

Well Name: OKIE	Well Location: T24N / R8W / SEC 8 / SEnw / 36.331711 / -107.708191	County or Parish/State: SAN JUAN / NM
Well Number: 2	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM19567	Unit or CA Name:	Unit or CA Number:
US Well Number: 300452230400S2	Operator: DUGAN PRODUCTION CORPORATION	

Notice of Intent

Sundry ID: 2864793

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 07/23/2025	Time Sundry Submitted: 06:41
Date proposed operation will begin: 08/25/2025	

Procedure Description: Dugan Production plans to plug the well per the attached procedure.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

- Procedure Description
- Okie_2_proposed_PA_formation_tops_20250808141109.pdf
 - Okie_2_Rec_Plan_6_26_25_20250723063959.pdf
 - Okie_2_proposed_PA_planned_wellbore_schematic_20250723063910.pdf
 - Okie_2_proposed_PA_current_wellbore_schematic_20250723063857.pdf
 - Okie_2_proposed_PA_planned_work_20250723063823.pdf

Received by OCD: 8/12/2025 3:09:11 PM

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SENW / 36.331711 / -107.708191

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JUAN / NM

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Operator: DUGAN PRODUCTION
CORPORATION

Conditions of Approval

Authorized

General_Requirement_PxA_20250812150002.pdf
2864793_2_3004522304_NOIA_KR_08122025_20250812145943.pdf
Okie_2_Geo_KR_20250812145730.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: AUG 08, 2025 02:14 PM

