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

Sundry Print Report

08/25/2023

Well Name: SCHALK 54	**Well Location:** T30N / R5W / SEC 2 / NESE / 36.83905 / -107.32045	**County or Parish/State:** RIO ARRIBA / NM
Well Number: 1E	**Type of Well:** CONVENTIONAL GAS WELL	**Allottee or Tribe Name:**
Lease Number: NMNM4454	**Unit or CA Name:**	**Unit or CA Number:**
US Well Number: 3003922518	**Well Status:** Producing Gas Well	**Operator:** SCHALK DEVELOPMENT COMPANY

Notice of Intent

Sundry ID: 2747300

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 08/22/2023

Time Sundry Submitted: 09:11

Date proposed operation will begin: 08/22/2023

Procedure Description: Schalk Development propose to P&A the subject well. Please find attached the P&A procedures. No reclamation plan attached as onsite will be scheduled with JJ Miller.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Schalk_54_1E_PA_Procedures_20230822091105.pdf

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Well Number: 1E	**Type of Well:** CONVENTIONAL GAS WELL	**Allottee or Tribe Name:**
Lease Number: NMNM4454	**Unit or CA Name:**	**Unit or CA Number:**
US Well Number: 3003922518	**Well Status:** Producing Gas Well	**Operator:** SCHALK DEVELOPMENT COMPANY

Conditions of Approval

Additional

General_Requirement_PxA_20230825092057.pdf

2747300_NOIA_54_1E_3003922518_KR_08252023_20230825092033.pdf

Schalk_54_1E_Geo_Rpt_20230824120720.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: ARLEEN SMITH

Signed on: AUG 22, 2023 09:11 AM

Name: SCHALK DEVELOPMENT COMPANY

Title: Regulatory Specialist

Street Address: 332 RD 3100

City: AZTEC **State:** NM

Phone: (505) 327-4892

Email address: ARLEEN@WALSHENG.NET

Field

Representative Name:

Street Address:

City: **State:** **Zip:**

Phone:

Email address:

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 08/25/2023

Signature: Kenneth Rennick

P&A Procedure

Schalk Development CO – Schalk 54-1E

Blanco MV

1760' FSL & 965' FEL, Section 2, T30N, R5W

Rio Arriba County, New Mexico, API #30-039-22518

Plug & Abandonment Procedure:

Note: All cement volumes use 100% excess outside casing and 50' excess inside pipe. Stabilizing wellbore fluid will be 8.33 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Class G neat 1.15 ft^3/sk or equivalent. If casing pressure tests tagging plugs will not be required. Volumes calculated off 4-1/2" 11.6# casing. This procedure has been prepared with the understanding a CBL will be required and may be modified pending results.

Prior to Mobilization

1. Notify BLM, NMOCD, & Forest Service
2. Verify all cement volumes based on actual slurry to be pumped. Calculations based on 1.15 ft^3/sk.
3. Comply with all COA's from BLM and NMOCD

P&A Procedure

1. MIRU PU and cement equipment.
2. ND WH, NU BOP, RU rig floor and 2 3/8" handling tools.
3. Prep 5700' of 2-3/8" work string.
4. TIH with 4 ½" casing scraper to 5550'. TOOH LD 4 ½" scraper.
5. TIH with CICR and set @ 5516'. Roll hole with fresh water. PT tubing to 500 psi.

6. **Plug #1, 5416' – 5516' (Perfs: 5566' – 5901'): Mesa Verde Top @ 5562':** Sting out of CICR, mix and pump 15 sxs (17.25 cf) Class G Neat in balanced plug on retainer. PU 200' above plug reverse circulate to clean tubing. WOC and tag plug as described in NMAC 19.15.25.

7. **Plug #2, 3118' - 3424': Fruitland Top @ 3168'. Pictured Cliffs @ 3374':** Mix and pump 28 sxs (32.2 cf) Class G Neat in balanced plug on retainer. PU 200' above plug reverse circulate to clean tubing. WOC and tag plug as described in NMAC 19.15.25.

8. **Plug #3, 2694' – 2924': Ojo Alamo Top @ 2744'. Kirtland Top @ 2874':** RIH w/ WL and shoot 3 spf @2924'. Set CICR @ 2874'. Sting into CICR and establish injection rate. Mix and pump 116 sxs Class G Neat below retainer. Pick up above CICR leaving 15 sxs Class G Neat on top of retainer. WOC and tag plug as described in NMAC 19.15.25.

9. **Plug #4, Surface – 357': 13-3/8" casing shoe @ 307':** RIH w/ WL and shoot 3 spf @357'. Tie onto 4-1/2" casing and establish injection rate through 4-1/2" * 13-3/8" annulus. Mix and pump 255 sxs (293.25 cf) Class G Neat or until cement circulates. Top off casing strings as necessary. WOC and tag plug as described in NMAC 19.15.25.

10. ND BOP and cut off wellhead below surface casing flange, top off casing and annulus as necessary. Install P&A marker and cut off and/or remove anchors. RD, MOL - Restore location per BLM stipulations. Take pictures from all cardinal directions. Ensure to notify project management of all remaining equipment on location once plugging is complete.

