

Well Name: BUDDY COM	Well Location: T23N / R6W / SEC 15 / SESE / 36.219574 / -107.448456	County or Parish/State: RIO ARRIBA / NM
Well Number: 1	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM42933	Unit or CA Name: BUDDY	Unit or CA Number: NMNM68174
US Well Number: 300392303200S1	Operator: DUGAN PRODUCTION CORPORATION	

Notice of Intent

Sundry ID: 2869316

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 08/21/2025	Time Sundry Submitted: 03:24
Date proposed operation will begin: 09/23/2025	

Procedure Description: Dugan Production plans to plug and abandon the well per the following procedure: 1) PU & tally 2-3/8" work string. Run 4½" casing scraper to 5100'. RIH & set 4½" cement retainer @ 5020'. Gallup perforations are @ 5070'-5615'. 2) Load and circulate hole clean. Run CBL from 5070' to surface. Will make necessary changes to the plugs after reviewing the CBL. 3) Plug I, Gallup Perforations-Gallup-DV tool-Mancos: Sting in the cement retainer at 5020'. Squeeze 20 sks, 23 cu ft Class G neat cement to spot cement under the retainer to the top perforations at 5070'. Sting out. Spot Plug I inside 4½" casing from 5020' on top of the CIBP to cover till 4401' w/50 sks (57.5 cu ft) Class G cement to cover the Gallup perforations, Gallup top, DV tool & Mancos top. Plug I, Inside 4½" casing, cement retainer at 5020', 70 sks, 80.5 cu ft, Gallup perforations, Gallup-DV tool-Mancos tops, 4401'-5070'. 4) Plug II, Mesaverde: Spot Plug II inside 4½" casing from 3590' to 3440' w/12 sks, 13.8 cu ft Class G neat cement to cover the Mesaverde top. Plug II, Inside 4½" casing, 12 sks, 13.8 cu ft, Mesaverde, 3440'-3590'. 5) Plug III, Lower Chacra-Upper Chacra: Spot Plug III inside 4½" casing from 2886' to 2372' w/42 sks, 48.3 cu ft Class G cement to cover the Lower Chacra & Upper Chacra tops. Plug III, Inside 4½" casing, 42 sks, 48.3 cu ft, Lower Chacra-Upper Chacra, 2372'-2886'. 6) Plug IV, Pictured Cliffs-Fruitland-Kirtland-Ojo Alamo : Spot Plug IV inside 4½" casing from 2108' to 1355' w/60 sks, 69 cu ft Class G cement to cover the Pictured Cliffs, Fruitland, Kirtland & Ojo Alamo tops. Plug IV, Inside 4½" casing, 60 sks, 69 cu ft, Pictured Cliffs-Fruitland-Kirtland-Ojo Alamo, 1355'-2108'. 7) Plug V, Surface: Spot Plug V inside 4½" casing from 244' to Surface w/20 sks, 23 cu ft Class G cement to cover the surface casing shoe to surface. Plug V, Inside 4½" casing, 20 sks, 23 cu ft, Surface, 0'-244'. 8) Cut wellhead. Tag TOC at surface. Fill cement in case needed. 9) Install dry hole marker. Clean location.

Received by OCD: 8/28/2025 12:45:58 PM

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Well Number: 1

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM42933

Unit or CA Name: BUDDY

Unit or CA Number: NMNM68174

US Well Number: 300392303200S1

Operator: DUGAN PRODUCTION CORPORATION

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- Buddy_Com_1_Rec_Plan_4_2_25_20250827084701.pdf
- Buddy_Com_1_proposed_PA_formation_tops_20250827084700.pdf
- Buddy_Com_1_proposed_PA_planned_work_20250827084700.pdf
- Buddy_Com_1_proposed_PA_proposed_wellbore_schematic_20250827084700.pdf
- Buddy_Com_1_proposed_PA_current_wellbore_schematic_20250827084700.pdf

Conditions of Approval

Additional

- Buddy_Com_1_Geo_KR_20250828115411.pdf
- 2869316_1_3003923032_NOIA_KR_08282025_20250828115008.pdf

