U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Sundry Print Report

02/27/2024

Well Name: POLES PARADISE	**Well Location:** T30N / R14W / SEC 9 / NESW / 36.82628 / -108.31677	**County or Parish/State:** SAN JUAN / NM
Well Number: 2	**Type of Well:** CONVENTIONAL GAS WELL	**Allottee or Tribe Name:**
Lease Number: NMNM16057	**Unit or CA Name:**	**Unit or CA Number:**
US Well Number: 300452540800C1	**Well Status:** Producing Gas Well	**Operator:** DUGAN PRODUCTION CORPORATION

Notice of Intent

Sundry ID: 2776769

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 02/26/2024

Time Sundry Submitted: 03:20

Date proposed operation will begin: 03/25/2024

Procedure Description: Dugan Production plans to plug and abandon the well per the following procedure: 1) PU & tally 2-3/8" workstring. Run 4½" casing scraper to 5769'. RIH & set 4½" CIBP @ 5749'. Dakota perforations @ 5799'-5822', Gallup perforations @ 4927'-5248'. 2) Run CBL from 5749' to 5248' and determine the TOC behind casing. All plugs are designed assuming cement behind casing to surface. Will make necessary changes to the plugs after reviewing the CBL. 3) Spot Plug I inside 4½" casing from 5749' to 5599' w/12 sks, 13.8 cu ft Class G neat cement to cover the Dakota top. Plug I, inside 4½" casing, 12 sks, 13.8 cu ft, Dakota, 5599'-5749'. 4) RIH and set CIBP @ 4877'. Gallup perforations @ 4927'-5248'. Run CBL from 4877' to surface. 5) Spot Plug II inside 4½" casing from 4877' to 4727' w/12 sks (13.8 cu ft) Class G cement to cover the Gallup perforations. Plug II, inside 4½" casing, 12 sks, 13.8 cu ft, Gallup, 4727'-4877'. 6) Spot Plug III inside 4½" casing from 4164' to 3850' w/25 sks (28.2 cu ft) Class G cement to cover the DV tool & Mancos top. Plug III, inside 4½" casing, 25 sks, 28.2 cu ft, Mancos-DV tool, 3850'-4164'. 7) Spot Plug IV inside 4½" casing w/12 sks, 13.8 cu ft, Class G neat cement from 2709' to 2559' to cover the Mesaverde top. Plug IV, inside 4½" casing, 12 sks, 13.8 cu ft, Mesaverde, 2559'-2709'. 8) 8) Spot Plug V inside 4½" casing w/12 sks, 13.8 cu ft, Class G neat cement from 1969' to 1819' to cover the Chacra top. Plug V, inside 4½" casing, 12 sks, 13.8 cu ft, Chacra, 1819'-1969'. 9) Spot Plug VI inside 4½" casing from 1170' to 1020 w/12 sks (13.8 cu ft) Class G cement to cover the Pictured Cliffs top. Plug VI, inside 4½" casing, 12 sks, 13.8 cu ft, Pictured Cliffs, 1020'-1170'. 10) Spot Plug VII inside 4½" casing from 730' to 580' w/12 sks (13.8 cu ft) Class G cement to cover the Fruitland top. Plug VII, inside 4½" casing, 12 sks, 13.8 cu ft, Fruitland, 580'-730'. 11) Spot Plug VIII inside 4½" casing from 213' to surface w/18 sks (20.7 cu ft) Class G cement to surface to cover the surface casing shoe. Plug VIII, inside 4½" casing, 18 sks, 20.7 cu ft, Surface, 0'-213'. 12) Cut wellhead. Tag TOC at surface. Fill cement in case needed. 13) Install dry hole marker. Clean location.

Well Name: POLES PARADISE

Well Location: T30N / R14W / SEC 9 / NESW / 36.82628 / -108.31677

County or Parish/State: SAN JUAN / NM

Well Number: 2

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMNM16057

Unit or CA Name:

Unit or CA Number:

US Well Number: 300452540800C1

Well Status: Producing Gas Well

Operator: DUGAN PRODUCTION CORPORATION

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Poles_Paradise_2_Reclamation_Plan_20240226151520.pdf

