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

Sundry Print Report

09/12/2024

Well Name: WEST BISTI UNIT

Well Location: T26N / R13W / SEC 19 / NWNW / 36.479095 / -108.266449

County or Parish/State: SAN JUAN / NM

Well Number: 106

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM013492

Unit or CA Name: WEST BISTI UNIT

Unit or CA Number: NMNM78448X

US Well Number: 300450579900S1

Operator: DUGAN PRODUCTION CORPORATION

Notice of Intent

Sundry ID: 2810239

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 09/04/2024

Time Sundry Submitted: 01:51

Date proposed operation will begin: 09/23/2024

Procedure Description: Dugan Production 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

WBU_106_PA_Rec_Plan_20240904134322.pdf

WBU_106_proposed_PA_formation_tops_20240904134137.pdf

WBU_106_proposed_PA_planned_wellbore_schematic_20240904134129.pdf

WBU_106_proposed_PA_current_wellbore_schematic_20240904134118.pdf

WBU_106_proposed_PA_planned_work_20240904134104.pdf

Well Name: WEST BISTI UNIT

Well Location: T26N / R13W / SEC 19 / NWNW / 36.479095 / -108.266449

County or Parish/State: SAN JUAN / NM

Well Number: 106

Type of Well: OIL WELL

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Lease Number: NMNM013492

Unit or CA Name: WEST BISTI UNIT

Unit or CA Number: NMNM78448X

US Well Number: 300450579900S1

Operator: DUGAN PRODUCTION CORPORATION

Conditions of Approval

Additional

West_Bisti_Unit_No_106_Geo_Rpt_20240911161826.pdf

Authorized

2810239_NOIA_106_3004505799_KR_09122024_20240912120316.pdf

General_Requirement_PxA_20240912120307.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: SEP 04, 2024 01:40 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: 09/12/2024