Authorized

- General_Requirement_PxA_20250828115503.pdf

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Operator: DUGAN PRODUCTION CORPORATION

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 27, 2025 08:47 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: 08/28/2025

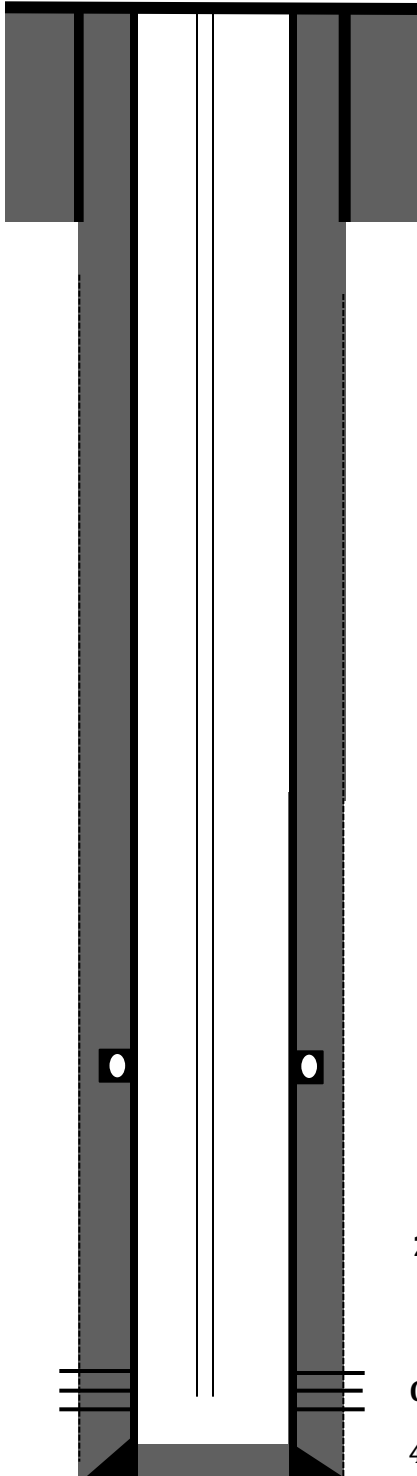
Signature: Kenneth Rennick

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

- PU & tally 2-3/8" workstring. Run 4½" casing scraper to 5100'. RIH & set 4½" cement retainer @ 5020'. **Gallup perforations are @ 5070'-5615'.**
- Load and circulate hole clean. Run CBL from 5070' to surface. Will make necessary changes to the plugs after reviewing the CBL.
- **Plug I, Gallup Perforations-Gallup-DV tool-Mancos:** Sting in the cement retainer at 5020'. Squeeze 20 sks, 23 cu ft Class G neat cement to spot cement under the retainer to the top perforations at 5070'. Sting out. Spot Plug I inside 4½" casing from 5020' on top of the CIBP to cover till 4401' w/50 sks (57.5 cu ft) Class G cement to cover the Gallup perforations, Gallup top, DV tool & Mancos top. **Plug I, Inside 4½" casing, cement retainer at 5020', 70 sks, 80.5 cu ft, Gallup perforations, Gallup-DV tool-Mancos tops, 4401'-5070'.**
- **Plug II, Mesaverde:** Spot Plug II inside 4½" casing from 3590' to 3440' w/12 sks, 13.8 cu ft Class G neat cement to cover the Mesaverde top. **Plug II, Inside 4½" casing, 12 sks, 13.8 cu ft, Mesaverde, 3440'-3590'.**
- **Plug III, Lower Chacra-Upper Chacra:** Spot Plug III inside 4½" casing from 2886' to 2372' w/42 sks, 48.3 cu ft Class G cement to cover the Lower Chacra & Upper Chacra tops. **Plug III, Inside 4½" casing, 42 sks, 48.3 cu ft, Lower Chacra-Upper Chacra, 2372'-2886'.**
- **Plug IV, Pictured Cliffs-Fruitland-Kirtland-Ojo Alamo :** Spot Plug IV inside 4½" casing from 2108' to 1355' w/60 sks, 69 cu ft Class G cement to cover the Pictured Cliffs, Fruitland, Kirtland & Ojo Alamo tops. **Plug IV, Inside 4½" casing, 60 sks, 69 cu ft, Pictured Cliffs-Fruitland-Kirtland-Ojo Alamo, 1355'-2108'.**
- **Plug V, Surface: :** Spot Plug V inside 4½" casing from 244' to Surface w/20 sks, 23 cu ft Class G cement to cover the surface casing shoe to surface. **Plug V, Inside 4½" casing, 20 sks, 23 cu ft, Surface, 0'-244'.**
- Cut wellhead. Tag TOC at surface. Fill cement in case needed.
- Install dry hole marker. Clean location.

