

|                                |                                                                     |                                       |
|--------------------------------|---------------------------------------------------------------------|---------------------------------------|
| Well Name: ELLINGTON           | Well Location: T22N / R8W / SEC 26 / SESW / 36.106192 / -107.654511 | County or Parish/State: SAN JUAN / NM |
| Well Number: 1                 | Type of Well: CONVENTIONAL GAS WELL                                 | Allottee or Tribe Name:               |
| Lease Number: NMNM94067        | Unit or CA Name:                                                    | Unit or CA Number:                    |
| US Well Number: 300452990700S1 | Operator: DUGAN PRODUCTION CORPORATION                              |                                       |

Notice of Intent

Sundry ID: 2885296

|                                                |                                      |
|------------------------------------------------|--------------------------------------|
| Type of Submission: Notice of Intent           | Type of Action: Plug and Abandonment |
| Date Sundry Submitted: 12/04/2025              | Time Sundry Submitted: 12:24         |
| Date proposed operation will begin: 12/12/2025 |                                      |

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

- Ellington\_1\_Rec\_Plan\_10\_9\_25\_20251204122232.pdf
- Ellington\_1\_proposed\_PA\_formation\_tops\_20251204122220.pdf
- Ellington\_1\_proposed\_PA\_planned\_wellbore\_schematic\_20251204122214.pdf
- Ellington\_1\_proposed\_PA\_current\_wellbore\_schematic\_20251204122208.pdf
- Ellington\_1\_proposed\_PA\_planned\_work\_20251204122202.pdf

|                                       |                                                                            |                                              |
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| <b>Well Name:</b> ELLINGTON           | <b>Well Location:</b> T22N / R8W / SEC 26 / SESW / 36.106192 / -107.654511 | <b>County or Parish/State:</b> SAN JUAN / NM |
| <b>Well Number:</b> 1                 | <b>Type of Well:</b> CONVENTIONAL GAS WELL                                 | <b>Allottee or Tribe Name:</b>               |
| <b>Lease Number:</b> NMNM94067        | <b>Unit or CA Name:</b>                                                    | <b>Unit or CA Number:</b>                    |
| <b>US Well Number:</b> 300452990700S1 | <b>Operator:</b> DUGAN PRODUCTION CORPORATION                              |                                              |

Conditions of Approval

Specialist Review

General\_Requirement\_PxA\_20251204134427.pdf  
2885296\_1\_3004529907\_NOIA\_KR\_12042025\_20251204134417.pdf  
Ellington\_1\_Geo\_KR\_20251204134417.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

|                                                    |                                         |
|----------------------------------------------------|-----------------------------------------|
| <b>Operator Electronic Signature:</b> TYRA FEIL    | <b>Signed on:</b> DEC 04, 2025 12:22 PM |
| <b>Name:</b> DUGAN PRODUCTION CORPORATION          |                                         |
| <b>Title:</b> Authorized Representative            |                                         |
| <b>Street Address:</b> PO BOX 420                  |                                         |
| <b>City:</b> FARMINGTON                            | <b>State:</b> NM                        |
| <b>Phone:</b> (505) 325-1821                       |                                         |
| <b>Email address:</b> TYRAFEIL@DUGANPRODUCTION.COM |                                         |

Field

|                                                       |                  |                        |
|-------------------------------------------------------|------------------|------------------------|
| <b>Representative Name:</b> Aliph Reena               |                  |                        |
| <b>Street Address:</b> PO Box 420                     |                  |                        |
| <b>City:</b> Farmington                               | <b>State:</b> NM | <b>Zip:</b> 87499-0420 |
| <b>Phone:</b> (505)360-9192                           |                  |                        |
| <b>Email address:</b> Aliph.Reena@duganproduction.com |                  |                        |

