

Well Name: SOUTH SEAS	Well Location: T22N / R7W / SEC 6 / NENE / 36.172966 / -107.610442	County or Parish/State: SANDOVAL / NM
Well Number: 1	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM89023	Unit or CA Name:	Unit or CA Number:
US Well Number: 300432089700S1	Operator: DUGAN PRODUCTION CORPORATION	

Notice of Intent

Sundry ID: 2889364

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 01/06/2026

Time Sundry Submitted: 08:52

Date proposed operation will begin: 01/12/2026

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

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

South_Seas_1_Rec_Plan_1_5_26_20260106085024.pdf

South_Seas_1_proposed_PA_formation_tops_20260106085017.pdf

South_Seas_1_proposed_PA_planned_wellbore_schematic_20260106085010.pdf

South_Seas_1_proposed_PA_current_wellbore_schematic_20260106085004.pdf

South_Seas_1_proposed_PA_planned_work_20260106084953.pdf

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Operator: DUGAN PRODUCTION
CORPORATION

Conditions of Approval

Specialist Review

General_Requirement_PxA_20260112074705.pdf

2889364_1_3004320897_NOIA_KR_01122026_20260112074655.pdf

South_Seas_1_Geo_KR_20260112074655.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: JAN 06, 2026 08:51 AM

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: 01/12/2026

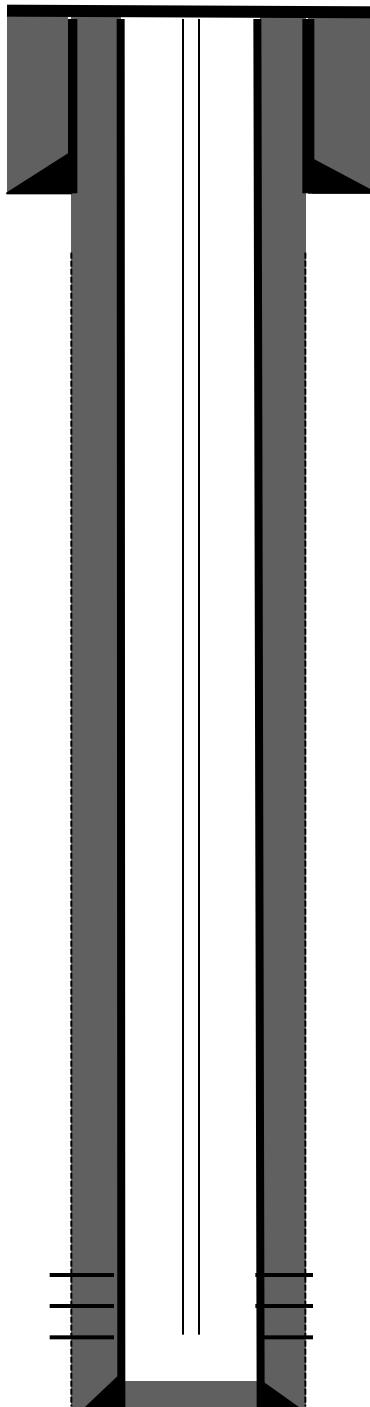
Signature: Kenneth Rennick

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

- Run 2-7/8" casing scraper to 1600'. RIH & set 2-7/8" and set cement retainer at 1590', Chacra perforations @ 1629'-1731'.
- Sting in retainer and squeeze 20 sks, 23 cu ft Class G cement to cover below the retainer to cover the Chacra top until 1629'. Sting out. TOH.
- RIH w/ 2-7/8" CIBP, set at 1585'.
- Load and circulate hole.
- Attempt to pressure test casing to 600 psi for 30 mins.
- Run CBL from 1585' to surface. Both plugs are designed assuming good cement behind 2-7/8" casing for this NOI. Will make necessary changes to the plug after reviewing CBL.
- **Plug I, Chacra-Pictured Cliffs-Fruitland:** Spot Plug I inside 2-7/8" casing above CIBP @ 1585' to 832' w/24 sks (27.6 cu ft) Class G neat cement to cover the Chacra-Pictured Cliffs, Fruitland tops (5 gal/sk, 15.8 #/gal, 1.15 cu ft/sk). Total cement 44 sks, 50.6 cu ft. Tag and verify. **Plug I, Inside 2-7/8" casing, cement retainer at 1590', CIBP at 1585', 44 sks, 50.6 cu ft, Chacra-Pictured Cliffs-Fruitland, 832'-1629'.**
- **Plug II, Kirtland-Ojo Alamo-Surface Casing-Surface:** Spot Plug II inside 2-7/8" casing @ 832' to surface w/26 sks (29.9 cu ft) Class G neat cement to cover the Kirtland, Ojo Alamo tops, surface casing shoe & surface casing (5 gal/sk, 15.8 #/gal, 1.15 cu ft/sk). Total cement 26 sks, 29.9 cu ft. Tag and verify. **Plug II, Inside 2-7/8" 26 sks, 29.9 cu ft, Kirtland-Ojo Alamo-Surface Casing shoe to Surface, 0'-832'.**
- Cut wellhead off. Fill casing w/cement in case needed. Install dry hole marker.
- Clean location. Rig down and move.
- Take pictures of the dry hole marker. Show API number clearly on the dry hole marker.
- Attach GPS Coordinates of the dry hole marker to the final sundry.

