

Well Name: HENRY AGC FEDERAL	Well Location: T23N / R7W / SEC 29 / NWNW / 36.202824 / -107.604546	County or Parish/State: SANDOVAL / NM
Well Number: 1	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM36943	Unit or CA Name:	Unit or CA Number:
US Well Number: 300432083200S1	Operator: DUGAN PRODUCTION CORPORATION	

Notice of Intent

Sundry ID: 2805292

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 08/06/2024	Time Sundry Submitted: 03:14
Date proposed operation will begin: 08/27/2024	

Procedure Description: Dugan Production Corp. plans to plug and abandon the well as per the attached procedure.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- Henry\_AGC\_Federal\_1\_Reclamation\_Plan\_20240806145737.pdf
- Henry\_AGC\_Federal\_1\_proposed\_PA\_formation\_tops\_20240806145719.pdf
- Henry\_AGC\_Federal\_1\_proposed\_PA\_planned\_wellbore\_schematic\_20240806145710.pdf
- Henry\_AGC\_Federal\_1\_proposed\_PA\_current\_wellbore\_schematic\_20240806145648.pdf
- Henry\_AGC\_Federal\_1\_proposed\_PA\_work\_20240806145638.pdf

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<b>Lease Number:</b> NMNM36943	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b>
<b>US Well Number:</b> 300432083200S1	<b>Operator:</b> DUGAN PRODUCTION CORPORATION	

Conditions of Approval

Additional

General\_Requirement\_PxA\_20240813130141.pdf  
2805292\_NOIA\_1\_3004320832\_KR\_08132024\_20240813130132.pdf  
Henry\_AGC\_Fed\_1\_GeoReport\_20240812150304.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

<b>Operator Electronic Signature:</b> TYRA FEIL	<b>Signed on:</b> AUG 06, 2024 03:12 PM
<b>Name:</b> DUGAN PRODUCTION CORPORATION	
<b>Title:</b> Authorized Representative	
<b>Street Address:</b> PO Box 420	
<b>City:</b> Farmington	<b>State:</b> NM
<b>Phone:</b> (505) 325-1821	
<b>Email address:</b> tyrafeil@duganproduction.com	

Field

<b>Representative Name:</b> Aliph Reena		
<b>Street Address:</b> PO Box 420		
<b>City:</b> Farmington	<b>State:</b> NM	<b>Zip:</b> 87499-0420
<b>Phone:</b> (505)360-9192		
<b>Email address:</b> Aliph.Reena@duganproduction.com		

BLM Point of Contact

<b>BLM POC Name:</b> KENNETH G RENNICK	<b>BLM POC Title:</b> Petroleum Engineer
<b>BLM POC Phone:</b> 5055647742	<b>BLM POC Email Address:</b> krennick@blm.gov
<b>Disposition:</b> Approved	<b>Disposition Date:</b> 08/13/2024
<b>Signature:</b> Kenneth Rennick	

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

- Check pressures daily. ND WH & NU BOP. LD rods and production tubing.
- PU and tally 2-3/8" workstring. Run 4½" string mill to 4900'. Gallup perforations are at 4914'-5185'.
- Set 4½" CIBP @ 4864'. Load and circulate hole. Attempt to pressure test casing to 650 psi for 30 minutes. Circulated 80 sks of cement circulated on Stage II of primary cement job. DV @ 4238'.
- Run CBL from 4864' to surface. All plugs are designed assuming cement behind casing to surface. Will make necessary changes to the plugs after CBL.
- Spot Plug I above BP inside 4½" casing from 4864' to 4764' w/12 sks (13.8 cu ft) Class G cement (1.15 cu ft/sk, 15.8#/gal) to cover the Gallup top. **Plug I, inside 4½" casing, 12 sks, 13.8 cu ft, Gallup, 4714'-4864'.**
- Spot Plug II inside 4½" casing from 4288' to 3980' w/28 sks (32.2 cu ft) Class G cement to cover the DV tool and Mancos top. **Plug II, inside 4½" casing, 28 sks, 32.2 cu ft, Mancos, 3980'-4288'.**
- Spot Plug III inside 4½" casing from 3070' to 2920' w/12 sks, (13.8 cu ft) Class G cement to cover the Mesaverde top. **Plug III, inside 4½" casing, 12 sks, 13.8 cu ft, Mesaverde, 2920'-3070'.**
- Spot Plug IV inside 4½" casing from 1985' to 1835' w/12 sks (13.8 cu ft) Class G cement to cover the Chacra top. **Plug IV, inside 4½" casing, 12 sks, 13.8 cu ft, Chacra, 1835'-1985'.**
- Spot Plug V inside 4½" casing from 1600' to 825' w/ 62 sks (71.3 cu ft) Class G cement to combine and cover the Pictured Cliff, Fruitland, Kirtland, Ojo Alamo tops. **Plug V, inside 4½" casing, 62 sks, 71.3 cu ft, Pictured cliffs-Fruitland-Kirtland-Ojo Alamo, 825'-1600'.**
- Spot inside Plug VI inside 4½" casing from 327' to surface w/30 sks (34.5 cu ft) Class G cement to cover the surface casing shoe to surface. **Plug VI, Surface, inside 4½" casing, 30 sks, 34.5 cu ft, 0'-327'.**
- Cut wellhead. Tag TOC at surface. Fill cement in case needed.
- Install dry hole marker. Clean location.

