

Well Name: KUTZ GOVERNMENT	Well Location: T28N / R10W / SEC 33 / NENE / 36.623169 / -107.89476	County or Parish/State: SAN JUAN / NM
Well Number: 2	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF046563	Unit or CA Name:	Unit or CA Number:
US Well Number: 300450707300S1	Well Status: Producing Gas Well	Operator: DUGAN PRODUCTION CORPORATION

Notice of Intent

Sundry ID: 2756654

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 10/17/2023	Time Sundry Submitted: 07:36
Date proposed operation will begin: 12/04/2023	

Procedure Description: Dugan Production plans to plug and abandon the well per the following procedure: 1) Run 6" casing scraper to 1925'. RIH & set 6" CIBP @ 1925'. Pictured Cliffs open hole completion @ 1985'-2074'. End of casing @ 1975'. TD @ 2074'. The original completion report says 6-7/8" casing but chances are the casing is 6", 17#. Will verify before P & A ops begin. 2) Load hole. Pressure test casing to 600 psi for 30 mins. Run CBL from 1925' to surface. 3) Spot inside Plug I above CIBP @ 1925' w/22 sks (25.3 cu ft) Class G neat cement to 1775' to cover the Pictured Cliffs top.(5 gal/sk, 15.8 #/gal, 1.15 cu ft/sk). Plug I, inside 6" casing, 1775'-1925', Pictured Cliffs, 22 sks, 25.3 cu ft. 4) Perforate @ 1650'. Set inside/outside plug II from 1650' w/46 sks, 52.9 cu ft, Class G neat cement to cover the Fruitland top. Plug II, inside 6" casing, Fruitland, 1500'-1650', 46 sks, 52.9 cu ft. 5) Perforate @ 1150'. Set inside/outside Plug III from 1150' w/142 sks, 163.3 cu ft, Class G neat cement to cover the Kirtland-Ojo Alamo top. Plug III, inside 6" casing, Kirtland-Ojo Alamo, 785'-1150', 142 sks, 163.3 cu ft. 6) Perforate @ 151'. Set inside/outside Plug IV from 151' w/66 sks Class G neat cement (76 cu ft) to cover the surface casing shoe. Plug IV, inside 6" casing, Surface, 0-151', 66 sks, 76 cu ft. 7) Cut wellhead off. Fill casing w/cement in case needed. Install dry hole marker. 8) Clean location. Rig down and move.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- Kutz_Govt_2_Reclamation_Plan_20231017073248.pdf
- Kutz_Govt_2_formation_tops_20231017073145.pdf

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Kutz_Govt_2_planned_wellbore_schematic_20231017073134.pdf

Kutz_Govt_2_current_wellbore_schematic_20231017073120.pdf

Conditions of Approval

Specialist Review

General_Requirement_PxA_20231018102032.pdf
28N10W33_Kutz_Govt_2_Geo_KR_20231018101950.pdf
2756654_NOIA_2_3004507073_KR_10182023_20231018101521.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: TYRA FEIL

