

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. ST. MORITZ 1
2. Name of Operator DUGAN PRODUCTION CORPORATION Contact: ALIPH REENA Email: aliph.reena@duganproduction.com	9. API Well No. 30-045-28584-00-S1
3a. Address 709 E MURRAY DRIVE FARMINGTON, NM 87499	10. Field and Pool or Exploratory Area BISTI
3b. Phone No. (include area code) Ph: 505.325.1821	11. County or Parish, State SAN JUAN COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T24N R10W SWSW 0660FSL 0660FWL 36.279221 N Lat, 107.871841 W Lon	

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 recomplete 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 CR @ 4632'. Pressure test casing to 600 psi. Cement circulated to surface during primary cement job.
- 2) Spot plug above retainer from 4632' to 4412' w/21 sks (25 cu ft) Class B cement - Gallup Plug I: 4412'-4632'.
- 3) Spot plug inside 4-1/2" casing from 3892' to 3792' w/12 sks (14.2 cu ft) Class B cement - Mancos, Plug II: 3792'-3892'.
- 4) Spot inside plug from 2012' to 1514' w/42 sks (50 cu ft) Class B cement - Mesaverde-Chacra, Plug III: 1514'-2012'.
- 5) Spot inside plug from 859'-1261' w/31 sks (37 cu ft) Class B cement - Fruitland-PC, Plug IV: 859'-1261'.
- 6) Spot inside plug from 555' to surface w/46 sks (54 cu ft) Class B cement - Ojo

Notify NMOCD 24 hrs
prior to beginning
operations

NMOCD

AUG 16 2018

DISTRICT III

14. I hereby certify that the foregoing is true and correct. Electronic Submission #425274 verified by the BLM Well Information System For DUGAN PRODUCTION CORPORATION, sent to the Farmington Committed to AFMSS for processing by JACK SAVAGE on 08/14/2018 (18JWS0177SE)	
Name (Printed/Typed) ALIPH REENA	Title AGENT, ENGINEERING SUPERVISOR
Signature (Electronic Submission)	Date 06/25/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JACK SAVAGE</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>08/14/2018</u>
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 <u>Farmington</u>

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD

Additional data for EC transaction #425274 that would not fit on the form

32. Additional remarks, continued

Alamo-Kirtland-Surface, Plug V: 0'-555'.

7) Cut wellhead. Tag TOC at surface. Fill cement in case needed.

8) Install dry hole marker. Clean location.

