

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 ☐ Other2. Name of Operator
Dugan Production Company c/o Westmoreland, San Juan Coal Mine3a. Address
P.O. Box 420, Farmington, NM 874993b. Phone No. (include area code)
505-325-18214. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 18, T30N, R14W SE, SE 915 FSL & 665' FEL

5. Lease Serial No.

NMNM 19163

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Turk's Toast #9

9. API Well No.

30-045-30731

10. Field and Pool, or Exploratory Area

Twin Mounds Fruitland Sand PC

11. County or Parish, State

San Juan County, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

- | | | | |
|---|--|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <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 recompleat 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 recompleat 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 Westmoreland, San Juan Coal Mine 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 BLM approved plan for the San Juan Coal Mine

A closed loop system will be utilized for waste fluid.

APPROVAL OR ACCEPTANCE OF THIS
DOES NOT RELIEVE THE LESSEE AND
FROM OBTAINING ANY OTHER
ACTION REQUIRED FOR OPERATIONS
AND INDIAN LANDS

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Notify NMOCD 24 hrs
prior to beginning
operations

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

Eric Herth

Title Mine Geologist

Signature

Date

04/27/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Abdelgadir ElmadaniTitle PEDate 5/2/17

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

1

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
Farmington, New Mexico 87499
505-325-2627 * fax: 505-325-1211

PLUG AND ABANDONMENT PROCEDURE

April 25, 2016

Turk's Toast #9

Page 1 of 3

Basin Fruitland Coal
915' FSL and 665' FWL, Section 18, T30N, R14W
San Juan County, New Mexico / API 30-045-30731

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/sxs yield or Class B with 18% salt by weight of water (for expansion, MSHA requirement through the Fruitland Coal zone).

MILL OUT CASING AND PLUGGING PROCEDURE:

1. This project will use a closed system to handle waste fluids circulated from the well.
2. Comply with all applicable MSHA, NMOCD, BLM and San Juan Coal safety regulations. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. Lay relief line to the waste pit and blow well down, kill well with water as necessary. ND wellhead and NU BOP. Test BOP. Pull rod and tubing from well if present.
3. Rods: Yes____, No____, Unknown____.
Tubing: Yes X, No____, Unknown____, Size 2.375", Length 1090'.
Packer: Yes____, No X, Unknown____, Type____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate. TOH and LD tubing. Prepare a 2.375" tubing workstring.
4. PU a 3.875" bit, 6 - 3 1/8" drill collars and 2.375" tubing or equivalent workstring. TIH and tag PBTD at 1124'. Rig up drilling equipment and clean out / drill out to 1224' (drill on the rubber plugs to be sure as deep as possible). Circulate well clean with water. TOH with bit.
5. Rig up A-Plus wireline truck and run a CBL from clean out depth to surface; if the existing Fruitland Coal perforations are affecting the CBL quality, then continuously pump water into to the perfuse to stop the gas flow while logging.
6. **Rig up Jet West wireline and run a Gamma - Neutron log and a directional survey log.**
Adjust the milling intervals as appropriate from these logs.
7. **Perforate the 4.5" casing with 3 SPF at: 1124' to 1122', 1211' to 1209', 1161' to 1159', and 1111' to 1109'.** This is to isolate below Coal Seam #8 and the depths should be modified as appropriate from the logs run in step #6.

PLUG AND ABANDONMENT PROCEDURE

April 25, 2016

Turk's Toast #9

Page 2 of 3

Procedure Continued:

8. **Plug #1 (Picture Cliffs top and Fruitland perforations):** TIH with open ended workstring to 1224'. Load the well with water. Mix 36 sxs cement with 18% salt (by weight of water) and spot a balanced plug inside the 4.5" casing to cover the Pictured Cliffs zone and Fruitland perforations (up to 750'). TOH with the workstring, load the casing with water, shut in well and then hesitation squeeze approximately 10 sxs (2 bbls cement) into the perforations; squeeze the TOC down to approximately 860'. (Note: This is not the final abandonment of the Fruitland interval; the intent is to abandon the PC interval and fill the FtC perforations with cement to help the milling operations.) WOC overnight.
9. Pressure test the 4.5" casing to 800#. TIH with a 3.875" mill tooth bit, 6 - 3-1/8" drill collars and tag cement. Drill out the cement inside the casing down to 1076' (Note: TOC must be 10 to 15' below the bottom of the planned milled interval (1066') to allow for the nose of the section mill tool). TOH with this BHA and LD the bit.
10. PU a flat bottom mill, the 3.875" section milling tool and the 6 - 3-1/8" drill collars (this is the under reaming bottom hole assembly, BHA). TIH with BHA and workstring to 1040'. Rig up drilling equipment and establish circulation with a low solids, high viscosity mud.
11. **Note: The intervals to be milled out below are from ground level - not KB.**
12. **Mill out the 4.5" casing from 1040' to 1066'.** Start milling out the 4.5" casing from 1040' to 1066'. Mill per the tool hands instructions for weight on mill, circulation rate and RPM. Circulate well clean with mud. TOH with 2.375" tubing and the drill collars. TIH with open ended pipe and clean out to 1076' or as deep as possible.
13. Rig up a wireline truck and run a caliper log through the milled interval to insure all the 4.5" casing from the planned milling depths (1040' to 1066') has been removed. Re-mill as appropriate. Re-log as necessary.
14. **Perforate the 4.5" casing with 3 SPF from 997' to 995' and 947' to 945'.** This is 50' and 100' above Coal Seam #8 and the depths should be modified as appropriate from the logs run in step #6.
15. **Plug #2 (Fruitland Coal interval, 1076' to 615'):** TIH with 2.375" workstring to 1076' (or drill out depth in step #8.) and circulate the mud from the well. Then pump a 5 bbls fresh water spacer ahead of the cement. Mix 56 sxs cement with 18% salt (by weight of water) and spot a balanced plug from 1076' to 338' to fill the milled interval and to cover the Fruitland top. Displace cement with water. TOH with tubing and then hesitate squeeze the cement down to approximately to 560' inside the 4.5" casing.
16. WOC overnight. Then TIH with tubing and tag cement. Pressure test the 4.5" casing to 800#.

PLUG AND ABANDONMENT PROCEDURE

April 25, 2016

Turk's Toast #9

Page 3 of 3

Procedure Continued:

17. **Plug #3 (7" Surface casing shoe, 170' to Surface):** Connect the pump line to the bradenhead valve. Pressure test the BH annulus to 300#; note the fluid volume to load. If the BH annulus tests, then mix approximately 20 sxs cement with or without 18% salt cement and spot a balanced plug inside the 4.5" casing from 170' (or at tag depth) to surface to cover the 7" surface casing shoe. TOH and LD the tubing. If the BH annulus does not test, then perforate at the appropriate depth and fill the bradenhead annulus and 4.5" casing with cement to surface. TOH and LD tubing. Shut in well and WOC.
18. ND BOP and cut off wellhead 48" below surface. Install P&A marker with cement to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL. Cut off anchors and clean up location.

Turk's Toast #9

Current

Basin Fruitland Coal
915' FSL & 665' FWL, Section 18, T-30-N, R-14-W
San Juan County, NM / API #30-045-30731
Lat:36.809351949 Long:-108.343892656

Today's Date: 4/25/16

Spud: 10/29/01

Completed: 12/14/01

Elevation: 5575' GL

Kirtland @ surface

Fruitland Top @ 665'

Fruitland Coal Seam #8: 1046' to 1060'

Pictured Cliffs @ 1063'