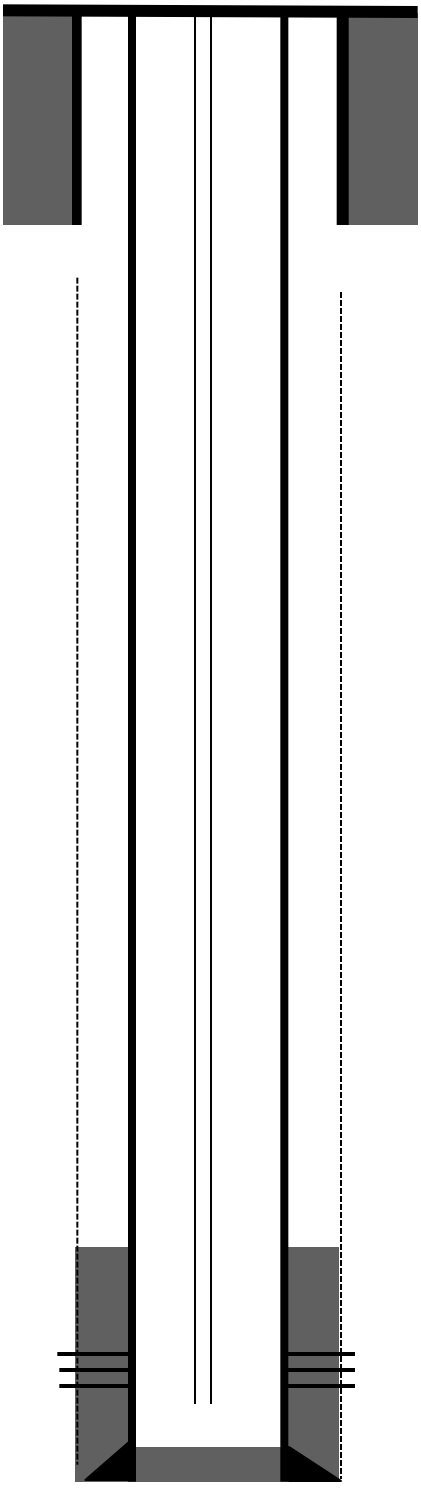
Signature: Kenneth Rennick

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

- Check string pressures daily. ND WH & NU BOP. LD rods and production tubing.
- PU and tally 2-3/8" workstring. Run 5½" string mill to 5300'. Gallup perforations are at 5340'-5351'.
- Set 5½" CIBP @ 5290'. Load and circulate hole. Attempt to pressure test casing to 650 psi for 30 minutes.
- TOC behind casing from temperature survey at 5060'. All plugs are designed based on the temperature survey. Open hole size assumed to be 7-7/8".
- Spot Plug I above BP inside 5½" casing from 5290' to 5131' w/20 sks (23 cu ft) Class G cement (1.15 cu ft/sk, 15.8#/gal) to cover the Gallup top & Gallup perforations. **Plug I, inside 5½" casing, 20 sks, 23 cu ft, Gallup top & Gallup perforations, 5131'-5290'.**
- Shoot squeeze holes at 4341'. Set 5½" CR at 4291'. Spot Plug II inside/outside 5½" casing from 4341' to 4191' w/48 sks (55.2 cu ft) Class G cement to cover the Mancos top (30 sks , 34.5 cu ft outside, 18 sks, 20.7 cu ft inside casing). **Plug II, inside/outside 5½" casing, perforations at 4341', CR at 4291', 48 sks, 55.2 cu ft, Mancos, 4191'-4341'.**
- Shoot squeeze holes at 3266'. Set 5½" CR at 3216'. Spot Plug III inside/outside 5½" casing from 3266' to 3116' w/48 sks (55.2 cu ft) Class G cement to cover the Mesaverde top (30 sks , 34.5 cu ft outside, 18 sks, 20.7 cu ft inside casing). **Plug III, inside/outside 5½" casing, perforations at 3266', CR at 3216', 48 sks, 55.2 cu ft, Mesaverde, 3116'-3266'.**
- Shoot squeeze holes at 2460'. Set 5½" CR at 2410'. Spot Plug IV inside/outside 5½" casing from 2460' to 2310' w/48 sks (55.2 cu ft) Class G cement to cover the Chacra top (30 sks , 34.5 cu ft outside, 18 sks, 20.7 cu ft inside casing). **Plug IV, inside/outside 5½" casing, perforations at 2460', CR at 2410', 48 sks, 55.2 cu ft, Chacra, 2310'-2460'.**
- Shoot squeeze holes at 1725'. Set 5½" CR at 1675'. Spot Plug V inside/outside 5½" casing from 1725' to 1575' w/48 sks (55.2 cu ft) Class G cement to cover the Pictured Cliffs top (30 sks , 34.5 cu ft outside, 18 sks, 20.7 cu ft inside casing). **Plug V, inside/outside 5½" casing, perforations at 1725', CR at 1675', 48 sks, 55.2 cu ft, Pictured Cliffs, 1575'-1725'.**
- Shoot squeeze holes at 1020'. Set 5½" CR at 970'. Spot Plug VI inside/outside 5½" casing from 1020' to 870' w/48 sks (55.2 cu ft) Class G cement to cover the Fruitland top (30 sks , 34.5 cu ft outside, 18 sks, 20.7 cu ft inside casing). **Plug VI, inside/outside 5½" casing, perforations at 1020', CR at 970', 48 sks, 55.2 cu ft, Fruitland, 870'-1020'.**
- Shoot squeeze holes at 560'. Set 5½" CR at 510'. Spot Plug VII inside/outside 5½" casing from 560' to 410' w/48 sks (55.2 cu ft) Class G cement to cover the Kirtland top (30 sks , 34.5 cu ft outside, 18 sks, 20.7 cu ft inside casing). **Plug VII, inside/outside 5½" casing, perforations at 560', CR at 510', 48 sks, 55.2 cu ft, Kirtland, 410'-560'.**
- Shoot squeeze holes at 320'. Establish circulation to surface through BH. Spot & squeeze Plug VIII inside/outside 5½" casing from 320' to surface to circulate cement to surface through BH to cover the Ojo Alamo top & Surface casing shoe w/140 sks, 161 cu ft Class G neat cement (100 sks, 115 cu ft outside, 40 sks, 46 cu ft inside casing) . Circulate cement to surface. Plug VIII, inside/outside 5½" casing, perforations at 320', 140 sks, 161 cu ft. **Plug VIII, inside/outside 5½" casing, perforations at 320', 140 sks, 161 cu ft, 0-320'.**
- Cut wellhead. Tag TOC at surface. Fill cement in case needed.
- Install dry hole marker. Clean location.

Current Wellbore Schematic

West Bisti Unit #106
API; 30-045-05799
Sec 19 T26N R13W
660' FNL & 1174' FWL, Bisti Lower Gallup
San Juan, NM
Lat: 36.479227, Long: -108.267162



10 ¾" 35.75# casing set at 216'. Cemented with 272 sks.

Cemented Stage 200 sks. TOC from temperature survey at 5060'.