BLM Point of Contact

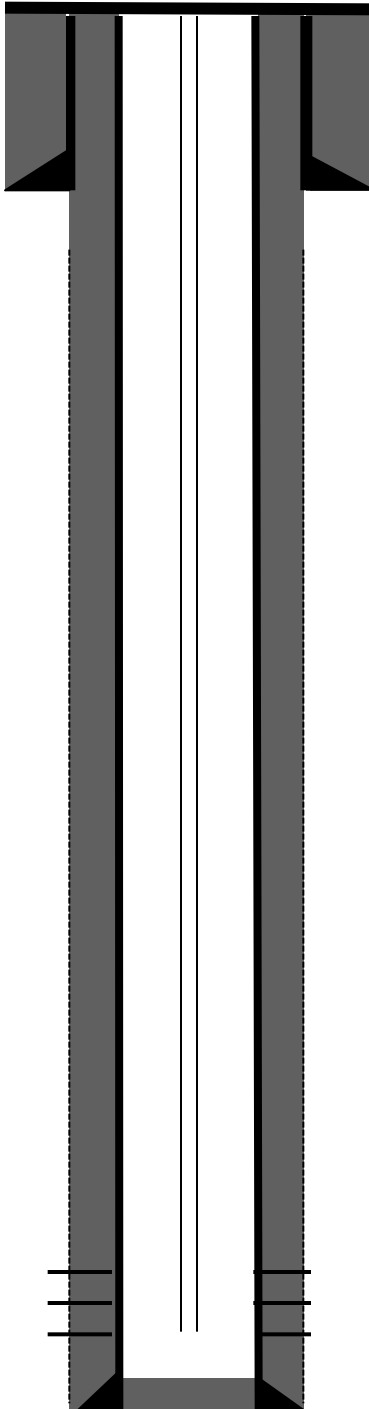
|                                        |                                                |
|----------------------------------------|------------------------------------------------|
| <b>BLM POC Name:</b> KENNETH G RENNICK | <b>BLM POC Title:</b> Petroleum Engineer       |
| <b>BLM POC Phone:</b> 5055647742       | <b>BLM POC Email Address:</b> krennick@blm.gov |
| <b>Disposition:</b> Approved           | <b>Disposition Date:</b> 12/04/2025            |
| <b>Signature:</b> Kenneth Rennick      |                                                |

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

- Run 4½" casing scraper to 1130'. RIH & set 4½" cement retainer to 1100'. Chacra perforations @ 1142'-1267'. Load and circulate hole.
- Attempt to pressure test casing to 600 psi for 30 mins.
- Run CBL from 1100' to surface.
- **Plug I, Chacra-Pictured Cliffs-Fruitland- Kirtland-Ojo Alamo-Surface Casing-Surface:** Sting in the cement retainer. Squeeze 20 sks, 23 cu ft Class G neat cement to cover the Pictured Cliffs below the retainer. Sting out. Spot plug inside 4½" casing above cement retainer @ 1100' to Surface w/90 sks (103.5 cu ft) Class G neat cement to cover the Chacra-Pictured Cliffs, Fruitland-Kirtland, Ojo Alamo tops, surface casing shoe & surface casing. (5 gal/sk, 15.8 #/gal, 1.15 cu ft/sk). Total cement 110 sks, 126.5 cu ft. Tag and verify. **Plug I, Inside 4½" casing, cement retainer at 1100', 110 sks, 126.5 cu ft, Chacra-Pictured Cliffs-Fruitland- Kirtland-Ojo Alamo-Surface Casing shoe to Surface, 0' – 1142'.**
- 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**

Ellington # 1  
30-045-29907  
Rusty Chacra  
1100' FSL & 1850' FWL  
N-S26-T22N-R08W  
San Juan County, NM



**7" 20#, K-55 casing @ 120': Hole size - 9-7/8"**

Cemented with 51.3 sks, Class B cement w/1/4# celloflake/sx  
(59 cu ft total slurry) Circ 2 bbls cement

**2-3/8" tubing ran to 1296'**

**4 1/2" 10.5#, J-55 casing @ 1388'. Hole size: 6-1/4"**

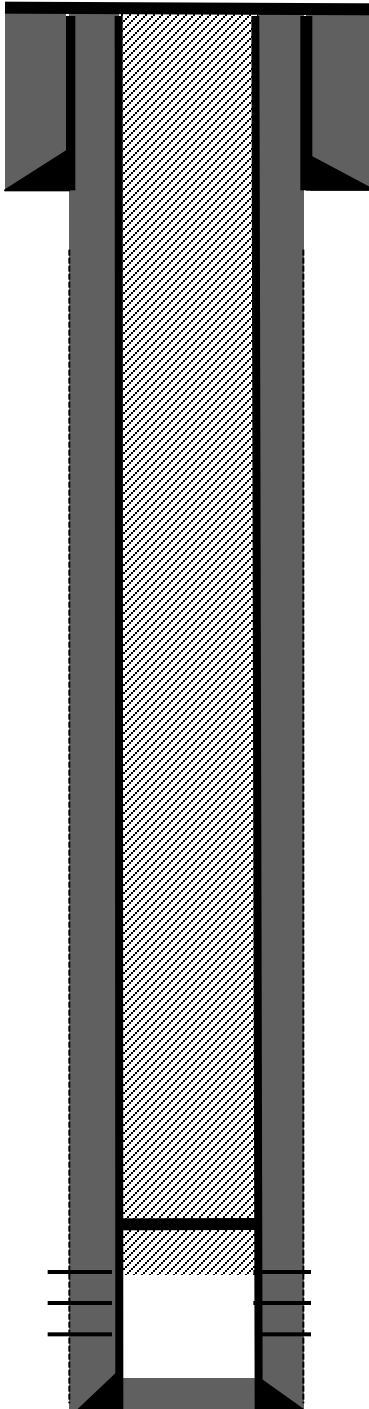
Cement w/ 88.7 sks 2% Lodense w/1/4# celloflake/sx. Tail  
with 102.6 sks Class B containing 1/4# celloflake/sx. (220 cu ft  
total slurry) Circ 7 bbls cement to surface.