Current Wellbore Schematic

South Seas #1
30-043-20897
Rusty Chacra
1100' FNL & 1135' FEL
A-S06-T22N-R07W
Sandoval County, NM



7" 20#, J-55 casing @ 135': Hole size - 9-1/8"
Cemented with 50 sks, (59 cu ft) Class B cement.

1-1/2" IJ tubing ran to 1636'

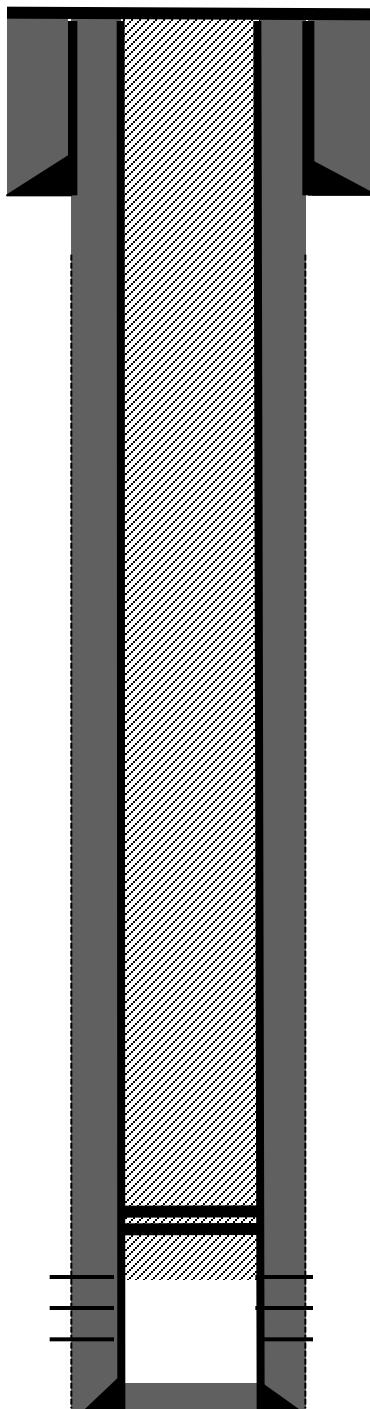
2-7/8" 6.5#, EUE casing @ 1828'. Hole size: 6-1/4"
Cement w/ 150 sks 2% Lodense w/ 1/4# celloflake. Tail with 125 sks Class B neat w/ 1/4# celloflake. (450 cu ft. slurry) Circ 3 bbls cement.

Chacra Perforated @ 1629' - 1731'

PBTD @ 1784', TD 1840'

Planned P & A Wellbore Schematic

South Seas #1
 30-043-20897
 Rusty Chacra
 1100' FNL & 1135' FEL
 A-S06-T22N-R07W
 Sandoval County, NM



7" 20#, J-55 casing @ 135': Hole size - 9-1/8"
 Cemented with 50 sks, (59 cu ft) Class B cement.

Plug II, Inside 2-7/8" 26 sks, 29.9 cu ft, Kirtland-Ojo Alamo-Surface Casing shoe to Surface, 0'-832'.

Set 2-7/8" CR @ 1590'. Squeeze 20 sks, 23 Cu.ft cement to cover the Chacra top below the retainer.

Set CIBP at 1585'

Plug I, Inside 2-7/8" casing, cement retainer at 1590', CIBP at 1585', 44 sks, 50.6 cu ft, Chacra-Pictured Cliffs-Fruitland, 832'-1629'.

2-7/8" 6.5#, EUE casing @ 1828'. Hole size: 6-1/4"
 Cement w/ 150 sks 2% Lodense w/ 1/4# celloflake. Tail with 125 sks Class B neat w/ 1/4# celloflake. (450 cu ft. slurry) Circ 3 bbls cement.

Chacra Perforated @ 1629' - 1731'

PBTD @ 1784', TD 1840'

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30-043-20897
Rusty Chacra
1100' FNL & 1135' FEL
A-S06-T22N-R07W
Sandoval County, NM

Formation Tops (Operator Submitted)

- **Surface Casing - 135'**
- **Ojo Alamo - 120**
- **Kirtland - 212'**
- **Fruitland - 932'**
- **Pictured Cliffs - 1235'**
- **Lewis - 1437'**
- **Chacra - 1624'**
- **Perforations - 1629'-1731'**



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

January 12, 2026

Notice of Intent – Plug and Abandonment

Operator: Dugan Production Corporation
Lease: NMNM 089023

Well(s): South Seas 1 (US Well No. 30-043-20897)
Sundry Notice ID #: 2889364

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. Complete wellbore fill up proposal. No changes to the 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 01/12/2026

**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

1/12/2026

Well No. South Seas 1
US Well No. 30-043-20897
Lease No. NMNM 089023

Operator Dugan Production Corporation Formation Rusty Chacra

Geologic Formations	Est. tops	Remarks
Ojo Alamo	120	
Surface Casing	127	
Kirtland	212	
Fruitland Fm	932	
Pictured Cliffs	1235	
Lewis	1437	
Chacra	1624	
Top Perforation	1629	
Bottom	1731	

Remarks:Reference Well:

Complete wellbore fill up proposal. No changes to the procedure.

NA

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 541969

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 541969
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
loren.diede	Notify the OCD inspection supervisor via email 24 hours prior to beginning Plug & Abandon (P&A) operations.	1/13/2026
loren.diede	Submit photo and GPS coordinates of the P&A marker with the C-103P subsequent report. The API# on the marker must be clearly legible.	1/13/2026