

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

Well Name: SAPP	Well Location: T24N / R8W / SEC 28 / SENE / 36.286438 / -107.679306	County or Parish/State: SAN JUAN / NM
Well Number: 2	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078868	Unit or CA Name:	Unit or CA Number:
US Well Number: 300452924300S1	Operator: DUGAN PRODUCTION CORPORATION	

Notice of Intent

Sundry ID: 2892599

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 01/23/2026

Time Sundry Submitted: 12:21

Date proposed operation will begin: 02/17/2026

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

- Sapp_2__Rec_Plan_1_23_26_20260123122006.pdf
- Sapp_2_proposed_PA_formation_tops_20260123121959.pdf
- Sapp_2_proposed_PA_planned_wellbore_schematic_20260123121947.pdf
- Sapp_2_proposed_PA_current_wellbore_schematic_20260123121938.pdf
- Sapp_2_proposed_PA_planned_work_20260123121925.pdf

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Operator: DUGAN PRODUCTION CORPORATION

Conditions of Approval

Additional

General_Requirement_PxA_20260211132248.pdf

2892599_2_3004529243_NOIA_KR_02112026_20260211132239.pdf

Sapp_No_2_Geo_Rpt_20260211113839.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 23, 2026 12:21 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: 02/11/2026

Signature: Kenneth Rennick

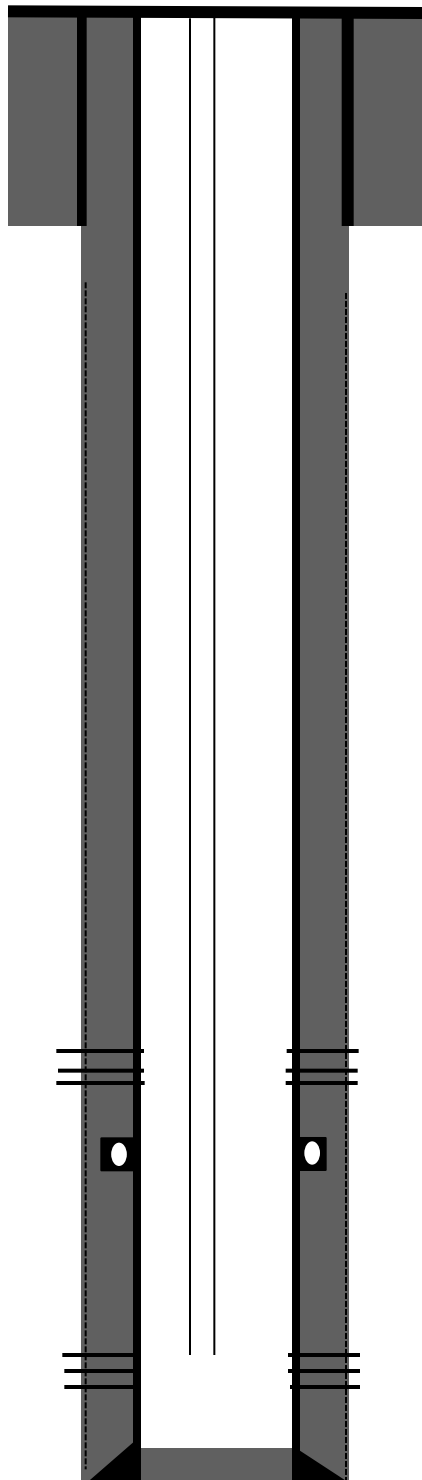
Dugan Production plans to plug and abandon the well per the following procedure:

- PU & tally 2-3/8" work string. Run 4½" string mill to scrape casing to 5110'.
- **RIH & set 4½" CICR at 5100'**. Gallup perforations are from 5147'-5380'.
- **Plug I, Gallup perforations-Gallup top-DV Tool-Mancos top:** tag CICR at 5100' sting in, squeeze Plug I w/20 sks, 23 cu ft class G cement to cover the Gallup perforations below the cement retainer at 5100' until top perforation at 5147'. Sting out. Spot Plug I inside 4½" casing above the CICR from 5100' to 4211' w/73 sks, 83.95 cu ft Class G neat cement to cover the Gallup top-DV Tool-Mancos top (5 gal/sk, 15.8 #/gal, 1.15 cu ft/sk). Total cement 93 sks, 106.95 cu ft. Tag and verify. **Plug I, Inside 4½" casing, cement retainer at 5100', 93 sks, 106.95 cu ft, Gallup perforations-Gallup top-DV Tool-Mancos top, 4211' - 5147'.**
- **RIH and set 4½" CICR at 4040'**. Mesaverde are from 4085' to 4090'.
- Run CBL from 4040' to surface. All plugs are designed assuming good cement behind 4½" casing for this NOI. Will make necessary changes to the plugs after reviewing the CBL.
- Attempt to pressure test casing to 650 psi for 30 minutes.
- **Plug II, Mesaverde Perforations:** Tag CICR at 4040'. Sting in cement retainer Squeeze Plug II below cement retainer at 4040' until the top perforation at 4085' w/20 sks, 23 cu ft. Class G cement to cover Mesaverde perforations. Sting out. Spot Plug II inside 4½" casing above CICR at 4040' to 3890' w/15 sks, 17.25 cu ft Class G cement. Tag and verify. **Plug II: Inside 4½" casing, cement retainer at 4040', 35 sks, 40.25 cu ft, Mesaverde perforations, 3890' - 4085'.**
- **Plug III, Mesaverde- Lower Chacra- Upper Chacra:** Spot Plug III inside 4½" casing from 3265' to 2025' w/100 sks (115 cu ft) Class G cement to cover the Mesaverde – Lower Chacra – Upper Chacra tops. **Plug III, Inside 4½" casing, 100 sks, 115 cu ft, Mesaverde – Lower Chacra – Upper Chacra tops, 2025'-3265'.**
- **Plug IV, Pictured Cliffs-Fruitland-Kirtland-Ojo Alamo tops:** Spot Plug IV inside 4½" casing from 1774' to 898' w/72 sks, 82.8 cu ft Class G neat cement to cover the Pictured Cliffs-Fruitland-Kirtland-Ojo Alamo tops. **Plug IV, Inside 4½" casing, 72 sks, 82.8 cu ft, Pictured Cliff-Fruitland-Kirtland-Ojo Alamo tops, 898'-1774'.**
- **Plug V, Surface Casing Shoe-Surface:** Spot Plug V inside 4½" casing from 375' to 0' w/34 sks, 39.1 cu ft Class G cement to cover the Surface Casing shoe to surface. **Plug V, Inside 4½" casing, 34 sks, 39.1 cu ft, Surface Casing Shoe-Surface, 0'- 375'.**
- 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