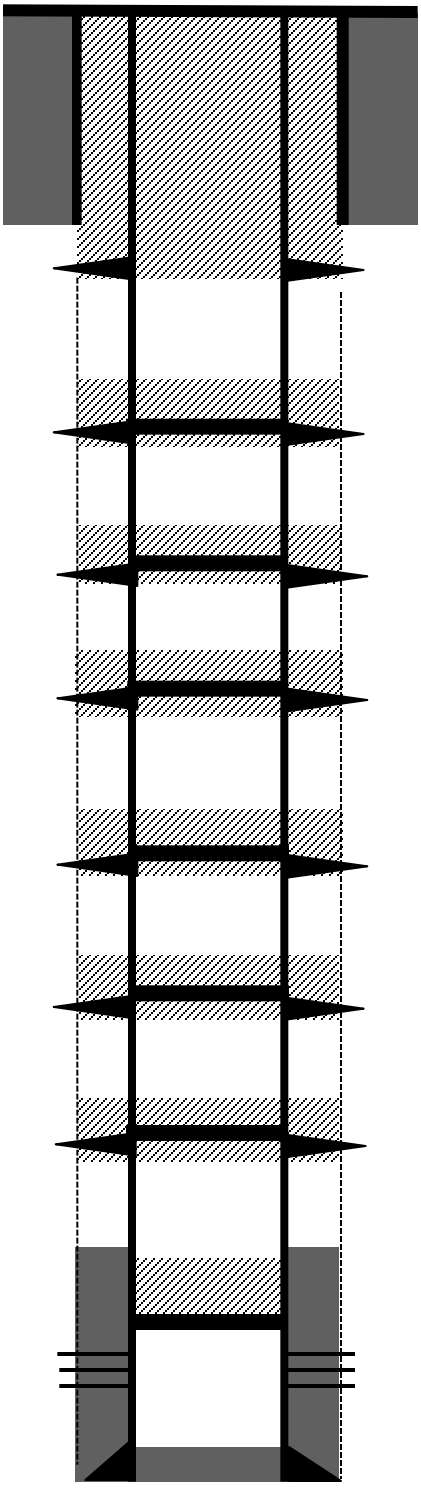
2-3/8" tubing set at 5431'

Gallup Perforated @ 5340'-5351'

5 ½" 14 # casing @ 5576'

Planned P & A Schematic

West Bisti Unit #106
API; 30-045-05799
Sec 19 T26N R13W
660' FNL & 1174' FWL, Bisti Lower Gallup
San Juan, NM
Lat: 36.479227, Long: -108.267162



10 ¾" 35.75# casing set at 216'. Cemented with 272 sks.

Plug VIII, Inside/Outside 5 ½" casing, Perforations at 320', 140 sks, 161 Cu.ft, 0-320'

Plug VII, Inside/Outside 5 ½" casing, Perforations at 560', CR at 510', 48 sks, 55.2 Cu.ft, Kirtland, 410'-560'

Plug VI, Inside/Outside 5 ½" casing, Perforations at 1020', CR at 970', 48 sks, 55.2 Cu.ft, Fruitland, 870'-1020'

Plug V, Inside/Outside 5 ½" casing, Perforations at 1725', CR at 1675', 48 sks, 55.2 Cu.ft, Pictured Cliffs, 1575'-1725'

Plug IV, Inside/Outside 5 ½" casing, Perforations at 2460', CR at 2410', 48 sks, 55.2 Cu.ft, Chacra, 2310'-2460'

Plug III, Inside/Outside 5 ½" casing, Perforations at 3266', CR at 3216', 48 sks, 55.2 Cu.ft, Mesaverde, 3116'-3266'

Plug II, Inside/Outside 5 ½" casing, Perforations at 4341', CR at 4291', 48 sks, 55.2 Cu.ft, Mancos, 4191'-4341'

Cemented Stage 200 sks. TOC from temperature survey at 5060'.

Set CIBP @ 5290'. Plug I, Inside 5 ½" casing, 20 sks, 23 Cu.ft, Gallup top & Gallup perforations, 5131'-5290'

Gallup Perforated @ 5340'-5351'

5 ½" 14 # casing @ 5576'

West Bisti Unit #106
API; 30-045-05799
Sec 19 T26N R13W
660' FNL & 1174' FWL, Bisti Lower Gallup
San Juan, NM
Lat: 36.479227, Long: -108.267162

Elevation ASL : 6538'

Formation Tops (Operator)

- **Surface Casing – 216'**
- **Ojo Alamo – 270'**
- **Kirtland – 510'**
- **Fruitland – 970'**
- **Pictured Cliffs – 1675'**
- **Lewis – 1748'**
- **Chacra – 2410'**
- **Mesaverde – 3216'**
- **Mancos – 4291'**
- **Gallup – 5231'**
- **Perforations – 5340'-5351'**

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

AFMSS 2 Sundry ID 2810239

Attachment to notice of Intention to Abandon

Well: West Bisti Unit 106

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. Modify the Plug 1 TOC to 5015' to account for the BLM geologist's pick for the Gallup top.
   b. Place the CICR for Plug 3 at 3055' with the squeeze holes at 3105' and the TOC at 2955' to account or the BLM geologist's Mesa Verde top.
   c. Combine Plugs 7 & 8 to account for the BLM geologists picks for the Kirtland and Ojo Alamo tops: 420' for the Kirtland and unknown for the Ojo Alamo. Place the perforations at 470', the cement retainer at 420' and the TOC at the surface.