Poles_Paradise_2_Proposed_PA_formation_tops_20240226151436.pdf

Poles_Paradise_2_Proposed_PA_planned_wellbore_schematic_20240226151421.pdf

Poles_Paradise_2_Proposed_PA_current_wellbore_schematic_20240226151406.pdf

Poles_Paradise_2_Proposed_PA_plan_20240226151238.pdf

Conditions of Approval

Additional

General_Requirement_PxA_20240227152758.pdf

2776769_NOIA_2_3004525408_KR_20240227152735.pdf

Poles_Paradise_2_Geo_KR_20240227152421.pdf

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County or Parish/State: SAN JUAN / NM

Well Number: 2

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

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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: FEB 26, 2024 03:12 PM

Name: DUGAN PRODUCTION CORPORATION

Title: Authorized Representative

Street Address: PO Box 420

City: Farmington **State:** NM

Phone: (505) 325-1821

Email address: tyrafeil@duganproduction.com

Field

Representative Name: Aliph Reena

Street Address: PO Box 420

City: Farmington **State:** NM **Zip:** 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: 02/27/2024

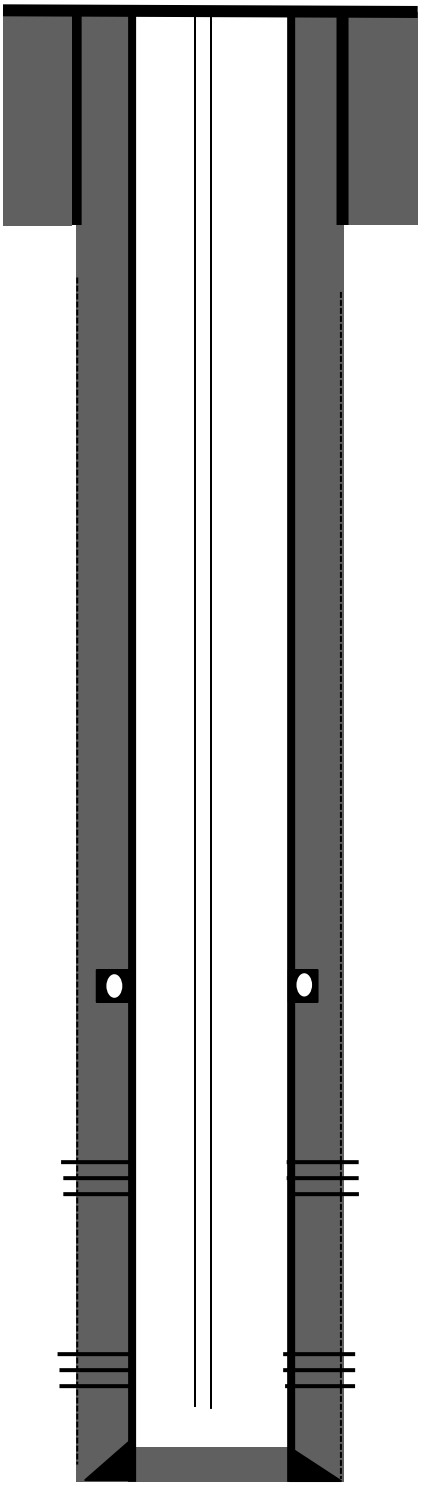
Signature: Kenneth Rennick

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

- PU & tally 2-3/8" workstring. Run 4½" casing scraper to 5769'. RIH & set 4½" CIBP @ 5749'. Dakota perforations @ 5799'-5822', Gallup perforations @ 4927'-5248'.
- Run CBL from 5749' to 5248' and determine the TOC behind casing. All plugs are designed assuming cement behind casing to surface. Will make necessary changes to the plugs after reviewing the CBL.
- Spot Plug I inside 4½" casing from 5749' to 5599' w/12 sks, 13.8 cu ft Class G neat cement to cover the Dakota top. **Plug I, inside 4½" casing, 12 sks, 13.8 cu ft, Dakota, 5599'-5749'.**
- RIH and set CIBP @ 4877'. Gallup perforations @ 4927'-5248'. Run CBL from 4877' to surface.
- Spot Plug II inside 4½" casing from 4877' to 4727' w/12 sks (13.8 cu ft) Class G cement to cover the Gallup perforations. **Plug II, inside 4½" casing, 12 sks, 13.8 cu ft, Gallup, 4727'-4877'.**
