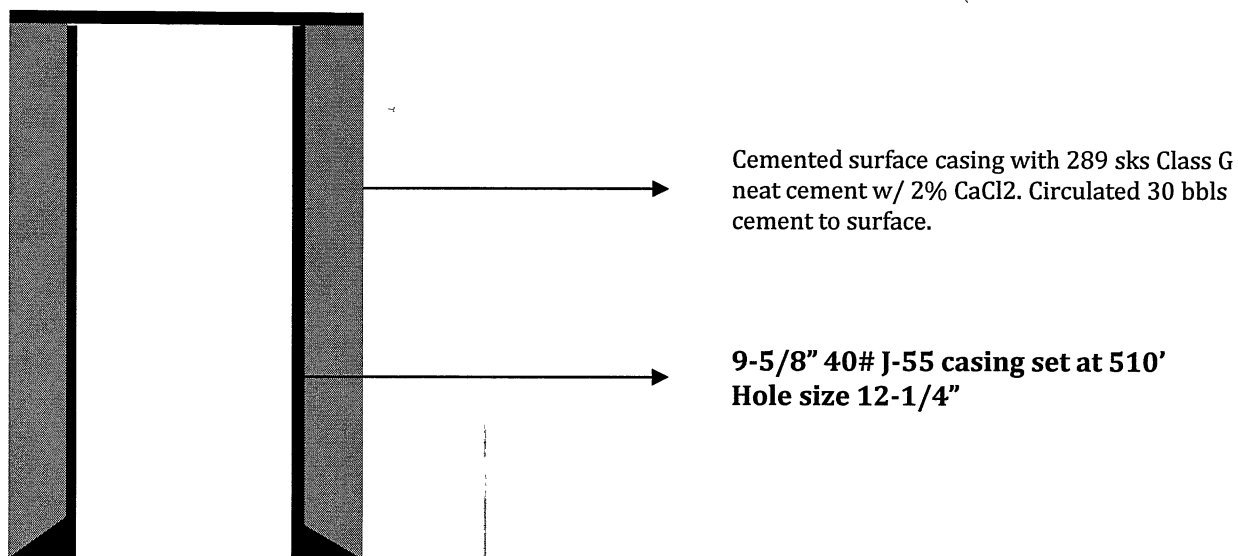
Lat 36.10039, Long -107.53783

SG Interests drilled a surface hole and ran 9-5/8", 40# surface casing to 510' KB on 10/21/2015. Cemented with 298 sks Class G w/ 2% CaCl₂. Circulated 30 bbls cement to surface. Dugan production plan to plug and abandon the well per the following procedure.

- Run 2-3/8" work string to tag @ surface casing float collar. Fill up 9 5/8" casing from approximately 470' to surface w/ 195 sks, 224.3 cu.ft, Class G neat cement.
- Install dry hole marker.

Current Wellbore Schematic

Chaco Slope 22-7-35 # 1H
30-043-21154
Surface Hole
800' FNL & 250' FEL
S35 T22N R7W
Sandoval County, NM
Lat 36.10039, Long -107.53783



Planned P & A Wellbore Schematic

Chaco Slope 22-7-35 # 1H

30-043-21154

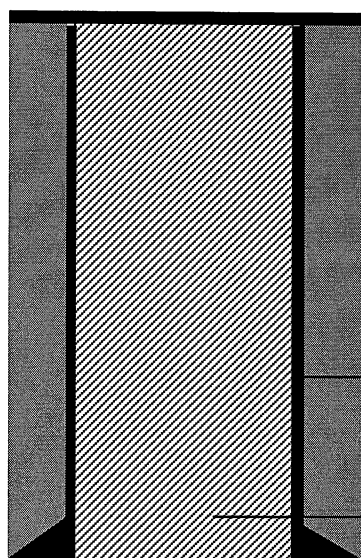
Surface Hole

800' FNL & 250' FEL

S35 T22N R7W

Sandoval County, NM

Lat 36.10039, Long -107.53783



Cemented surface casing with 289 sks Class G neat cement w/ 2% CaCl₂. Circulated 30 bbls cement to surface.

9-5/8" 40# J-55 casing set at 510'
Hole size 12-1/4"

Spot Plug I from 470' to surface w/ 195 sks (224.3 Cu.ft) Class G neat cement.

Chaco Slope 22-7-35 # 1
30-043-21154
Surface Hole
800' FNL & 250' FEL
S35 T22N R7W
Sandoval County, NM
Lat 36.10039, Long -107.53783

Formation Tops

- TD - 510'
- Ojo Alamo - 590

**GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON FIELD OFFICE**

- 1.0 The approved plugging plans may contain variances from the following minimum general requirements.
- 1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.
 - 1.2 Requirements may be added to address specific well conditions.
- 2.0 Materials used must be accurately measured. (densometer/scales)
- 3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.
- 3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.
- 4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.
- 4.1 The cement shall be as specified in the approved plugging plan.
 - 4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
 - 4.3 Surface plugs may be no less than 50' in length.
 - 4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
 - 4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.
 - 4.6 **A cement bond log or other accepted cement evaluation tool is required to be run if one had not been previously ran or cement did not circulate to surface during the original casing cementing job or subsequent cementing jobs.**

5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.

- 5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.
- 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.
- 5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.
- 5.4 If perforations are required below the surface casing shoe, a 30 minute minimum wait time will be required to determine if gas and/or water flows are present. If flow is present, the well will be shut-in for a minimum of one hour and the pressure recorded. Short or long term venting may be necessary to evacuate trapped gas. If only a water flow occurs with no associated gas, shut well in and record the pressures. Contact the Engineer as it may be necessary to change the cement weight and additives.

6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.

- 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
- 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.

7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H₂S.

8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), through the Automated Fluid Minerals Support System (AFMSS) with the Field Manager, Bureau of Land Management, 6251 College Blvd., Suite A, Farmington, NM 87402. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.

9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.

(March 2023 Revision)

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402**

AFMSS 2 Sundry ID 2721597

Attachment to Notice of Intention to Plug and Abandon

Well: Chaco Slope 22-7-35 1H (API#30-043-21154)

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence at (505) 564-7750.

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.

M. Kade 3/20/2023

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 199194

CONDITIONS

Operator: SG INTERESTS I LTD SG Interests I, Ltd. Houston, TX 77007	OGRID: 20572
	Action Number: 199194
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	3/21/2023
kpickford	Adhere to BLM approved COAs and plugs. See BLM COAs and GEO report.	3/21/2023