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 09/12/2024

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_2S.

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 9/11/2024

Well No.	West Bisti Unit No 106			Surf. Loc.	660	FNL	1174	FWL
Lease No.	NMSF013492				Sec	19	T26N	R13W
Agrmt:	NMNM78448X			County	San Juan		State	New Mexico
Operator:	Dugan Production							
TVD	5577	PBTD	5547	Formation:	Bisti			
Elevation	GL	6538		Elevation	Est. KB	6544	(Estimated)	

Geologic Formations	Est. tops	Subsea Elev.	Remarks
Nacimiento Fm.	Surface		Surface /fresh water sands
Ojo Alamo Ss	BSC		Fresh water aquifer
Kirtland Fm.	420	6124	
Fruitland Fm.	970	5574	Coal/gas/possible water
Pictured Cliffs	1675	4869	Possible gas/water
Lewis Shale (Main)	1748	4796	Source rock
Huerfanito Bentonite	1905	4639	Reference bed
Chacra (upper)	2000	4544	Possible gas/water
Lewis Shale Stringer	2175	4369	Source rock
Chacra (lower)	2410	4134	Possible gas/water
La Ventana Member	2930	3614	Possible gas/water
Cliff House Ss	3055	3489	Possible gas/water
Menefee Fm.	3205	3339	Coal/water/possible gas
Point Lookout Fm.	4120	2424	Possible gas/water
Mancos Shale	4291	2253	Source rock
Gallup	5115	1429	Oil & gas

Remarks:

-Vertical wellbore, all formation depths are TVD from KB at the wellhead.

-BSC: Behind Surface Casing

- Modify the Plug 1 TOC to 5015’ to account for the BLM geologist’s pick for the Gallup top.

-Place the CICR for Plug 3 at 3055' with the squeeze holes at 3105' and the TOC at 2955’ to account for the BLM geologist's Mesa Verde top.

-Combine Plugs 7 & 8 to account for the BLM geologists picks for the Kirtland and Ojo Alamo tops: 420’ for the Kirtland and unknown for the Ojo Alamo. Place the perforations at 470’, the cement retainer at 420’ and the TOC at the surface.

Reference Well:

Same

Prepared by: Walter Gage

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
Standard Plugging Conditions

This document provides OCD's general plugging conditions of approval. It should be noted that the list below may not cover special plugging programs in unique and unusual cases, and OCD expressly reserves the right to impose additional requirements to the extent dictated by project conditions. The OCD also reserves the right to approve deviations from the below conditions if field conditions warrant a change. A C-103F NOI to P&A must be approved prior to plugging operations. Failure to comply with the conditions attached to a plugging approval may result in a violation of 19.15.5.11 NMAC, which may result in enforcement actions, including but not limited to penalties and a requirement that the well be re-plugged as necessary.

1. Notify OCD office at least 24 hours before beginning work and seek prior approval to implementing any changes to the C-103 NOI to PA.
    - North Contact, Monica Kuehling, 505-320-0243, monica.kuehling@emnrd.nm.gov
    - South Contact, Gilbert Cordero, 575-626-0830, gilbert.cordero@emnrd.nm.gov

2. A Cement Bond Log is required to ensure strata isolation of producing formations, protection of water and correlative rights. A CBL must be run or be on file that can be used to properly evaluate the cement behind the casing.

    Note: Logs must be submitted to OCD via OCD permitting. A copy of the log may be emailed to OCD inspector for faster review times, but emailing does not relieve the operators obligation to submit through OCD permitting.

3. Once Plugging operations have commenced, the rig must not rig down until the well is fully plugged without OCD approval. If gap in plugging operations exceeds 30 days, the Operator must file a subsequent sundry of work performed and revised NOI for approval on work remaining. At no time shall the rig be removed from location if it will result in waste or contamination of fresh water.

4. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.

5. Fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
    - North, water or mud laden fluids
    - South, mud laden fluids

6. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to an OCD permitted disposal facility.

7. Class of cement shall be used in accordance with the below table for depth allowed.

Class	TVD Lower Limit (feet)
Class A/B	6,000
Class I/II	6,000
Class C or III	6,000
Class G and H	8,000
Class D	10,000

Class E	14,000
Class F	16,000

8. After cutting the well head any “top off cement jobs” must remain static for 30 minutes. Any gas bubbles or flow during this 30 minutes shall be reported to the OCD for approval of next steps.

9. Trucking companies being used to haul oilfield waste fluids (Commercial or Private) to a disposal facility shall have an approved OCD C-133 permit.
    - A copy of this permit shall be available in each truck used to haul waste products.
    - It is the responsibility of the Operator and Contractor to verify that this permit is in place prior to performing work.
    - Drivers shall be able to produce a copy upon request of an OCD Compliance Officer.