Fruitland Coal Perforated @ 1142' – 1267'

PBTD @ 1317', TD 1370'

**Planned P & A Wellbore Schematic**

Ellington # 1  
30-045-29907  
Rusty Chacra  
1100' FSL & 1850' FWL  
N-S26-T22N-R08W  
San Juan County, NM



**7" 20#, K-55 casing @ 120': Hole size - 9-7/8"**

Cemented with 51.3 sks, Class B cement w/1/4# celloflake/sx  
(59 cu ft total slurry) Circ 2 bbls cement

**Set 4 1/2" CR @ 1100'. Squeeze 20 sks, 23 Cu.ft cement to cover the Pictured cliffs top below the retainer.**

**Plug I, Inside 4 1/2" casing, cement retainer at 1100', 110 sks, 126.5 cu ft, Chacra-Pictured Cliffs-Fruitland- Kirtland-Ojo Alamo-Surface Casing shoe to Surface, 0' - 1142'.**

**4 1/2" 10.5#, J-55 casing @ 1388'. Hole size: 6-1/4"**

Cement w/ 88.7 sks 2% Lodense w/1/4# celloflake/sx. Tail with 102.6 sks Class B containing 1/4# celloflake/sx. (220 cu ft total slurry) Circ 7 bbls cement to surface.

Chacra Perforated @ 1142' - 1267'

PBTD @ 1317', TD 1370'

**Ellington # 1**  
30-045-29907  
Bisti Chacra  
1100' FSL & 1850' FWL  
N-S26-T22N-R08W  
San Juan County, NM

**Formation Tops (Operator Submitted)**

- Surface Casing - 120'
- Ojo Alamo - 132'
- Kirtland - 230'
- Fruitland - 650'
- Pictured Cliffs - 783'
- Chacra - 1133
- Perforations - 1142'-1167'



# 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

December 4, 2025

### Notice of Intent – Plug and Abandonment

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**Operator:** Dugan Production Corporation  
**Lease:** NMNM 094067  
**Well(s):** Ellington 1, US Well # 30-045-29907  
**Location:** SESW Sec 26 T22N R8W (San Juan, NM)  
**Sundry Notice ID #:** 2885296

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 12/04/2025

**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 H<sub>2</sub>S.

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**

12/04/2025

|              |                              |              |                 |              |              |
|--------------|------------------------------|--------------|-----------------|--------------|--------------|
| Well No.     | Ellington 1                  | Surf. Loc.   | 1100 FSL        | 1850 FWL     |              |
| US Well No.  | 30-045-29907                 |              | SESW Section 26 | T. 22N R. 8W |              |
| Lease No.    | NMNM 094067                  |              |                 |              |              |
| Operator     | Dugan Production Corporation | County       | San Juan        | State        | New Mexico   |
| TVD          | 1370                         | PBTD         | 1317            | Formation    | Rusty Chacra |
| Elevation GL | 6722                         | Elevation KB | NA              |              |              |

| <b>Geologic Formations</b> | <b>Est. tops</b> | <b>Remarks</b> |
|----------------------------|------------------|----------------|
| Surface Casing             | 120              |                |
| Ojo Alamo                  | 132              |                |
| Kirtland                   | 230              |                |
| Fruitland Fm               | 650              |                |
| Pictured Cliffs            | 783              |                |
| Chacra                     | 1133             |                |
| Top Perforation            | 1142             |                |
| Bottom Perforation         | 1167             |                |

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 531997

CONDITIONS

|                                                                          |                                                     |
|--------------------------------------------------------------------------|-----------------------------------------------------|
| Operator:<br>DUGAN PRODUCTION CORP<br>PO Box 420<br>Farmington, NM 87499 | OGRID:<br>6515                                      |
|                                                                          | Action Number:<br>531997                            |
|                                                                          | Action Type:<br>[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.                           | 12/5/2025      |
| 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. | 12/5/2025      |