

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FEB 19 2016

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 reverse side.

1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **Dugan Production, c/o BHP Billiton San Juan Coal**

3a. Address
PO Box 561, Water Flow, NM 87421

3b. Phone No. (include area code)
505-598-2000

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
870' FSL and 1070' FEL, Sec. 13, T-30-N, R-15-W

5. Lease Serial No.
NM 10875

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Greek's Fete #1

9. API Well No.
30-045-23915

10. Field and Pool, or Exploratory Area
Twin Mounds

11. County or Parish, State
San Juan, NM

12. CHECK 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"/> Fracture Treat	<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 recompletable 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall 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 as the operator, desires San Juan Coal to plug and abandon this well per the attached procedure.

Also request approval to set an underground plate instead of a 4" above ground marker to prevent stray electrical currents from entering the underground coal mine.

Surface reclamation will be in accordance with the MSHA approved plan for the San Juan Coal Mine prior to beginning operations

A closed loop system will be utilized for waste fluid.

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

SEE ATTACHED FOR CONDITIONS OF APPROVAL

OIL CONS. DIV DIST. 3

Notify NMOCD 24 hrs prior to beginning operations
FEB 26 2016

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Eric Herth

Title **Mine Geologist**

Signature

Date

02/18/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

PE

Date

2/23/16

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.

(Instructions on page 2)

NMOCD

KC

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A-PLUS WELL SERVICE, INC.

RE-ENTRY and PLUG AND ABANDONMENT PROCURE

February 18, 2016

Greek's Fete #1

Twin Mounds Fruitland Sand
870' FSL and 1070' FEL, Section 13, T30N, R15W
San Juan County, New Mexico / API 30-045-23915
Lat: _____ / Long: _____

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- Note: All cement volumes use 100% excess outside pipe and 50' excess inside.
 - The stabilizing wellbore fluid will be water or drilling mud with sufficient weight to balance all exposed formation pressures.
 - Cement is Class B mixed at 15.6 ppg with 1.18 cf/sx yield;
 - or Class B with 18% salt by weight of water (for expansion, MSHA requirement through the Fruitland Coal zone).

PROCEDURE:

1. This project will use an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Complete a hot work permit. Test the inside of the p&a marker for methane by hot tapping the 4.5" p&a marker pipe at the appropriate place after the base has been uncovered. Then remove the p&a marker to uncover the 5.5" surface casing stub. If necessary, weld a pipe extension onto the 5.5" surface casing stub or a slip on collar, to bring it to above ground level. Install a 5.5" tubing head or drilling spool with two outlets (insure this piece has sufficient ID size for washover tools).
3. Comply with all applicable MSHA, NMOCD, BLM and San Juan Coal Mine safety regulations. Conduct safety meeting for all personnel on location. Set base beam for rig. MOL and RU daylight pulling unit. NU a 7.1625" BOP on the 5.5" tubing head and companion flange. Function test the BOP operation.
4. Rig up a drilling system with a mud pit (with a shale shaker), mud pump and power swivel power pack. Build a high vis, low solids mud fluid (45 to 50 vis). Pick up a 2.375" fish tail bit (with edges trimmed) a 2.25" drill collar with the power swivel.
5. Drill out cement inside the 2.875" casing from surface to approximately 800'. Use total of 4 drill collars and 1-13/16" Homco Slimline drill pipe. Note: carefully make up this drill pipe to the specified torque and use the lift nubbins. TOH and LD bit and small drill collars and drill pipe.
6. Rig A-Plus up a wireline unit and run a CBL from PBTD to surface (to identify casing collars for washover and pulling of the 2.875" casing). After drilling out to 800', if necessary, clean the mud pit to remove all cement cuttings. Then mix new high viscosity (45 sec) low solids bentonite mud. Tally and prepare a 2.875" EUE tubing workstring.

PLUG AND ABANDONMENT PROCEDURE

February 18, 2016

Greeks Fete #1

Page 2 of 3

Procedure Continued:

7. After identifying the depth of the 2.875" casing collars, select the approximate middle of a joint at 700'. Jet cut the casing at this depth. Then repeat jet cutting the casing in the mid-body at 600', 500', 400', 300', 200', and 100' deep. Rig down the wireline unit.
8. Make up the washover bottom hole assemble (**WBHA**): 4.75" or 4.875" OD shoe a 6' to 10' extension and one 3.5" drill collar. Drill / washover the 2.875" casing to approximately 120'. Circulate well clean. When drilling, pick up drilling jar, a total of 6 - 3.5" drill collars and 2.875" tubing workstring.
9. TOH with the **WBHA**. Make up the overshot bottom hole assembly (**OBHA**): a cut-lip overshot for 2.875" pipe and the 2.875" tubing workstring. Fish out the 100' casing section that has been washed over. TOH and LD casing. Then repeat the procedure, fishing out approximately 100' of casing each time. Then TOH and LD the washover pipe and shoe.
10. Rig up Jet West wireline and run a Gamma - Neutron log and a directional survey log through the coal interval. Identify and confirm the depth of the coal zones. All reported depths should be from ground level .
11. **Plug #1 (Fruitland Coal interval, 800' to 500')**: TIH with a sawtooth collar and the workstring to approximately 800' and wash out any fill. Then pump a 10 bbls fresh water spacer ahead of the cement. Mix 60 sxs cement with 18% salt (by weight of water) and spot a balanced plug to cover the coal zones. Displace cement with water. TOH with workstring and WOC overnight. Then TIH with tubing and tag cement.
12. **Plug #2 (Fruitland formation top and 5.5" Surface casing shoe, 500' to Surface)**: Mix approximately 90 sxs cement and spot a balanced plug inside the well from 500' (or TOC) to surface to cover the 5.5" surface casing shoe. TOH and LD the tubing. Shut in well and WOC.
13. ND BOP and cut off wellhead below surface. Install an **underground P&A marker** with cement to comply with regulations. RD and MOL. Clean up location.