10. Filing a [C-103] Sub. Plugging (C-103P) will serve as notification that the well has been plugged.

11. A [C-103] Sub. Release After P&A (C-103Q) shall be filed no later than a year after plugging and a site inspection by OCD Compliance officer to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to meet OCD standards before bonding can be released.

12. Produced water or brine-based fluids may not be used during any part of plugging operations without prior OCD approval.

13. Cementing;
    - All cement plugs will be neat cement and a minimum of 100’ in length. 50’ of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
    - If cement does not exist between or behind the casing strings at recommended formation depths, the casing perforations will be shot at 50’ below the formation top and the cement retainer shall be set no more than 50’ from the perforations.
    - WOC (Wait on Cement) time will be:
        - 4 hours for accelerated (calcium chloride) cement.
        - 6 hours on regular cement.
    - Operator must tag all cement plugs unless it meets the below condition.
        - The operator has a passing pressure test for the casing annulus and the plug is only an inside plug.
    - If perforations are made operator must tag all plugs using the work string to tag unless given approval to tag with wireline by the correct contact from COA #1 of this document.
        - This includes plugs pumped underneath a cement retainer to ensure retainer seats properly after cement is pumped.
    - Cement can only be bull-headed with specific prior approval.
    - Squeeze pressures are not to exceed the exposed formations frac gradient or the burst pressure of the casing.

14. A cement plug is required to be set from 50’ below to 50’ above (straddling) formation tops, casing shoes, casing stubs, any attempted casing cut offs, anywhere the casing is perforated, DV tools.
    - Perforation/Formation top plug. (When there is less than 100ft between the top perforation to the formation top.) These plugs are required to be started no greater than

50ft from the top perforation. However, the plug should be set below the formation top or as close to the formation top as possible for the maximum isolation between the formations. The plug is required to be a 100ft cement plug plus excess.

- Perforation Plug when a formation top is not included. These plugs are required to be started within 50ft of the top perforation. The plug is required to be a 100ft cement plug plus excess.
- Cement caps on top of bridge plugs or cement retainers for perforation plugs, that are not straddling a formation top, may be set using a bailer with a minimum of 35’ of cement in lieu of the 100’ plug. The bridge plug or retainer must be set within 50ft of the perforations.
- Perforations are required below the surface casing shoe if cement does not exist behind the casing, a 30-minute minimum wait time will be required immediately after perforating 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. If gas is detected contact the OCD office for directions.

15. No more than 3000 feet is allowed between cement plugs in cased hole and no more than 2000 feet is allowed in open hole.

16. Formation Tops to be isolated with cement plugs, but not limited to are:
    - Northwest See Figure A
    - South (Artesia) See Figure B
    - Potash See Figure C
        - In the R-111-P (Or as subsequently revised) Area a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, woe 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.
    - South (Hobbs) See Figure D1 and D2
    - Areas not provided above will need to be reviewed with the OCD on a case by case basis.

17. Markers
    - Dry hole marker requirements 19.15.25.10.
      The operator shall mark the exact location of plugged and abandoned wells with a steel marker not less than four inches in diameter set in cement and extending at least four feet above mean ground level. The marker must include the below information:
        1. Operator name
        2. Lease name and well number
        3. API number
        4. Unit letter
        5. Section, Township and Range

    - AGRICULTURE (Below grade markers)
      In Agricultural areas a request can be made for a below ground marker. For a below ground marker the operator must file their request on a C-103 notice of intent, and it must include the following;
        A) Aerial photo showing the agricultural area
        B) Request from the landowner for the below ground marker.

C) Subsequent plugging report for a well using a below ground marker must have an updated C-102 signed by a certified surveyor for SHL.

Note: A below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to OCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to OCD. OCD requires a current survey to verify the location of the below ground marker, however OCD will accept a GPS coordinate that were taken with a GPS that has an accuracy of within 15 feet.

18. If work has not commenced within 1 year of the approval of this procedure, the approval is automatically expired. After 1 year a new [C-103] NOI Plugging (C-103F) must be submitted and approved prior to work.

Figure A

North Formations to be isolated with cement plugs are:

- San Jose
- Nacimiento
- Ojo Alamo
- Kirtland
- Fruitland
- Picture Cliffs
- Chacra (if below the Chacra Line)
- Mesa Verde Group
- Mancos
- Gallup
- Basin Dakota (plugged at the top of the Graneros)
- Deeper formations will be reviewed on a case-by-case basis

Figure B

South (Artesia) Formations to be isolated with cement plugs are:

- Fusselman
- Montoya
- Devonian
- Morrow
- Strawn
- Atoka
- Permo-Penn
- Wolfcamp
- Bone Springs
- Delaware , in certain areas where the Delaware is subdivided into;
    - 1. Bell Canyon
    - 2. Cherry Canyon
    - 3. Brushy Canyon
- Any salt sections
- Abo
- Yeso
- Glorieta
- San Andres
- Greyburg
- Queen
- Yates