8.75" Hole

7" 20#, J-55 Casing set @ 120'
Cemented with 59 cf cement,
Circulated to surface

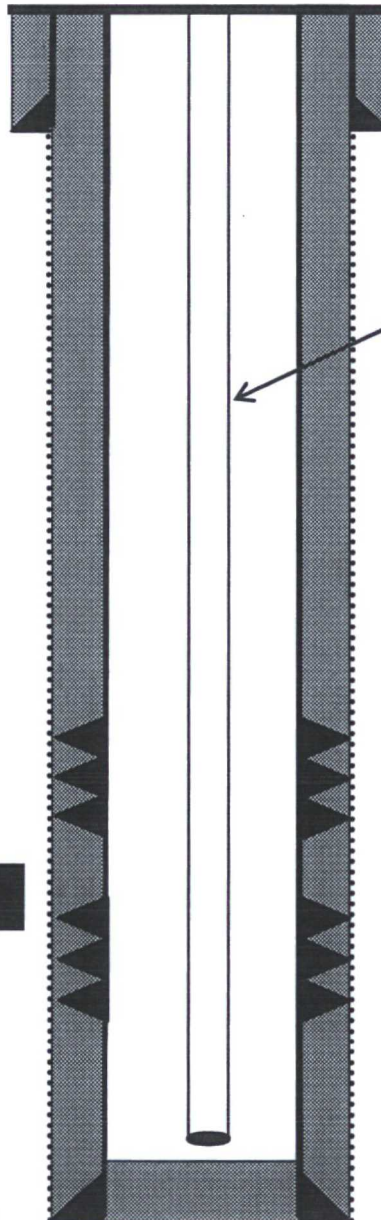
2.375" Tubing at 1090'

Fruitland Perforations:
913'- 1070'

6.25" Hole

4.5" 10.5# J-55 Casing set @ 1224'
Cemented with total of 215 cf
Circulated to surface

TD 1230'
PBTD 1124'



Turk's Toast #9

Proposed Mill Out and P&A

Basin Fruitland Coal
915' FSL & 665' FWL, Section 18, T-30-N, R-14-W
San Juan County, NM / API #30-045-0731
Lat: N _____ / Long: W _____

Today's Date: 4/25/16

Spud: 10/29/01

Completed: 12/14/01

Elevation: 5575' GL

Kirtland @ surface

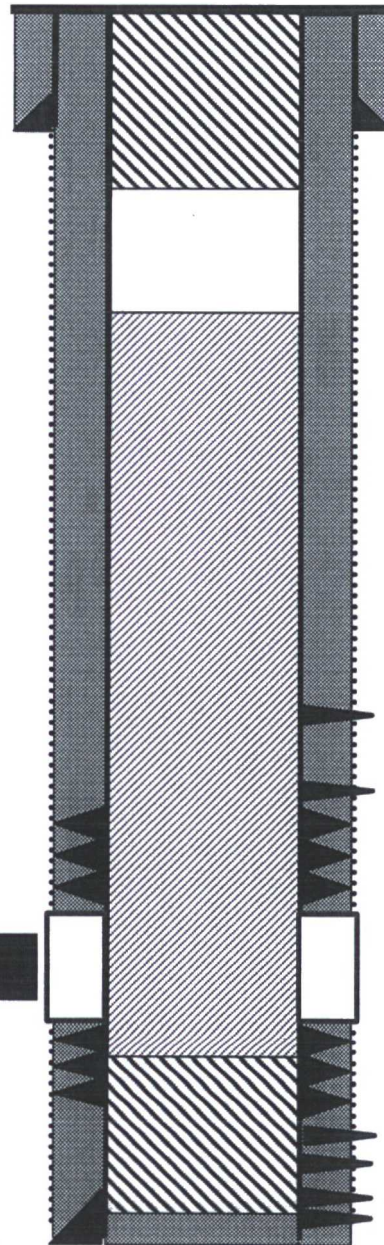
Fruitland Top @ 665'

Fruitland Coal Seam #8: 1046' to 1060'

Pictured Cliffs @ 1063'

8.75" Hole

6.25" Hole



7" 20# J-55 Casing set @ 120'
Cemented with 59 cf cement,
Circulated to surface

Plug #3: 170' - 0'
Class B cement, 20 sxs

Plug #2: 1076' - 615'
Class B cement with 18%
Salt, 56 sxs

Perforate @ 945' to 947'

Perforate @ 995' to 997'

Fruitland Perforations:
913'- 1070'

Mill out Coal Zone:
1040' to 1066'

Plug #1: 1224' - 1076'
Class B cement with 18%
salt, 36 sxs

Perforate @ 1109' to 1111'

Perforate @ 1159' to 1161'

Perforate @ 1209' to 1211'

Perforate @ 1222' to 1224'

TD 1230'
PBTD 1124'

4.5" 10.5# J-55 Casing set @ 1224'
Cemented with total of 215 cf,
Circulated 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: Turk's Toast Com #9

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.

a) Set Plug #2 (1076, 555) ft. to cover the Fruitland top. BLM picks top of Fruitland at 605 ft.

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.