- Spot Plug III inside 4½" casing from 4164' to 3850' w/25 sks (28.2 cu ft) Class G cement to cover the DV tool & Mancos top. **Plug III, inside 4½" casing, 25 sks, 28.2 cu ft, Mancos-DV tool, 3850'-4164'/**
- Spot Plug IV inside 4½" casing w/12 sks, 13.8 cu ft, Class G neat cement from 2709' to 2559' to cover the Mesaverde top. **Plug IV, inside 4½" casing, 12 sks, 13.8 cu ft, Mesaverde, 2559'-2709'.**
- Spot Plug V inside 4½" casing w/12 sks, 13.8 cu ft, Class G neat cement from 1969' to 1819' to cover the Chacra top. **Plug V, inside 4½" casing, 12 sks, 13.8 cu ft, Chacra, 1819'-1969'.**
- Spot Plug VI inside 4½" casing from 1170' to 1020 w/12 sks (13.8 cu ft) Class G cement to cover the Pictured Cliffs top. **Plug VI, inside 4½" casing, 12 sks, 13.8 cu ft, Pictured Cliffs, 1020'-1170'.**
- Spot Plug VII inside 4½" casing from 730' to 580' w/12 sks (13.8 cu ft) Class G cement to cover the Fruitland top. **Plug VII, inside 4½" casing, 12 sks, 13.8 cu ft, Fruitland, 580'-730'.**
- Spot Plug VIII inside 4½" casing from 213' to surface w/18 sks (20.7 cu ft) Class G cement to surface to cover the surface casing shoe. **Plug VIII, inside 4½" casing, 18 sks, 20.7 cu ft, Surface, 0'-213'.**
- Cut wellhead. Tag TOC at surface. Fill cement in case needed.
- Install dry hole marker. Clean location.

Current Wellbore Schematic

Pole's Paradise #2
API: 30-045-25408
Unit K Sec 9 T30N R14W
1850' FSL & 1850' FWL
San Juan County, NM
Lat:36.8263817 Long:-108.3172607



9-5/8" L-80, 47# casing @ 163'. Cemented with 136 Class B. Circulated to surface. Hole size 12-1/4"

Cemented Stage I w/ 200 sks, 50-50 poz, followed by 100 sks Class B, 422 Cu.ft. DV tool @ 4114'. Stage II w/ 450 sks 65-35-12 & 100 sks class B, 1334 Cu.ft. Circulated trace cement to surface. Will run CBL.

Gallup Perforated @ 4927'-5248'

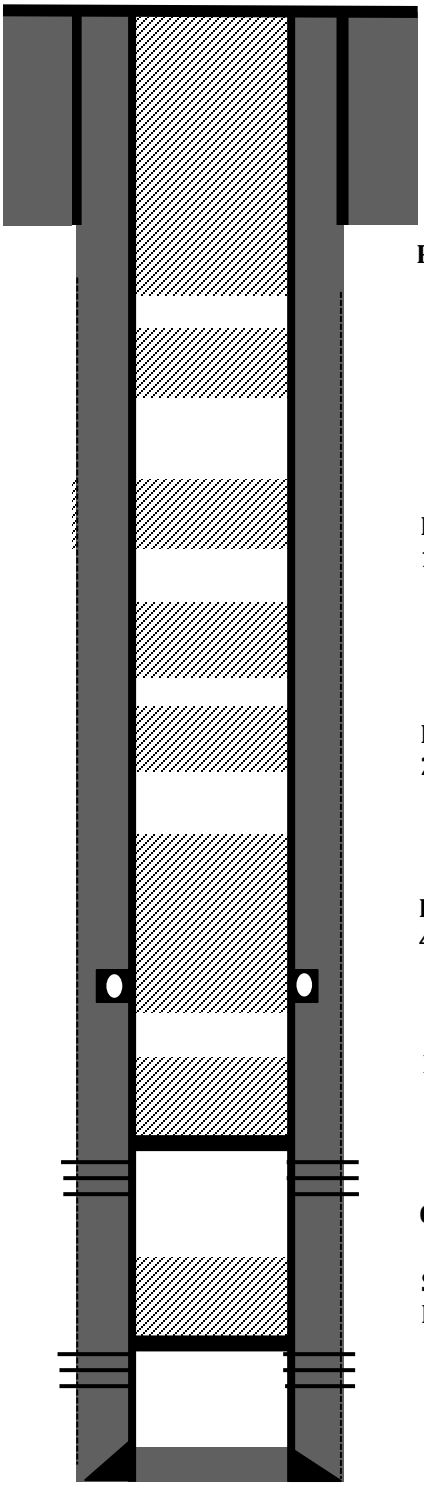
2-3/8" tubing @ 5912

Dakota Perforated @ 5799'-5822'