Figure C

Potash Area R-111-P

T 18S – R 30E
Sec 10 Unit P. Sec 11 Unit M,N. Sec 13 Unit L,M,N. Sec 14 Unit C -P. Sec 15 Unit A G,H,I,J,K,N,O,P. Sec 22 Unit All
except for M. Sec 23, Sec 24 Unit C,D,E,L, Sec 26 Unit A-G, Sec 27 Unit A,B,C

T 19S – R 29E
Sec 11 Unit P. Sec 12 Unit H-P. Sec 13. Sec 14 Unit A,B,F-P. Sec 15 Unit P. Sec 22 Unit A,B,C,F,G,H,I,J
K,N,O,P. Sec 23.
Sec 24. Sec 25 Unit D. Sec 26 Unit A- F. Sec 27 Unit A,B,C,F,G,H.

T 19S – R 30E
Sec 2 Unit K,L,M,N. Sec 3 Unit I,L,M,N,O,P. Sec 4 Unit C,D,E,F,G,I-P. Sec 5 Unit A,B,C,E-P. Sec 6 Unit I,O,P. Sec 7 – Sec
10. Sec 11 Unit D, G—P. Sec 12 Unit A,B,E-P. Sec 13 Unit A-O. Sec 14-Sec 18. Sec 19 Unit A-L, P. Sec 20 – Sec 23. Sec
24 Unit C,D,E,F,L,M,N. Sec 25 Unit D. Sec 26 Unit A-G, I-P. Sec 27, Sec 28, Sec 29 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 32
Unit A,B,G,H,I,J,N,O,P. Sec 33. Sec 34. Sec 35. Sec 36 Unit D,E,F,I-P.

T 19S – R 31E
Sec 7 Unit C,D,E,F,L. Sec 18 Unit C,D,E,F,G,K,L. Sec 31 Unit M. Sec 34 Unit P. Sec 35 Unit M,N,O. Sec 36 Unit O,P.

T 20S – R 29E
Sec 1 Unit H,I,P. Sec 13 Unit E,L,M,N. Sec 14 Unit B-P. Sec 15 Unit A,H,I,J,N,O,P. Sec 22 Unit A,B,C,F,G,H,I,J,O,P. Sec
23. Sec 24 Unit C,D,E,F,G,J-P. Sec 25 Unit A-O. Sec 26. Sec 27 Unit A,B,G,H,I,J,O,P. Sec 34 Unit A,B,G,H. Sec 35 Unit
A-H. Sec 36 Unit B-G.

T 20S – R 30E
Sec 1 – Sec 4. Sec 5 Unit A,B,C,E-P. Sec 6 Unit E,G-P. Sec 7 Unit A-H,I,J,O,P. Sec 8 – 17. Sec 18 Unit A,B,G,H,I,J,O,P.
Sec 19 Unit A,B,G,H,I,J,O,P. Sec 20 – 29. Sec 30 Unit A-L,N,O,P. Sec 31 Unit A,B,G,H,I,P. Sec 32 – Sec 36.

T 20S – R 31E
Sec 1 Unit A,B,C,E-P. Sec 2. Sec 3 Unit A,B,G,H,I,J,O,P. Sec 6 Unit D,E,F,J-P. Sec 7. Sec 8 Unit E-P. Sec 9 Unit E,F,J-P.
Sec 10 Unit A,B,G-P. Sec 11 – Sec 36.

T 21S – R 29E
Sec 1 – Sec 3. Sec 4 Unit L1 – L16,I,J,K,O,P. Sec 5 Unit L1. Sec 10 Unit A,B,H,P. Sec 11 – Sec 14. Sec 15 Unit A,H,I. Sec
23 Unit A,B. Sec 24 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 25 Unit A,O,P. Sec 35 Unit G,H,I,J,K,N,O,P. Sec 36 A,B,C,F – P.

T 21S – R 30E
Sec 1 – Sec 36

T 21S – R 31E

Sec 1 – Sec 36

T 22S – R 28E
Sec 36 Unit A,H,I,P.

T 22S – R 29E
Sec 1. Sec2. Sec 3 Unit I,J,N,O,P. Sec 9 Unit G – P. Sec 10 – Sec 16. Sec 19 Unit H,I,J. Sec 20 – Sec 28. Sec 29 Unit
A,B,C,D,G,H,I,J,O,P. Sec 30 Unit A. Section 31 Unit C – P. Sec 32 – Sec 36

T 22S – R 30E
Sec 1 – Sec 36

T 22S – R 31E
Sec 1 – Sec 11. Sec 12 Unit B,C,D,E,F,L. Sec 13 Unit E,F,K,L,M,N. Sec 14 – Sec 23. Sec 24 Unit
C,D,E,F,K,L,M,N. Sec 25
Unit A,B,C,D. Sec 26 Unit A,BC,D,G,H. Sec 27 – Sec 34.

