

Well Name: DOME TESORO 27	Well Location: T22N / R7W / SEC 27 / NWNW / 36.115466 / -107.568884	County or Parish/State: SANDOVAL / NM
Well Number: 3	Type of Well: OIL WELL	Allottee or Tribe Name: EASTERN NAVAJO
Lease Number: N00C14205365	Unit or CA Name:	Unit or CA Number:
US Well Number: 300432051500S1	Well Status: Producing Oil Well	Operator: DUGAN PRODUCTION CORPORATION

Notice of Intent

Sundry ID: 2727887

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 04/27/2023	Time Sundry Submitted: 10:18
Date proposed operation will begin: 05/29/2023	

Procedure Description: Dugan Production plans to plug and abandon the well per the following procedure: 1) TOOH w/2-3/8", 4.7# tubing. Run 4½" casing scraper to 4570'. RIH & set 4½" CIBP @ 4542'. Gallup Perforations @ 4592'-4691'. 2) Load & circulate hole. Cement circulated behind the casing on both stages on the primary cement job. Spot Plug I inside 4½" casing from 4542' to 4360' w/ 15 sks (17.3 cu ft) Class G cement to cover the Gallup top. Plug I, Gallup, Inside 4½" casing, 15 sks, 17.3 cu ft, 4542'-4360'. 3) Spot Plug II inside 4½" casing from 3690' to 3540' w/12 sks (13.8 cu ft) Class G cement to cover the Mancos top. Plug II, Mancos, inside 4½" casing, 12 sks, 13.8 cu ft, 3540'-3690'. 4) Spot Plug III inside 4½" casing from 1930' to 1372' w/44 sks (50.6 cu ft) Class G cement to cover the Mesaverde & Chacra tops. Plug III, Mesaverde-Chacra, Inside 4½" casing, 44 sks, 50.6 cu ft, 1372'-1930'. 5) Spot Plug IV inside 4½" casing from 1110' to 870' w/20 sks (23 cu ft) Class G cement to cover the Pictured Cliffs & Fruitland tops. Plug IV, Pictured Cliffs-Fruitland, inside 4½" casing, 20 sks, 23 cu ft, 870'-1110'. 6) Spot Plug V inside 4½" casing from 760' to surface w/60 sks (69 cu ft) Class G cement to cover the Kirtland-Ojo Alamo tops and surface. Plug V, Kirtland-Ojo Alamo-Surface, inside 4½" casing, 60 sks, 69 cu ft, 0'-760'. 7) Cut wellhead. Tag TOC at surface. Fill cement in case needed. 8) Install dry hole marker. Clean location.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Dome_Tesero_27_3_PA_Reclamation_Plan_20230427101211.pdf

Accepted for record – NMOCD

JRH — 05/02/2023 —

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Dome_Tesero_27_3_PA_Formation_Tops_20230426150839.pdf

Dome_Tesero_27_3_PA_planned_wellbore_schematic_20230426150831.pdf

Dome_Tesero_27_3_PA_current_wellbore_schematic_20230426150819.pdf

Dome_Tesero_27_3_PA_proposed_plan_20230426150805.pdf

Conditions of Approval

Additional

2727887_NOIA_27_3_3004320515_KR_04272023_20230427163752.pdf

22N07W27_Dome_Tesoro_27_3_Geo_KGR_20230427163752.pdf

General_Requirement_PxA_20230427163741.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
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

Signed on: APR 27, 2023 10:13 AM

Field

Representative Name: ALIPH REENA
Street Address: PO BOX 420
City: FARMINGTON State: NM
Phone: (505)325-1821
Email address: Aliph.Reena@duganproduction.com

Zip: 87499-0420

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK
BLM POC Phone: 5055647742
Disposition: Approved
Signature: Kenneth Rennick

BLM POC Title: Petroleum Engineer
BLM POC Email Address: krennick@blm.gov
Disposition Date: 04/27/2023