Greek's Fete #1 Current

Twin Mounds

870' FSL & 1070' FEL, Section 13, T-30-N, R-15-W
San Juan County, NM / API #30-045-23915

Lat: N _____ / Long: W _____

Today's Date: 2/17/16

Spud: 12/29/79

Completed: 5/3/80

P&A: 1/5/82

Elevation: 5374' GL

Kirtland @ surface

Fruitland @ 380'

Fruitland Coal Seam #9: 617' to 622'

Pictured Cliffs @ 690'

Fruitland Coal Seam #8: 743' to 754'

5.125" Hole

TD 798'
PBTD 797'

Circulate 2 bbl. cement to surface

5.5" 14#, J-55 Casing set @ 100'
35 sx cement, Cir. to surface

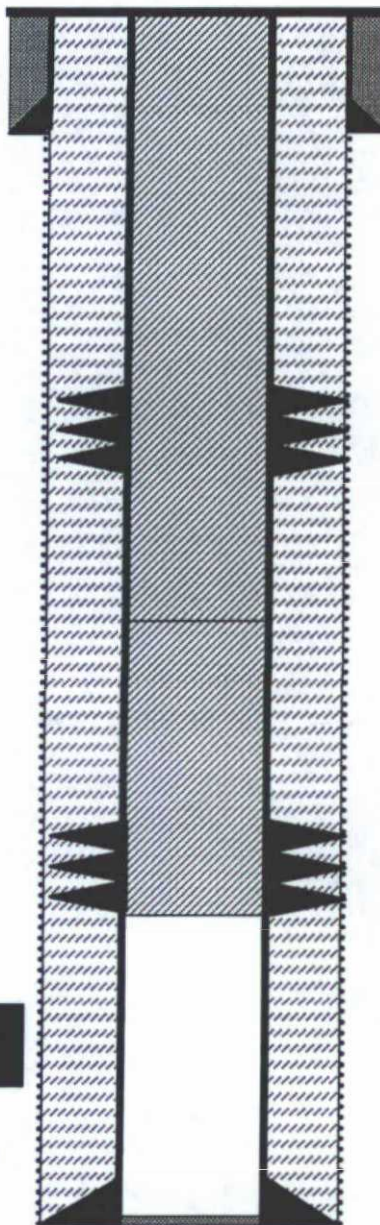
Plug #2 (Jan 1982)
From 500' to Surface
With 13 sxs cement

Fruitland Sand Perforations:
381'- 386'

Plug #1 (6/15/81)
From 650' to 500'
with 5 sxs cement

Fruitland Sand Perforations:
650'- 660'

2.875" 6.5# J-55 Casing set @ 797'
Cemented with 60 sx cement,
Circulated 2 bbl. to surface



Greek's Fete #1

Proposed Re-Entry & Plugging

870' FSL & 1070' FEL, Section 13, T-30-N, R-15-W
San Juan County, NM / API #30-045-23915

Lat: N _____ / Long: W _____

Today's Date: 2/17/16

Spud: 12/29/79

Completed: 5/3/80

P&A: 1/5/82

Elevation: 5374' GL

Kirtland @ surface

7.875" Hole

Fruitland @ 380'

Fruitland Sand
Perfs: 381' - 386'

Fruitland Coal Seam #9: 617' to 622'

Fruitland Sand
Perfs: 650' - 660'

Fruitland Coal Seam #8: 743' to 754'

5.125" Hole

TD 798'
PBTD 797'

Circulate 2 bbl. cement to surface

5.5" 14#, J-55 Casing set @ 100'
35 sx cement, Cir. to surface

Plug #2 From 500' to Surface
with 90 sxs Class B

Plug #1 From 797' to 500'
with 60 sxs Class B with 18% Salt
(by weight of water).

Third Event:
Washover the outside of the 2.875"
casing down to 800'.

Second Event:
Cut the 2.875" casing at
approximately 700', 600', 500', 400',
300', 200' and 100'.

First Event:
Drill out the inside of the 2.875"
casing down to 800'.

2.875" 6.5# J-55 Casing set @ 797'
Cemented with 60 sx cement,
Circulated 2 bbl. to surface

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: Greeks' Fete #1

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.

H₂S has not been reported at this location, however, **high to very high concentrations of H₂S (100 ppm – 500 ppm GSV)** have been reported in several wells within a 1 mile radius of this location. **It is imperative that H₂S monitoring and safety equipment be on location during P&A operations at this wellsite.**

Operator will run a CBL from PBTD to surface (to identify casing collars for washover and pulling of the 2.875" casing). Submit the electronic copy of the log for verification to the following addresses: jwsavage@blm.gov Brandon.Powell@state.nm.us

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.