

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Gabriel Wade, Acting Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 10/11/2018

Well information:

30-045-35145 SIXTEEN G'S COM #091S
DUGAN PRODUCTION CORP

Application Type:

- ☒ P&A ☐ Drilling/Casing Change ☐ Location Change
☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)
☐ Other:

Conditions of Approval:

- Notify NMOCD 24hrs prior to beginning operations.
- Extend Plug #1 1690'-835' to cover the Ojo Alamo top. OCD Ojo Alamo pick @ 885'

NMOCD Approved by Signature

3/15/19
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: COAL BED METHANE		5. Lease Serial No. NMNM45207
2. Name of Operator DUGAN PRODUCTION CORP. Contact: ALIPH REENA E-Mail: aliph.reena@duganproduction.com		6. If Indian, Allottee or Tribe Name
3a. Address PO BOX 420 FARMINGTON, NM 87499-0420	3b. Phone No. (include area code) Ph: 505-325-1821	7. If Unit or CA/Agreement, Name and/or No. NMNM112629
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 7 T24N R9W Mer NMP SWSE 1165FSL 1380FEL 36.324460 N Lat, 107.826120 W Lon		8. Well Name and No. SIXTEEN G'S COM 91S
		9. API Well No. 30-045-35145
		10. Field and Pool or Exploratory Area BASIN FRUITLAND COAL
		11. County or Parish, State SAN JUAN COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Dugan Production Corp. plans to plug and abandon the well as per the following procedure:

- 1) Set 4-1/2" CIBP @ 1690'. Pressure test casing to 600 psi. Cement circulated on both surface and production casing cement job.
- 2) Spot inside Plug I above CIBP @ 1690' w/65 sks (76.8 cu ft) Class G neat cement to 882' (15.6#/gal, 1.18 cu ft/sk) - Plug I: PC-Fruitland-Ojo Alamo: 882'-1690'.
- 3) Spot inside Plug II to surface from 175' (casing shoe @ 125') w/18 sks (21.2 cu ft) Class G cement w/2% CaCl₂ (15.6#/gal, 1.18 cu ft/sk) - Surface, Plug II: 0-175'.
- 4) Tag TOC at surface. Fill cement in case needed. Cut wellhead.
- 5) Install dryhole marker. Clean location.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

BLM'S APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS

14. I hereby certify that the foregoing is true and correct. Electronic Submission #439312 verified by the BLM Well Information System For DUGAN PRODUCTION CORP., sent to the Farmington	
Name (Printed/Typed) ALIPH REENA	Title ENGINEERING SUPERVISOR
Signature (Electronic Submission)	Date 10/11/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>Jy. Saly</i>	Title PF	Date 2/25/19
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office FFO

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.

Planned Wellbore Schematic

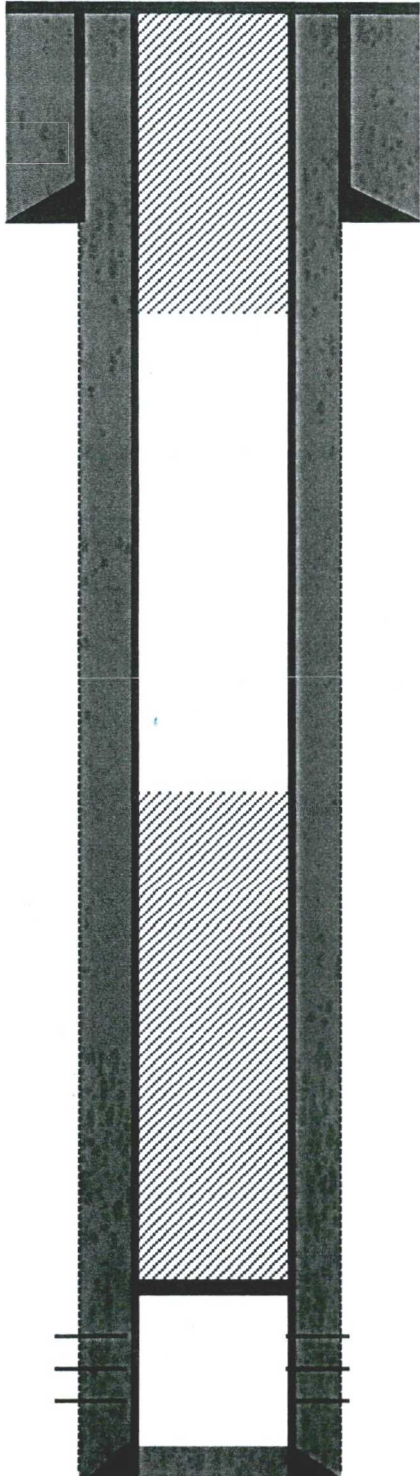
Sixteen GS Com 91S

30-045-35145

Sec 7 T24N R9W

San Juan County, NM

Lat: 36.32446 Long: 107.82612



7-5/8" 26.4# casing @ 125'. Cemented with 125 sks Type III Cement (171 Cu.ft). Circulated 5 bbl cement to surface. Hole size 12-1/4"

Spot inside plug to surface w/ 18 sks Class B Cement (21.2 cu.ft) (Plug II, Surface -175')

4 1/2" 10.5 # casing @ 1924'. Hole size: 6-1/4"

Cement 4 1/2" production casing w/ 175 sks cement (335 Cu.ft slurry). Circulated 10 bbl cement to surface.

1690'
CIBP @ ~~1960'~~. Set Inside Plug with 65 sks (76.8 cu.ft) @ 1690' Class G cement. (Plug I, Pictured Cliff-Fruitland-Kirtland-Ojo Alamo, 882'-1690')

Fruitland Coal Perforated @ 1740' - 1752'

PBTD @ 1894', Casing @ 1924'. TD @ 1930'

Current Wellbore Schematic

Sixteen GS Com 91S

30-045-35145

Sec 7 T24N R9W

San Juan County, NM

Lat: 36.32446 Long: 107.82612



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Fruitland Coal Perforated @ 1740' - 1752'

PBTD @ 1894', Casing @ 1924'. TD @ 1930'

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

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Sixteen G's Com #91S

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 (505) 564-7750.

**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. (densimeter/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 (CBL) is required to be ran if one had not been previously ran or cement did not circulate to surface during the primary cement job or subsequent cement job.**