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

- TOOH w/2-3/8", 4.7# tubing. Run 4½" casing scraper to 4570'. RIH & Set 4½" CIBP @ 4542'. Gallup perforations @ 4592'-4691'.
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- Spot Plug III inside 4½" casing from 1930' to 1372' w/44 sks (50.6 cu ft) Class G cement to cover the tops Mesaverde & Chacra tops. Plug III, Mesaverde-Chacra, inside 4½" casing, 44 sks, 50.6 cu ft, 1372'-1930'.
- Spot Plug IV inside 4½" casing from 1110' to 870' w/20 sks (23 cu ft) Class G cement to cover the Pictured Cliffs & Fruitland tops. Plug IV, Pictured Cliffs-Fruitland, inside 4½" casing, 20 sks, 23 cu ft, 870'-1110'.
- Spot Plug V inside 4½" casing from 760' to surface w/60 sks (69 cu ft) Class G cement to cover the Kirtland-Ojo Alamo tops and surface. Plug V, Kirtland-Ojo Alamo-Surface, inside 4½" casing, 60 sks, 69 cu ft, 0'-760'.
- Cut wellhead. Tag TOC at surface. Fill cement incase needed.
- Install dry hole marker. Clean location.

Current Wellbore Schematic

Dome Tesero 27 # 3

API: 30-043-20515

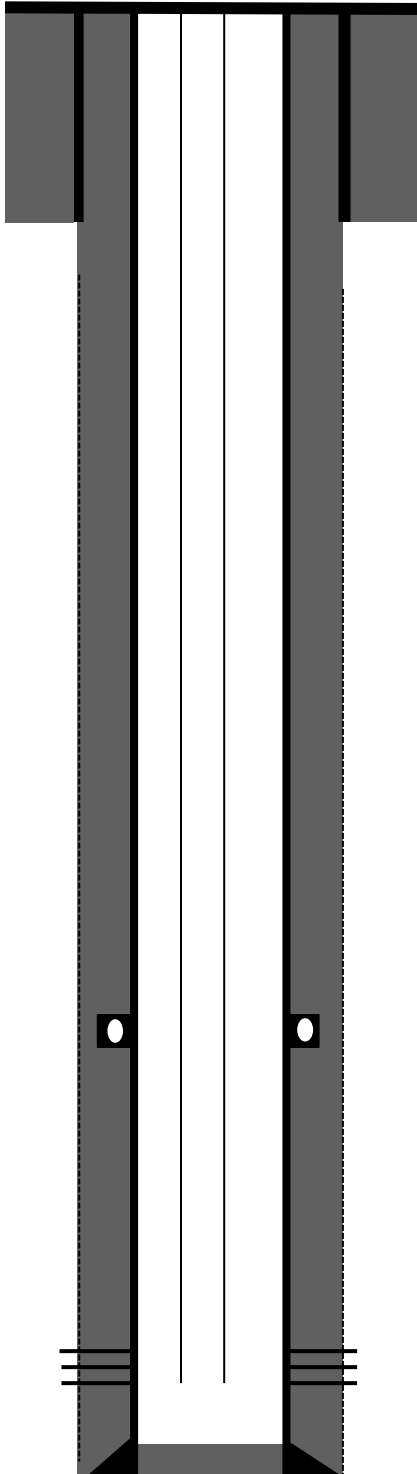
Unit D Sec 27 T22N R7W

830' FNL & 790' FWL

Sandoval County, NM

Lease # NOO-C-14-20-5365

Lat:36.1154633 Long:-107.5689011



8-5/8" J-55 24# casing @ 238'. Cemented with 200 sks Class B.
Circulated cement to surface. Hole size: 12-1/4

Cemented Stage I w/ 300 sks 63/35 w/ 6% gel followed by 200 sks Class B.
Stage II w/ 250 sks 65-35 w/ 6% followed w/ 300 sks Class B. Circulated cement to
surface on both stages.

2-3/8", 4.7# J-55 Tubing @ 4601'

Gallup Perforated @ 4592'-4691'

4 1/2" 10.5 # casing @ 4997'. PBTD @ 4860'. Hole size: 7-7/8"