Kyle T. Mason

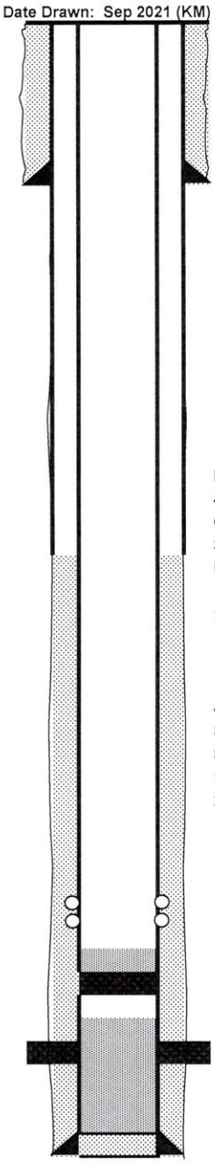
Engineer

Well/Facility:	Schalk 54 #1E	Well Status:	Producing
Operator:	Schalk	Orig Oper:	Schalk
Lease/Op Agmt:		KB:	?
Field:	Blanco MV	API #:	30-039-22518
County:	Rio Arriba	GR/KB:	6574'
State:	NM	TD:	8,253'
Spud:	10/30/1980	PBTD:	6746'
Comp. Date:	11/17/1980	WI:	
1st Prod:		NRI:	
Wellhead Conn:			
Surface Loc:	1760' FSL & 965' FEL	Logs Ran	
Sec-Twn-Rge:	S-2 T30N R5W		
Pumper:			
Foreman:	Jimmy Mckinney		
Anchors Tested			
Notes:			

Date:	History:
Jun-98	Log 2700' to surface. 2700'-830' good casing. Found potential part from 830'-834'. Bad casing 1200'-1450' holes in casing from 1450-1800'. Casing OK 2550'-2700'. Old squeeze at 2515'.Squeeze from 750'-1254' w/ 209 sks.

Deviation		Geologic Markers	
MD	Inclination	MD	Formation
		2,744	Ojo Alamo
		2,874	Kirtland
		3,374	Pictured Cliffs
		3,658	Lewis
		5,562	Cliff House
		5,600	Menefee
		5,820	Pt. Lookout
		6,540	Gallup
		7,827	Greenhorn
		7,878	Graneros

Date Drawn: Sep 2021 (KM)



WALSH ENGINEERING FARMINGTON . NM

Hole Size: 17 1/2"

Surf Csg
13 3/8" 68# Surf Csg @ 307
355 sx Class B. Circ to surface
Unknow TOC

Hole Size - 7 7/8"
4 1/2" 10.5# K-55 LTC set at 8253'
CMT w. 420 sks -
370 sxs 50/50 Poz, 50 sks Class B
Unknow TOC

167 jnt 2 3/8"

4 1/2" 2 3/8" Arrowset III Retrievable Production Packer
3 jnts 2 3/8"
SN @ 5608"
1 jnt 2 3/8"
2 3/8" NC @ 5642'

MV Perfs:
5566-5575', 566-5632', 5702-5720'
5721-5731',5829-5833',5848-5862'
5880-5901'

TOC: 6746'
CICR set 6896'

DK abandoned 10/1999
DK Perfs 38 hole (1spf 0.34")
8060-8114

PBTD: 6746'
TD 8253'

Production Tubing Detail			
	Length	Top	Bottom
KB Adjustment		0	0.00
Tubing			0.00

Rod Detail
Pump Detail

****

Pumping Unit:		Gear Sheave:	
API Designation:		Stroke Length:	
Samson Post SN:		Gear Ratio:	
Gear Box SN:		SPM:	
Structural Unbalance:		Horse Power:	
Rating Lbs		Volts:	
Power SN:		Amps:	
Sheave Size:		Belts:	

Well/Facility:	Schalk 54 #1E	Well Status:	Producing
Operator:	Schalk Dev Co	Orig Oper:	Schalk
Lease/Op Agmt:		KB:	?
Field:	Blanco MV	API #:	30-039-22518
County:	Rio Arriba	GR/KB:	6574'
State:	NM	TD:	8,253'
Spud:	10/30/1980	PBTD:	6746'
Comp. Date:	11/17/1980	WI:	
1st Prod:		NRI:	
Wellhead Conn:			
Surface Loc:	1760' FSL & 965' FEL	Logs Ran	
Sec-Twn-Rge:	S-2 T30N R5W		
Pumper:			
Foreman:			
Anchors Tested			
Notes:	NO CBL ON FILE		

Date:	History:
Jun-98	Log 2700' to surface. 2700'-830' good casing. Found potential part from 830'-834'. Bad casing 1200'-1450' holes in casing from 1450-1800'. Casing OK 2550'-2700'. Old squeeze at 2515'.Squeeze from 750'-1254' w/ 209 sks.
Oct-21	Attempt to fix HIT. Parted pipe while POOH. TOF @ 2855' Retireved fish and packer. No tubing in well.