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: 08/12/2025

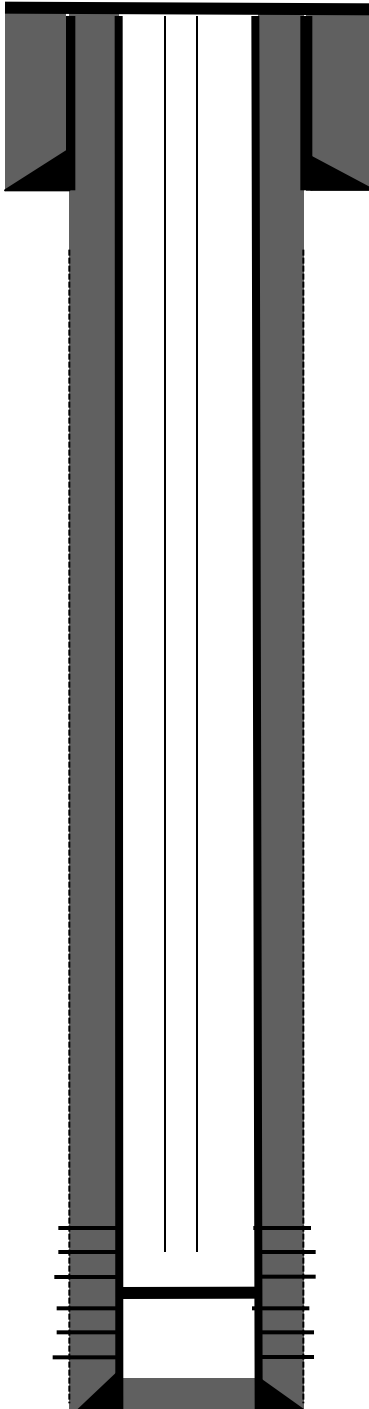
Signature: Kenneth Rennick

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

- Run 4½" casing scraper to 1950'. RIH & set 4½" cement retainer to 1932'. Fruitland Coal perforations @ 1982'-1991'. Load and circulate hole.
- Attempt to pressure test casing to 600 psi for 30 mins.
- Run CBL from 1932' to surface.
- Pictured Cliffs perforations 2006'-2032' PBTD'd in 1994 by running a CIBP at 2000'. Well re-completed in Fruitland Coal.
- **Plug I:** Sting in the cement retainer. Squeeze 15 sks, 17.25 cu ft Class G neat cement to cover the Pictured Cliffs below the retainer. Sting out. Spot inside 4½" casing above cement retainer @ 1932' w/60 sks (99 cu ft) Class G neat cement to cover the Pictured Cliffs, Fruitland, Kirtland & Ojo Alamo tops.(5 gal/sk, 15.8 #/gal, 1.15 cu ft/sk). **Plug I, Inside 4½" casing, cement retainer at 1932', 60 sks, 69 cu ft, Pictured Cliffs-Fruitland-Kirtland-Ojo Alamo, 1191'-1932'.**
- **Plug II:** Spot Plug II inside 4½" casing from 277' w/22 sks, 25.3 cu ft Class G neat cement to cover the surface casing shoe to surface. **Plug II, Inside 4½" casing, 22 sks, 25.3 cu ft, Surface Casing-Surface, 0-277'.**
- Cut wellhead off. Fill casing w/cement in case needed. Install dry hole marker.
- Clean location. Rig down and move.

Current Wellbore Schematic

Okie #2
30-045-22304
Basin Fruitland Coal (Gas)
1450' FNL & 1500' FWL
F-S8-T24N-R8W
San Juan County, NM
Lat:36.331768, Long:-107.7087479



Surface Casing 8-5/8" 20# @177'. Hole size 12 1/4"
Cemented w/ 125 sks class B +2%CaCl. Good circ through
job, cement circulated.

Hole 6 1/4" Casing 4 1/2" 9.5# #2105'. Float @ 2062'

Cement w/ 60 sks 65-35 class B poz mix 12%gel tailed by
75 sks class B 0.6% D-60 fluid loss additive.

2-3/8" J-55 tubing ran to 1983'

Fruitland Coal Perforated @ 1982' – 1991' w/4 spf

PBTD @ 2000', TD 2105'

Pictured Cliffs Perforated @ 2006' – 2032'

Planned P & A Wellbore Schematic

Okie #2

30-045-22304

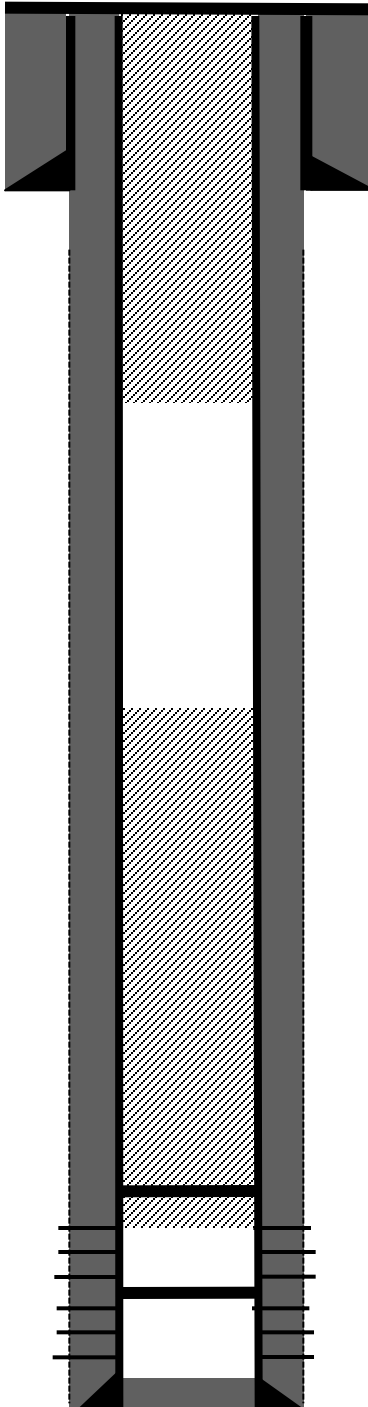
Basin Fruitland Coal (Gas)

1450' FNL & 1500' FWL

F-S8-T24N-R8W

San Juan County, NM

Lat:36.331768, Long:-107.7087479



Surface Casing 8-5/8" 20# @177'. Hole size 12 1/4"

Cemented w/ 125 sks class B +2%CaCl. Good circ through job, cement circulated.