Signed on: OCT 17, 2023 07:31 AM

Name: DUGAN PRODUCTION CORPORATION

Title: Authorized Representative

Street Address: PO Box 420

City: FarmingtonState: NM

Phone: (505) 325-1821

Email address: tyrafeil@duganproduction.com

Field

Representative Name: Aliph Reena

Street Address: PO Box 420

City: FarmingtonState: NMZip: 87499-0420

Phone: (505)360-9192

Email address: Aliph.Reena@duganproduction.com

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: 10/18/2023

Signature: Kenneth Rennick

Planned P & A Procedure

Kutz Govt 002

30-045-07073

Fulcher Kutz Pictured Cliffs

1000' FNL & 900' FEL

S33 T28N R10W

San Juan County, NM

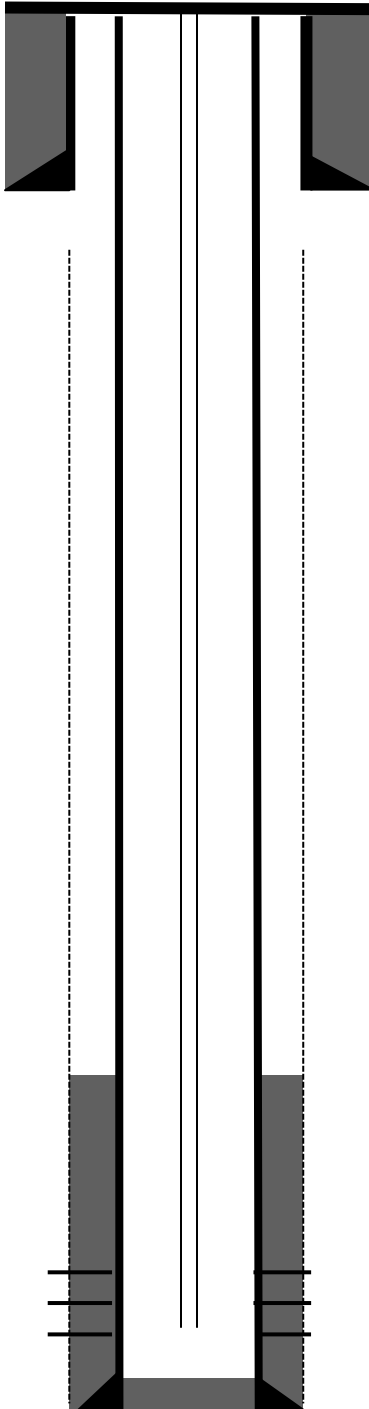
Lat:36.6232796 Long:-107.8953781

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

- Run 6" casing scraper to 1925'. RIH & set 6" CIBP @ 1925'. Pictured Cliffs open hole completion @ 1985'-2074'. End of casing @ 1975'. TD @ 2074'. The original completion report says 6-7/8" casing but chances are the casing is 6", 17#. Will verify before P & A ops begin.
- Load hole. Pressure test casing to 600 psi for 30 mins. Run CBL from 1925' to surface.
- Spot inside Plug I above CIBP @ 1925' w/22 sks (25.3 cu ft) Class G neat cement to 1775' to cover the Pictured Cliffs top.(5 gal/sk, 15.8 #/gal, 1.15 cu ft/sk). **Plug I, inside 6" casing, 1775'-1925', Pictured Cliffs, 22 sks, 25.3 cu ft.**
- Perforate @ 1650'. Set inside/outside plug II from 1650' w/46 sks, 52.9 cu ft, Class G neat cement to cover the Fruitland top. **Plug II, inside 6" casing, Fruitland, 1500'-1650', 46 sks, 52.9 cu ft.**
- Perforate @ 1150'. Set inside/outside Plug III from 1150' w/142 sks, 163.3 cu ft, Class G neat cement to cover the Kirtland-Ojo Alamo top. **Plug III, inside 6" casing, Kirtland-Ojo Alamo, 785'-1150', 142 sks, 163.3 cu ft.**
- Perforate @ 151'. Set inside/outside Plug IV from 151' w/66 sks Class G neat cement (76 cu ft) to cover the surface casing shoe. **Plug IV, inside 6" casing, Surface, 0-151', 66 sks, 76 cu ft.**
- Cut wellhead off. Fill casing w/cement in case needed. Install dry hole marker.
- Clean location. Rig down and move.

Current Wellbore Schematic

Kutz Govt 002
30-045-07073
Fulcher Kutz Pictured Cliffs
1000' FNL & 900' FEL
S33 T28N R10W
San Juan County, NM
Lat:36.6232796 Long:-107.8953781



8-5/8", 23# casing @ 101'. Cemented w/ 50 sks cement.