T 23S – R 28E
Sec 1 Unit A

T 23S – R 29E
Sec 1 – Sec 5. Sec 6 Unit A – I, N,O,P. Sec 7 Unit A,B,C,G,H,I,P. Sec 8 Unit A – L, N,O,P. Sec 9 – Sec 16. Sec 17 Unit
A,B,G,H,I,P. Sec 21 – Sec 23. Sec 24 Unit A – N. Sec 25 Unit D,E,L. Sec 26. Sec 27. Sec 28 Unit A – J, N,O,P. Sec 33
Unit A,B,C. Sec 34 Unit A,B,C,D,F,G,H. Sec 35. Sec 36 Unit B,C,D,E,F,G,K,L.

T 23S – R 30E
Sec 1 – Sec 18. Sec 19 Unit A – I,N,O,P. Sec 20, Sec 21. Sec 22 Unit A – N, P. Sec 23, Sec 24, Sec 25. Sec 26 Unit
A,B,F-P. Sec 27 Unit C,D,E,I,N,O,P. Sec 28 Unit A – H, K,L,M,N. Sec 29 Unit A – J, O,P. Sec 30 Unit A,B. Sec 32 A,B. Sec
33 Unit C,D,H,I,O,P. Sec 34, Sec 35, Sec 36.

T 23S – R 31E
Sec 2 Unit D,E,J,O. Sec 3 – Sec 7. Sec 8 Unit A – G, K – N. Sec 9 Unit A,B,C,D. Sec 10 Unit D,P. Sec 11 Unit G,H,I,J,M,N,O,P. Sec 12 Unit E,L,K,M,N. Sec 13 Unit C,D,E,F,G,J,K,L,M,N,O. Sec 14. Sec 15 Unit A,B,E – P. Sec 16 Unit
I, K – P. Sec 17 Unit B,C,D,E, I – P. Sec 18 – Sec 23. Sec 24 Unit B – G, K,L,M,N. Sec 25 Unit B – G, J,K,L. Sec 26 – Sec
34. Sec 35 Unit C,D,E.

T 24S – R 29E
Sec 2 Unit A, B, C, D. Sec 3 Unit A

T 24S – R 30E
Sec 1 Unit A – H, J – N. Sec 2, Sec 3. Sec 4 Unit A,B,F – K, M,N,O,P. Sec 9 Unit A – L. Sec 10 Unit A – L, O,P. Sec 11.
Sec 12 Unit D,E,L. Sec 14 Unit B – G. Sec 15 Unit A,B,G,H.

T 24S – R 31E
Sec 3 Unit B – G, J – O. Sec 4. Sec 5 Unit A – L, P. Sec 6 Unit A – L. Sec 9 Unit A – J, O,P. Sec 10 Unit B – G, K – N. Sec
35 Unit E – P. Sec 36 Unit E,K,L,M,N.

T 25S – R 31E
Sec 1 Unit C,D,E,F. Sec 2 Unit A – H.

Figure D1 and D2

South (Hobbs) Formations to be isolated with cement plugs are:

The plugging requirements in the Hobbs Area are based on the well location within specific areas of the Area (See Figure D1). The Formations in the Hobbs Area to be isolated with cement plugs are (see Figure D2)