Deviation		Geologic Markers	
MD	Inclination	MD	Formation
		2,744	Ojo Alamo
		2,874	Kirtland
		3,168	Fruitland
		3,374	Pictured Cliffs
		3,658	Lewis
		5,562	Cliff House
		5,600	Menefee
		5,820	Pt. Lookout
		6,540	Gallup
		7,827	Greenhorn
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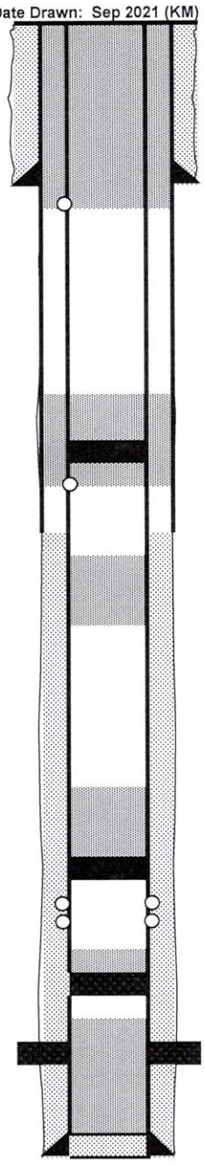
Date Drawn: Sep 2021 (KM)



WALSH ENGINEERING FARMINGTON, NM

Hole Size: 17 1/2"

Surf Csg
13 3/8" 68# Surf Csg @ 307
355 sx Class B. Circ to surface
Unknow TOC

Perforate 3 spf @ 357'
Plug #4 (Surface'-357')
255 sxs Class G Neat (293.25 cf)

Set retainer @ 2874'
Perforate @ 2924'
Plug #3 (2694'-2924')
Above CICR: 15 sxs Class G Neat (17.25 cf)
Below CICR: 116 sxs Class G Neat (133.4 cf)

Plug #2 (3118'-3424')
28 sxs Class G Neat (32.2 cf)

Set retainer @ 5516'
Plug #1 (5416'-5516')
15 sxs Class G Neat (17.25 cf)

MV Perfs:
5566-5575', 566-5632', 5702-5720'
5721-5731',5829-5833',5848-5862'
5880-5901'

TOC: 6746'
CICR set 6896'

PBTD: 6746'
TD 8253'

DK abandoned 10/1999
DK Perfs 38 hole (1spf 0.34")
Perfs: 8060'-8114'

Production Tubing Detail			
	Length	Top	Bottom
KB Adjustment		0	0.00
Tubing			0.00

Rod Detail
Pump Detail

****

Pumping Unit:		Gear Sheave:	
API Designation:		Stroke Length:	
Samson Post SN:		Gear Ratio:	
Gear Box SN:		SPM:	
Structural Unbalance:		Horse Power:	
Rating Lbs		Volts:	
Power SN:		Amps:	
Sheave Size:		Belts:	

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 H_2S.

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.

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

AFMSS 2 Sundry ID 2747300

Attachment to notice of Intention to Abandon

Well: Schalk 54 1E

CONDITIONS OF APPROVAL

1. Plugging operations must be completed by March 31, 2024.

2. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."

3. 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.

K. Rennick 08/25/2023

BLM - FFO - Geologic Report

Date Completed 8/24/2023

Well No.	Schalk 54	# 1E	Surf. Loc.	1760	FSL	965	FEL
			Sec.	2	T30N		R5W

Lease No.	NMNM4454						
Operator	Schalk Development Co.			County	Rio Arriba	State	New Mexico
TVD	8253	PBTD	6746	Formation	Basin Mancos		
Elevation	GL	6574		Elevation	Est. KB	6587	

Geologic Formations	Est. tops	Subsea Elev.	Remarks
San Jose Fm.	Surface		
Nacimiento Fm.	1300	5287	Surface /fresh water sands
Ojo Alamo Ss	2744	3843	Aquifer (fresh water)
Kirtland Fm.	2874	3713	
Fruitland Fm.	3168	3419	Coal/gas/possible water
Pictured Cliffs	3374	3213	Possible water
Lewis Shale	3450	3137	
Cliff House (Main)	5562	1025	Possible gas, water
Menefee Fm.	5600	987	Coal/ss/water/possible gas
Point Lookout Fm.	5820	767	Possible gas, water
Mancos Shale	5905	682	Petroleum source rock
Gallup	6540	47	O&G
Juana Lopez	7515	-928	O&G
Greenhorn	7827	-1240	
Graneros	7878	-1291	
Dakota	8010	-1423	O&G

Remarks:

- Directional wellbore - all fm. tops are TVD.
-The Cliff House should be used for the top of the Mesa Verde Group for plugging purposes.
- Note that all depths include 13' KB.
-Ensure that 50' excess is applied to Plug 2 and Plug 3.

Reference Wells:

1) Same

Prepared by: Walter Gage

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 257738

CONDITIONS

Operator: SCHALK DEVELOPMENT CO P.O. Box 25825 Albuquerque, NM 87125	OGRID: 20389
	Action Number: 257738
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	Add Nacimiento plug BLM call on top is 1300 feet - otherwise follow BLM COAs - Notify NMOCD 24 hours prior to rig moving on.	8/25/2023