Current Wellbore Schematic

Buddy Com # 1
30-039-23032
Counselors Gallup
660' FSL & 660' FEL
S15-T23N-R06W
Rio Arriba County, NM



8 5/8" 24# casing @ 194' Hole size 12 1/4 "
Cement w/ 135 sks class B. Circ cement to surface

1st stage with 200 sacks 50/50 B-poz with 2% gel. Second stage cemented with 500 sacks 65/35 B-poz with 12% gel and 1# flocele/sk, and tailed with 100 sacks 50/50 B-poz with 2% gel and 1/4 # flocele/sk.
DV tool at 4501'

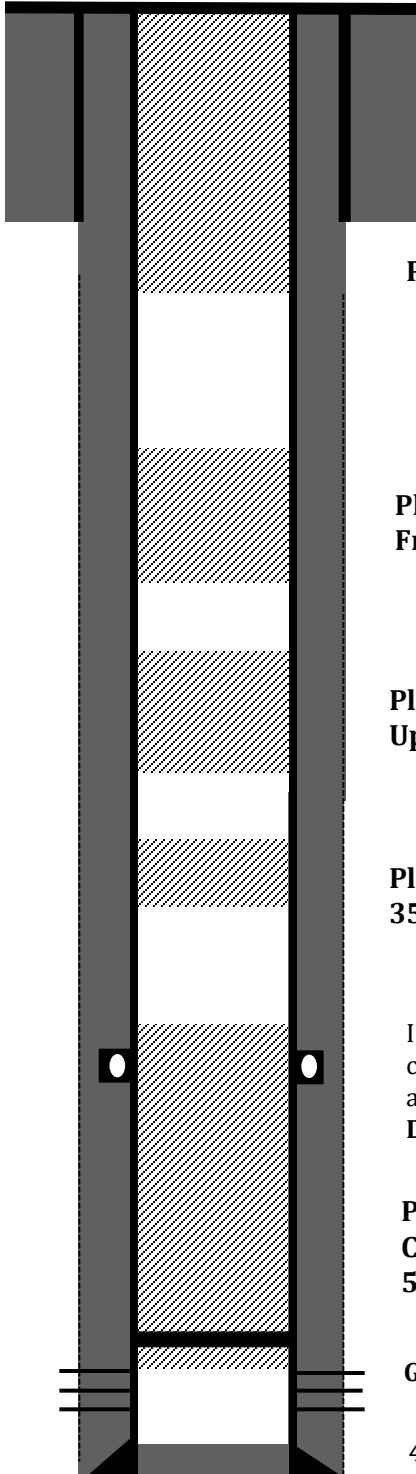
2-3/8" J-55 tubing ran to 5610'

Gallup Perforated @ 5070'-5615'

4 1/2" 10.5 # casing @ 5671'. Hole size 7-7/8"

Planned P & A Wellbore Schematic

Buddy Com # 1
 30-039-23032
 Counselors Gallup
 660' FSL & 660' FEL
 S15-T23N-R06W
 Rio Arriba County, NM



8 5/8" 24# casing @ 194' Hole size 12 1/4"
 Cement w/ 135 sks class B. Circ cement to surface