Sapp 2

30-045-29243
Lybrook Gallup
2240' FNL & 543' FEL
H S28-T24N-R08W
San Juan County, NM



Hole 12 1/4", Casing 8-5/8" 24# ST&C Casing @ 325'
Cemented w/ 200 sks Class B w/ 2% CaCl. Cement Circulated.
(total 236 cu ft.)

4 1/2" 10.5# J-55 casing @ 5450'. Hole 7-7/8" Cemented 1st stage w/
220 sx 50-50-2 pos w/ 1/4# celloflake/sk. (total cement slurry 275 Cu
ft) Stage tool: 4370' Cemented second stage with 625 sx 65-35-12 w/
1/4# celloflake per sk. And tailed with 185 sks, 50/50/2 w/ 5% CF-14
FLA and 1/4# celloflake per sack. (Total cement slurry 2nd stage 1612
cu ft) Circulate 19 bbls cement.

2-3/8" Tubing to 5296'

Gallup perforations from 5147'-5380'

PBTD: 5390' TD: 5450'

Sapp 2
30-045-29243
Lybrook Gallup
2240' FNL & 543' FEL
H S28-T24N-R08W
San Juan County, NM

Elevation ASL : 6748' GL

Formation Tops (Operator Submitted)

- **Surface Casing - 325'**
- **Ojo Alamo - 998'**
- **Kirtland - 1232'**
- **Fruitland - 1518'**
- **Pictured Cliffs - 1724'**
- **Lewis - 1786'**
- **Upper Chacra - 2125'**
- **Lower Chacra 2522'**
- **Mesaverde - 3215'**
- **Mancos - 4311'**
- **DV tool - 4370**
- **Gallup - 4885'**
- **Mesaverde Perforations - 4085' - 4090'**
- **Gallup perforations from 5147'-5380'**



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

February 11, 2026

Notice of Intent – Plug and Abandonment

Operator: Dugan Production Corporation
Lease: NMSF 0078868
Well(s): Sapp 2, US Well # 30-045-29243
Sundry Notice ID #: 2892599

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 the plugging 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 2/11/2026

**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 2/11/2026

Well No. Sapp 2	Surf. Loc. 2240	FNL 543	FEL
Lease No. NMSF 078868	Sec 28	T24N	R8W
Operator Dugan Prod. Corp	County San Juan	State	New Mexico
US Well # 30-045-29243			
TVD 5450	PBTD 5390	Formation: Lybrook Mesa Verde & Gallup	
Elevation GL 6748	Elevation Est. KB 6760		

Geologic Formations	Est. tops	Subsea Elev.	Remarks
San Jose Fm.	Surface	6760	
Nacimiento Fm.	BSC	6435	Surface /fresh water sands
Surface Casing	325	6435	
Ojo Alamo Ss	998	5762	Fresh water aquifer
Kirtland Fm.	1232	5528	
Fruitland Fm.	1518	5242	Coal/gas/possible water
Pictured Cliffs	1724	5036	Possible gas/water
Lewis Shale (Main)	1796	4964	Source rock
Huerfanito Bentonite	2015	4745	Reference bed
Chacra (Upper)	2125	4635	Possible gas/water
Chacra (Lower)	2522	4238	Possible gas/water
LaVentana	2890	3870	Source rock
Lewis Shale Stringer	3090	3670	Source rock
Cliff House Ss	3215	3545	Possible gas/water
Menefee Fm.	3270	3490	Coal/water/possible gas
Point Lookout Fm.	4080	2680	Possible gas/water
Mancos Shale	4311	2449	Source rock
DV Tool	4267	1453	
Gallup	4885	1875	Oil & gas
Gallup Perfs	4391	2188	

Remarks:

Reference Well:

-Vertical wellbore, all formation depths are TVD from KB at the wellhead.
 -BSC: Behind Surface Casing

Dugan Production Corporation
 Same

Prepared by: Walter Gage

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 553260

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 553260
	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.	2/12/2026
loren.diede	Submit photo and GPS coordinates of the P&A marker with the subsequent C-103P P&A report. The API# on the marker must be clearly legible.	2/12/2026