Figure D1 Map

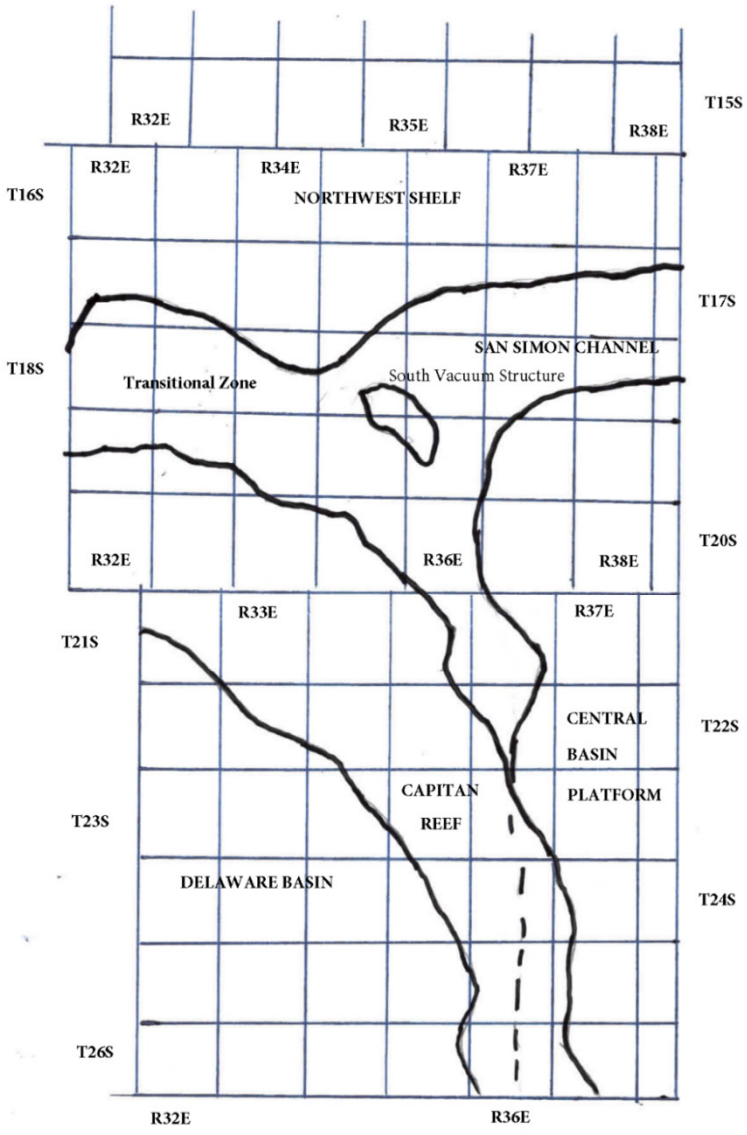


Figure D2 Formation Table

100' Plug to isolate upper and lower fresh water zones (typically 250' to 350')						
Northwest Shelf	**Captan Reef Area**	**Transition Zone**	**San Simon Channel**	**South Vacuum Structure**	**Delaware Basin**	**Central Basin Platform**
Granit Wash (Detrital basement material and fractured pre-Cambrian basement rock)	Siluro-Devonian	Morrow	Siluro-Devonian	Ellenburger	Siluro-Devonian	Granit Wash (Detrital basement material, fractured pre-Cambrian basement rock and fracture Mafic Volcanic intrusives).
Montoya	Mississippian	Atoka	Morrow	Mckee	Morrow	Ellenburger
Fusselman	Morrow	Strawn	Wolfcamp	Siluro-Devonian	Atoka	Connell
Woodford	Atoka	Cisco	Abo Reef	Woodford	Strawn	Waddell
Siluro-Devonian	Strawn	Pennsylvanian	Bone Spring	Mississippian	Pennsylvanian	Mckee
Chester	Pennsylvanian	Wolfcamp	Delaware	Barnett Shale	Lower Wolfcamp	Simpson Group
Austin	Wolfcamp	Bone Spring	San Andres	Morrow	Upper Wolfcamp	Montoya
Mississippian	Abo Reef, if present	Delaware	Queen	Atoka	Wolfcamp	Fusselman
Morrow	Abo, if present	San Andres	Yates	Strawn	Third Bone Spring Sand (Top of Wolfbone)	Silurian
Atoka	Queen, if present	Grayburg-San Andres	Base of Salt	Canyon	First Bone Spring Sand (Top of Lower Bone Spring)	Devonian
Lower Pennsylvanian	Bone Spring	Queen	Rustler	Pennsylvanian	Bone Spring	Strawn
Cisco-Canyon	Delaware	Seven Rivers		Blinebry	Brushy Canyon	Pennsylvanian
Pennsylvanian	Base Capitan Reef	Yates		Bone Spring	Delaware (Base of Salt)	Wolfcamp
Bough	Seven Rivers	Base of Salt		San Andres	Rustler	Abo
Wolfcamp	Yates	Rustler		Queen		Abo Reef
Abo	Top Capitan Reef			Base of Salt		Drinkard
Abo Reef, if present	Base of Salt			Rustler		Tubb
Yeso (Township 15 South to Township 17 South)	Rustler					Blinebry
Drinkard or Lower Yeso (Township 15 South to Township 17 South)						Paddock
Tubb (Township 15 South to Township 17 South)						Glorieta
Blinebry (Township 15 South to Township 17 South)						San Andres
Paddock (Township 15 South to Township 17 South)						Grayburg
Glorieta						Grayburg-San Andres
San Andres						Queen
Queen (Township 15 South to Township 17 South)						Seven Rivers
Seven Rivers (Township 15 South to Township 17 South)						Yates
Yates (Township 15 South to Township 17 South)						Base of Salt
Base of Salt						Rustler
Rustler						

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 383126

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 383126
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	Tagging is required on every perforated plug - As long as each formation is perforated a log is not required- Notify NMOCD 24 hours prior to moving on - monitor string pressures daily report on subsequent - submit all logs prior to subsequent - extend Mancos plug to 4368 NMOCD call on Mancos top 4318	9/19/2024