Planned P & A Schematic

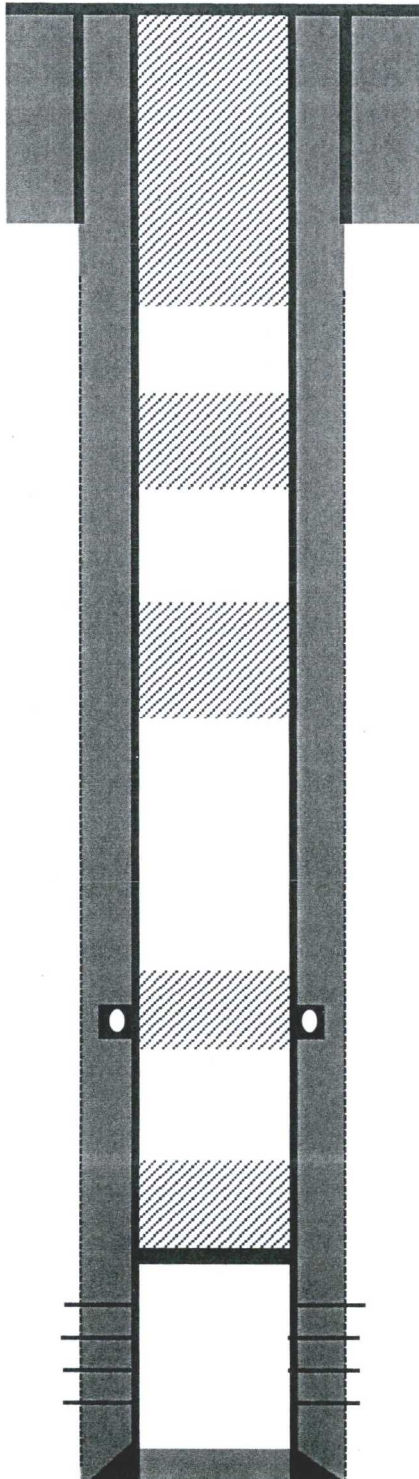
St.Moritz # 1

API; 30-045-28584

Sec 26 T24N R10W

660 FSL & 660 FWL, South Bisti Gallup

Lat; 36.27948 Long: -107.87259



8-5/8" J-55 24# casing @ 221'. Cemented with 150 sks, 177 cf
Class B w/ 2% CaCl₂. Circulated 3 bbl cement to surface.
Hole size: 12-1/4

Spot plug from 555' to surface w/ 46 sks Class B @ 0-555'
(54.3 cu.ft) [Ojo Alamo-Kirtland-Surface]

Inside plug w/ 31 sks Class B (37 cu.ft) @ 859'-1261' [PC-Fruitland]

Inside plug w/ 42 sks Class B @ 1514-2012' (50 cu.ft) [Chacra-
Mesaverde]

Cemented w / 250 sks 50-50 poz (318 Cu.ft). DV tool @ 3853'. Stage II w/ 650 sks
65-35-12 followed by 50 sks 50-50 poz w/ 2% gel (1437 cu.ft). Total slurry 1812
cu.ft. Circulated 10 bbls cement to surface.

Inside plug w/ 12 sks Class B @ 3792'-3892' (14 cu.ft) [Mancos]

Set CR @ 4632'. Inside plug w/ 21 sks Class B @ 4412'-4632'
(25 cu.ft) [Gallup].

Gallup Perforated @ 4682'-4881', 41 holes

4 1/2" 10.5 # casing @ 5023'. PBD @ 4955'

Current Wellbore Schematic

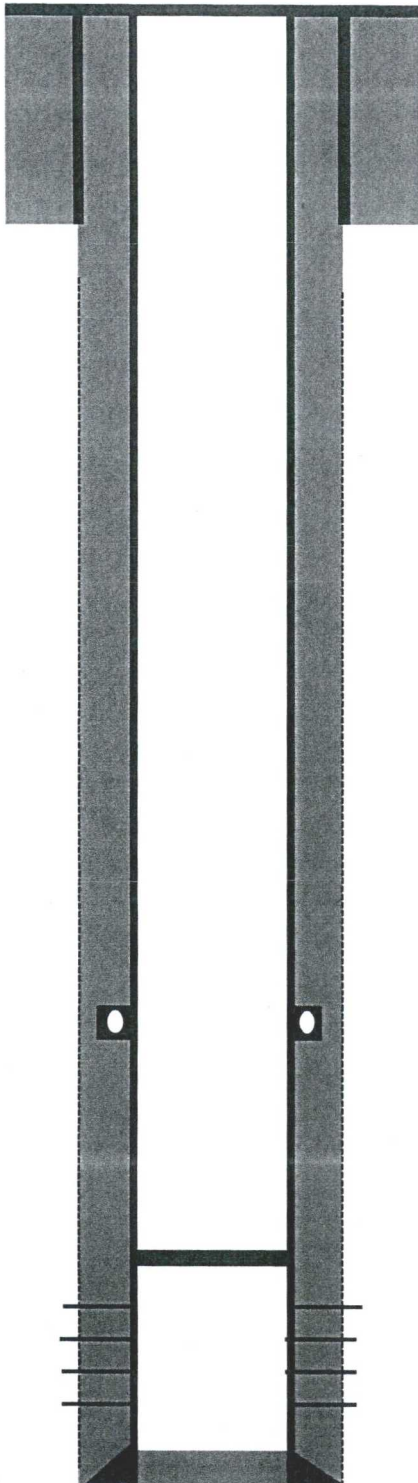
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Gallup Perforated @ 4682'-4881', 41 holes

4 1/2" 10.5 # casing @ 5023'. PBTD @ 4955'

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: St. Moritz 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.
3. The following modifications to your plugging program are to be made:
 - a) Set Plug 2 (3870 – 3770) ft. to cover the Mancos top. BLM picks top of Mancos at 3820 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.