Plug II, Inside 4 1/2" casing, 22 sks, 25.3 Cu.ft, Surface Casing-Surface, 0-277'.

Hole 6 1/4" Casing 4 1/2" 9.5# #2105'

Cement w/ 60 sks 65-35 class B poz mix 12%gel tailed by 75 sks class B 0.6% D-60 fluid loss additive.

Set 4 1/2" CR @ 1932'. Squeeze 15 sks, 17.25 Cu.ft cement to cover the Pictured cliffs top below the retainer.

Plug I, Inside 4 1/2" casing, Cement Retainer at 1932', 60 sks, 69 Cu.ft, Pictured Cliffs-Fruitland-Kirtland-Ojo Alamo, 1191'-1932'.

Fruitland Coal Perforated @ 1982' – 1991' w/4 spf

PBTD @ 2000', TD 2105'

Pictured Cliffs Perforated @ 2006' – 2032'

Okie #2
30-045-22304
Basin Fruitland Coal (Gas)
1450' FNL & 1500' FWL
F-S8-T24N-R8W
San Juan County, NM
Lat:36.331768, Long:-107.7087479

Formation Tops

- **Surface Casing – 177'**
- **Ojo Alamo – 1291'**
- **Kirtland – 1433'**
- **Fruitland – 1722'**
- **Perforations – 1982'-1991'**
- **Pictured Cliffs – 1994'**



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Farmington District Office
6251 College Boulevard, Suite A
Farmington, New Mexico 87402
<http://www.blm.gov/nm>



CONDITIONS OF APPROVAL

August 12, 2025

Notice of Intent – Plug and Abandonment

Operator: Dugan Production Corporation
Lease: NMNM 019567
Well(s): Okie 2, US Well # 30-045-22304
Location: SENW Sec 8 T24N R8W (San Juan County, NM)
Sundry Notice ID #: 2864793

The Notice of Intent to Plug and Abandon is accepted with the following Conditions of Approval (COA):

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. No changes to procedure.
3. **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.

K. Rennick 8/12/2025

**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 - FFO - Geologic Report**Date Completed**

8/08/2025

Well No.	Okie 2	Surf. Loc.	1450 FNL	1500 FWL
US Well No.	30-045-22304	SENW	Sec. 08	T. 24N R. 8W
Lease No.	NMNM 019567			
Operator	Dugan Production Corporation	County	San Juan	State New Mexico
TVD	2105	Formation	Basin Fruitland Coal	
Elevation GL	6866	Elevation KB	NA	

Geologic Formations**Est. tops****Remarks**

Surface Casing	177	
Ojo Alamo Ss	1291	Aquifer (possible freshwater)
Kirtland Shale	1433	Possible gas
Fruitland	1722	Coal/ Gas/ Water
Fruitland Perforations	1982	
Pictured Cliffs Ss	1994	
Pictured Cliffs Perforations	2006	

Remarks:Reference Well:

No raster logs available. The reference well confirms the formation tops selected by the operator. No changes to the procedure.

Okie #004 Well
 US Well No. 30-045-22305
 1480 FNL 1850 FEL
 Sec. 8, T. 24N, R. 08W

Prepared by: Kenneth Rennick

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 495303

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 495303
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
loren.diede	NMOCD picks the formation tops as follows: Pictured Cliffs = 1994', Fruitland = 1580', Kirtland = 937', Ojo Alamo = 848'.	8/13/2025
loren.diede	Notify the OCD inspection supervisor via email 24 hours prior to beginning Plug & Abandon (P&A) operations.	8/13/2025
loren.diede	Submit photo and GPS coordinates of the P&A marker with the final P&A reports. The API # on the P&A marker is to be legible.	8/13/2025