**Current Wellbore Schematic**

Henry AGC Federal #1

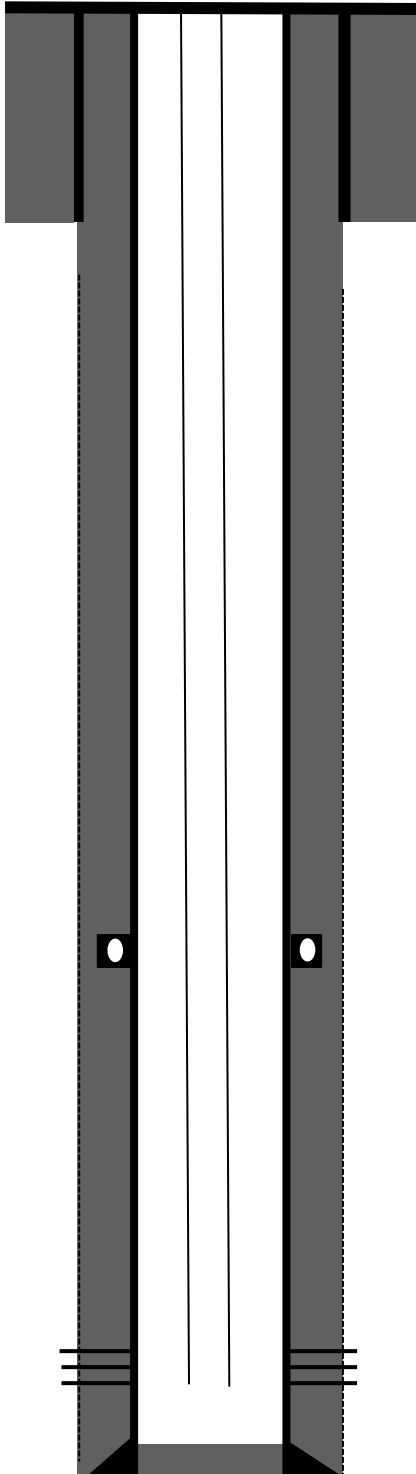
API; 30-043-20832

Sec 29 T23N R7W

860' FNL & 590' FWL, Gallup

Sandoval, NM

Lat; 36.20282 Long: -107.60455



8-5/8" J-55 24# casing @ 277'. Cemented with 180 sks, 206.5 cf Class B w/ 3% CaCl<sub>2</sub>. Circulated 50 bbls to surface. Hole size: 12-1/4

Cemented Stage I w / 260 sks 50-50 poz (532 Cu.ft). DV tool @ 4238'. Stage II w/ 525 sks 65-35-12 ( 1470 cu.ft) tailed w/ 50 sks Class B (59 cu.ft). Circulated 80 sks cement to surface.

2-3/8" 4.7# tubing @ 5234

Gallup Perforated @ 4914'-5185', 36 holes

4 1/2" 10.5 # casing @ 5423'. PBTD @ 5338'

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860' FNL & 590' FWL, Gallup  
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**Plug VI, Surface, Inside 4 ½" casing, 30 sks, 34.5 Cu.ft, 0'-327'**

**Plug IV, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, Chacra, 1835'-1985'**

**Plug II, Inside 4 1/2" casing, 28 sks, 32.2 Cu.ft, Mancos, 3980'-4288'**

**Set CIBP @ 4864'. Plug I, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft,  
Gallup, 4714'-4864'**

Gallup Perforated @ 4914'-5185', 36 holes

**4 1/2" 10.5 # casing @ 5423'. PBTD @ 5338'**

**Henry AGC Federal #1**  
API; 30-043-20832  
Sec 29 T23N R7W  
860' FNL & 590' FWL, Gallup  
Sandoval, NM  
Lat; 36.20282 Long: -107.60455

**Elevation ASL : 6903'**

**Formation Tops**

- **Surface Casing - 277'**
- **Ojo Alamo - 925'**
- **Kirtland - 1216'**
- **Fruitland - 1367'**
- **Pictured Cliffs - 1550'**
- **Lewis - 1750'**
- **Chacra - 1935'**
- **Mesaverde - 3020'**
- **Mancos - 4080'**
- **DV tool - 4238'**
- **Gallup - 4900'**
- **Perforations - 4914'-5185'**

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

AFMSS 2 Sundry ID 2805292

Attachment to notice of Intention to Abandon

Well: Henry AGC Federal 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. The following modifications to your plugging program are to be made:
  - a. Adjust Plug III, or add another plug, to cover BLM formation top selection for the Cliffstone sandstone at 2340 feet.
3. 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 08/13/2024

**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<sub>2</sub>S.

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: Aug 12 2024

Well No.	Henry AGC Fed #1	Surf. Loc.	860	FNL	590	FWL
API	30-043-20832		T. 23 N	R. 07 W	Section	29
Operator	Dugan	County	Sandoval	State	NM	
Elevation	6915					

Geologic Formations	Tops	Remarks
Ojo Alamo	940	Freshwater, Natural Gas
Kirtland	1045	
Fruitland	1180	Coal, Natural Gas
Pictured Cliffs	1520	
Lewis	1650	
Chacra	1935	Gas
Cliffhouse	2340	Possible Water, Gas
Menefee	3020	
Pt Lookout	3885	
Mancos	4088	O&G, Water
Gallup	4897	O&G, Water

Remarks: Adjust plug III to cover BLM-picked top for the Cliffhouse sandstone.

Completed by Alek Knapowski

**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 373444

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 373444
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	Notify NMOCD 24 hours prior to moving on - Monitor string pressures daily report on subsequent - Submit all logs prior to subsequent	8/16/2024