6" casing @ 1975'. Hole size: 7-7/8"

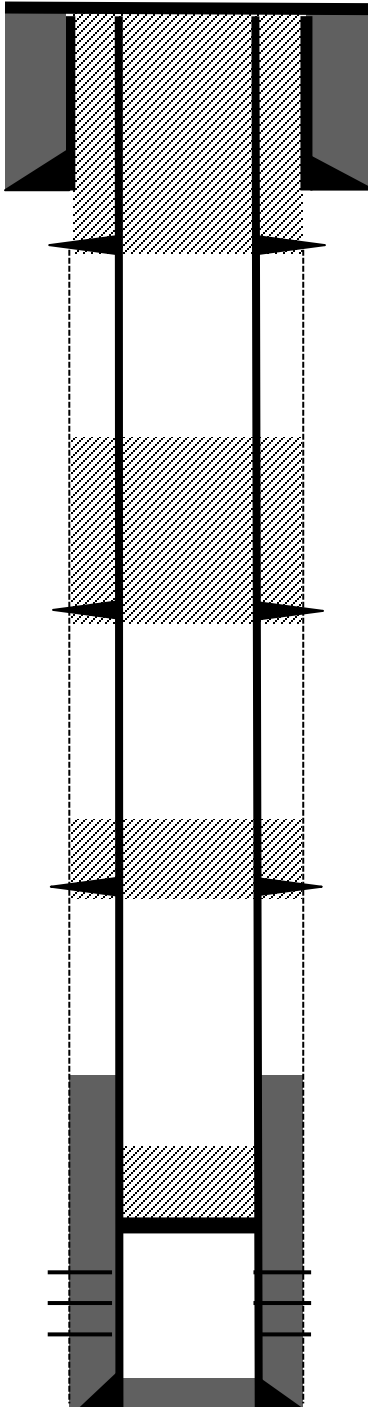
Cement production casing w/ 125 sks

Pictured Cliffs completed @ 1985' - 2074'

PBTD @ 2074', TD 2074'

Planned Wellbore Schematic

Kutz Govt 002
30-045-07073
Fulcher Kutz Pictured Cliffs
1000' FNL & 900' FEL
S33 T28N R10W
San Juan County, NM
Lat:36.6232796 Long:-107.8953781



Kutz Govt 002
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Fulcher Kutz Pictured Cliffs
1000' FNL & 900' FEL
S33 T28N R10W
San Juan County, NM
Lat:36.6232796 Long:-107.8953781

Formation Tops

- **Ojo Alamo - 885**
- **Kirtland - 1100**
- **Fruitland - 1600**
- **Pictured Cliff - 1972**

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

AFMSS 2 Sundry ID 2756654

Attachment to notice of Intention to Abandon

Well: Kutz Government 2

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 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 10/18/2023

**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 H₂S.

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.

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 10/18/2023

Well No. Kutz Govt 002 (API 30-045-07073)	Location	NENE				
Lease No. NMSF046563	Sec. 33	T28N			R10W	
Operator Dugan Production Corporation	County	San Juan		State	New Mexico	
Total Depth 2074' (TD)	2000' (PB)	Formation Pictured Cliffs				
Elevation (GL) 6009'						

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/freshwater sands
Nacimiento Fm					Possible freshwater sands
Ojo Alamo Ss	885				Aquifer (possible freshwater)
Kirtland Shale	1100				
Fruitland Fm	1600				Coal/Gas/Possible water
Pictured Cliffs Ss	1972				Gas
Lewis Shale					
Chacra					Gas
Cliff House Ss					Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale					
Gallup					O&G/Water
Greenhorn					
Graneros Shale					
Dakota Ss					O&G/Water

Remarks:

P & A

- Available raster logs do not show clear formation tops. The raster logs for the reference well nearby does support the estimated formation tops by the operator. Comparable due to the proximity. Appropriate for the area.

Reference Well:

Thelma Com 33 1
US Well Number 30-045-28114
Sec 33 T 28N R 10W
790 FNL 1190 FEL

Prepared by: Kenneth Rennick

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 276949

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 276949
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	Notify NMOCD 24 hours prior to moving on	10/24/2023