4 ½" 10.5 # casing @ 6040'

Planned P&A Schematic

Pole's Paradise #2
API: 30-045-25408
Unit K Sec 9 T30N R14W
1850' FSL & 1850' FWL
San Juan County, NM
Lat:36.8263817 Long:-108.3172607



9-5/8" L-80, 47# casing @ 163'. Cemented with 136 Class B. Circulated to surface. Hole size 12-1/4"

Plug VIII, Inside 4 ½" casing, 18 sks, 20.7 Cu.ft, Surface, 0'-213'

Plug VII, Inside 4 ½" casing, 12 sks, 13.8 cu.ft, Fruitland, 580'-730'

Plug VI, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, Pictured Cliffs, 1020'-1170'

Plug V, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, Chacra, 1819'-1969'

Plug IV, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, Mesaverde, 2559'-2709'

Plug III, Inside 4 ½" casing, 25 sks, 28.2 Cu.ft, Mancos-DV tool, 3850'-4164'

Plug II, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, Gallup, 4727'-4877'

Cemented Stage I w/ 200 sks, 50-50 poz, followed by 100 sks Class B, 422 Cu.ft. DV tool @ 4114'. Stage II w/ 450 sks 65-35-12 & 100 sks class B, 1334 Cu.ft. Circulated trace cement to surface. Will run CBL.

Gallup Perforated @ 4927'-5248'

Set CIBP @ 5749'. Plug I, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, Dakota, 5599'-5749'

Dakota Perforated @ 5799'-5822'

4 ½" 10.5 # casing @ 6040'

Pole's Paradise #2
API: 30-045-25408
Unit K Sec 9 T30N R14W
1850' FSL & 1850' FWL
San Juan County, NM
Lat:36.8263817 Long:-108.3172607

Elevation GL : 5575

Formation Tops

- **Kirtland – Surface**
- **Fruitland – 680**
- **Pictured Cliffs – 1120**
- **Lewis - 1398**
- **Chacra – 1919**
- **Mesaverde – 2659**
- **Mancos – 3950**
- **DV tool - 4114**
- **Gallup – 4920**
- **Graneros – 5747**
- **Dakota - 5797**

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

AFMSS 2 Sundry ID 2776769

Attachment to Notice of Intent for Plug and Abandonment

Operator: Dugan Production Corporation
Well: Poles Paradise 2 (API#30-045-25408)

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. **NOTIFICATION:** 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. Estimated minimum sacks provided here include the necessary excesses.

Office Hours: 7:45 a.m. to 4:30 p.m.

K Rennick 02/27/2024

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 H_2S.

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 - FFO - Geologic Report

Date Completed 2/27/2024

Well No.	Poles Paradise	# 2	Surf. Loc.	1850	FSL	1850	FWL
US Well No.	30-045-25408		Sec.	9	T30N		R14W
Lease No.	NMNM16057						
Agrmt #							
Operator	Dugan Production Co.		County	San Juan		State	New Mexic
TVD	6040	PBTD NA	Formation		Basin Dakota & Greek Gallup		
Elevation	GL	5575	Elevation	Est. KB	NA		

Geologic Formations	Est. tops	Remarks
Kirtland Fm.	Surface	
Fruitland Fm.	680	Coal/gas/possible water
Pictured Cliffs	1120	Possible gas/water
Lewis Shale (Main)	1398	Source rock
Huerfanito Bentonite	1830	Reference bed
Chacra (Lower)	1919	Possible gas/water
Cliff House Ss	2659	Possible gas/water
Menefee Fm.	2820	Coal/water/possible gas
Point Lookout Fm.	3490	Possible gas/water
Mancos Shale	3950	Source rock
DV Tool	4114	
Gallup	4920	Oil & gas
Gallup Perfs	4927	Oil & gas
Mancos Stringer	5040	Source rock
Juana Lopez	5180	
Mancos Stringer	5451	
Brdge Crk/Grnhrn	5680	
Graneros Shale	5747	
Dakota Ss	5797	Possible gas/water
DK Perfs	5579	

Remarks:

The available induction electric raster log and reference well supports the formation tops selected by the operator. No changes.

Reference Well:

Nice Com 1
US Well No. 30-045-26499
SESE Sec 7, T 30N, R 14W
San Juan County, NM

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 318339

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 318339
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	If pressure test not performed and passed all plugs will need to be woc and tag. Notify NMOCD 24 hours prior to moving on	2/28/2024