Planned P & A Schematic

Dome Tesero 27 # 3

API: 30-043-20515

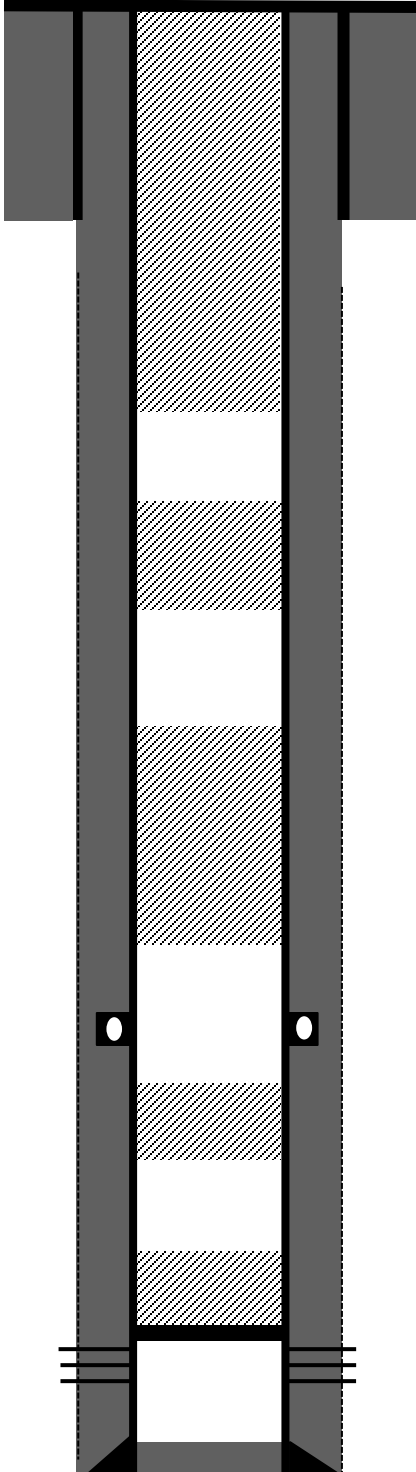
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Circulated cement to surface. Hole size: 12-1/4

Plug V, Kirtland-Ojo Alamo-Surface, Inside 4 1/2" casing, 60 sks, 69 Cu.ft
0'-760'

Plug IV, Pictured Cliffs-Fruitland, Inside 4 1/2" casing, 20 sks, 23 Cu.ft,
870'-1110'

Plug III, Mesaverde-Chacra, Inside 4 1/2" casing, 44 sks, 50.6 Cu.ft,
1372'-1930'

Cemented Stage I w/ 300 sks 63/35 w/ 6% gel followed by 200 sks Class B. Stage II w/ 250 sks 65-35 w/ 6% followed w/ 300 sks Class B. Circulated cement to surface on both stages.

Plug II, Mancos, Inside 4 1/2" casing, 12 sks, 13.8 Cu.ft, 3540'-3690'

CIBP @ 4542'. Plug I, Gallup, Inside 4 ½" casing, 15 sks, 17.3 Cu.ft
4360'-4542'

Gallup Perforated @ 4592'-4691'

4 1/2" 10.5 # casing @ 4997'. PBTD @ 4860'. Hole size: 7-7/8"

Dome Tesero 27 # 3
API: 30-043-20515
Unit D Sec 27 T22N R7W
830' FNL & 790' FWL
Sandoval County, NM
Lease # NOO-C-14-20-5365
Lat:36.1154633 Long:-107.5689011

Elevation ASL : 6781'

Formation Tops

- **Ojo Alamo - 520**
- **Kirtland - 710**
- **Fruitland - 970**
- **Pictured Cliffs - 1060**
- **Chacra - 1472**
- **Mesaverde - 1880**
- **Mancos - 3640**
- **Gallup - 4460**

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 04/27/2023

Well No. Dome Tesoro 27 3 (API 30-043-20515)	Location	NWNW			
Lease No. N00C14205365	Sec. 27	T22N			R7W
Operator Dugan Production Corporation	County	Sandoval	State		New Mexico
Total Depth 5000'	PBTD 5000'	Formation	Gallup		
Elevation (GL) 6781'					

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/freshwater sands
Nacimiento Fm					Possible freshwater sands
Ojo Alamo Ss			520		Aquifer (possible freshwater)
Kirtland Shale			710		
Fruitland Fm			970		Coal/Gas/Possible water
Pictured Cliffs Ss			1060		Gas
Lewis Shale					
Chacra			1472		Gas
Cliff House Ss			1880		Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale			3640		
Gallup			4460		O&G/Water
Greenhorn					
Graneros Shale					
Dakota Ss					O&G/Water

Remarks:
P & A

Reference Well:

Prepared by: Kenneth Rennick

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

AFMSS 2 Sundry ID 2727887

Attachment to notice of Intention to Abandon

Well: Dome Tesoro 27 3

CONDITIONS OF APPROVAL

1. Plugging operations must be completed by December 31, 2023.
2. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
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 04/27/2023

**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.

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 212145

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 212145
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
john.harrison	Please add 100' plug across DV tool Adhere to BLM approved COAs and plugs. See GEO report.	5/2/2023