Plug V, Inside 4 1/2" casing, 20 sks, 23 Cu.ft, Surface, 0'-244'

Plug IV, Inside 4 1/2" casing, 60 sks, 69 Cu.ft, Pictured Cliffs-Fruitland-Kirtland-Ojo Alamo, 1355'-2108'

Plug III, Inside 4 1/2" casing, 42 sks, 48.3 Cu.ft, Lower Chacra-Upper Chacra, 2372'-2886'

Plug II, Inside 4 1/2" casing, 12 sks, 13.8 Cu.ft, Mesaverde, 3440'-3590'

I st stage with 200 sacks 50/50 B-poz with 2% gel. Second stage cemented with 500 sacks 65/35 B-poz with 12% gel and 1# flocele/sk, and tailed with 100 sacks 50/50 B-poz with 2% gel and 1/4 # flocele/sk.
DV tool at 4501'

Plug I, Inside 4 1/2" casing, Cement Retainer at 5020', 70 sks, 80.5 Cu.ft, Gallup Perforations, Gallup-DV tool-Mancos tops, 4401'-5070'

Gallup Perforated @ 5070'-5615'

4 1/2" 10.5 # casing @ 5671'. Hole size 7-7/8"

Buddy Com # 1
30-039-23032
Counselors Gallup
660' FSL & 660' FEL
S15-T23N-R06W
Rio Arriba County , NM

Elevation ASL : 6920' GR, 6932' KB

Formation Tops (Operator Submitted)

- *Surface Casing* - 194'
- Ojo Alamo - 1455'
- Kirtland - 1648'
- Fruitland - 1822'
- Pictured Cliffs - 2058'
- Lewis - 2176'
- Upper Chacra - 2472'
- Lower Chacra - 2836'
- Mesaverde - 3540'
- DV tool - 4501'
- *Mancos* - 4580'
- Gallup - 4898'
- Gallup Perfs - 5070'-5615'



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 28, 2025

Notice of Intent – Plug and Abandonment

Operator: Dugan Production Corporation
Lease: NMNM 042933
Well(s): Buddy Com 1, US Well # 30-039-23032
Location: SESE Sec 15 T23N R06W (Rio Arriba, NM)
Sundry Notice ID #: 2869316

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 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 8/28/2025

**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**

8/28/2025

Well No.	Buddy Com 1	Surf. Loc.	660 FSL	660 FEL
US Well No.	30-039-23032	SESE	15	T. 23N R. 6W
Lease No.	NMNM 042933			
Operator	Dugan Production Corporation	County	Rio Arriba	State New Mexico
TVD	5680	Formation	Counselors	Gallup-Dakota
Elevation GL	6920	Elevation KB	6932	

Geologic Formations	Est. tops	Remarks
Surface Casing	194	
Ojo Alamo Ss	1455	Fresh water aquifer
Kirtland Fm	1648	
Fruitland Fm	1822	Coal/ gas/ possible water
Pictured Cliffs	2058	Possible gas/ water
Lewis Shale (Main)	2176	Source rock
Huerfanito Bentonite	2380	Reference bed
Chacra (Upper)	2472	Possible gas/ water
Lewis Shale Stringer	2620	Source rock
Chacra (Lower)	2836	Possible gas/ water
Lewis Shale Stringer	3060	Source rock
Cliff House Ss	3540	Possible gas/ water
Menefee Fm	3830	Coal/ water/ possible gas
Point Lookout Fm	4267	Possible gas/ water
Mancos Shale	4580	Source rock
DV Tool	4501	
Gallup	4898	Oil & gas
Gallup Perfs (Top)	5070	
(Bottom)	5393	

Remarks:Reference Well:

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

N/A, raster logs associated to the well

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 500304

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 500304
	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.	8/28/2025
loren.diede	A Cement Bond Log (CBL) is required to be submitted to electronic permitting.	8/28/2025
loren.diede	Submit photo and GPS coordinates of the P&A marker with the final P&A reports. The API # on the marker is to be clearly legible.	8/28/2025