

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

Well Name: HILL	Well Location: T25N / R3W / SEC 23 / NWNE / 36.388521 / -107.111787	County or Parish/State: RIO ARRIBA / NM
Well Number: 4	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM04075	Unit or CA Name: PICTURED CLIFFS	Unit or CA Number: NMNM73508
US Well Number: 300390593900S1	Operator: DUGAN PRODUCTION CORPORATION	

Notice of Intent

Sundry ID: 2900306

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 03/12/2026

Time Sundry Submitted: 03:53

Date proposed operation will begin: 03/24/2026

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

- Hill_4_Rec_Plan_3_12_26_20260312155050.pdf
- Hill_4_proposed_PA_formation_tops_20260312155043.pdf
- Hill_4_proposed_PA_planned_wellbore_schematic_20260312155030.pdf
- Hill_4_proposed_PA_current_wellbore_schematic_20260312155018.pdf
- Hill_4_proposed_PA_planned_work_20260312155007.pdf

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US Well Number: 300390593900S1

Operator: DUGAN PRODUCTION CORPORATION

Conditions of Approval

Authorized

- 2900306_4_3003905939_NOIA_KR_03132026_20260313140759.pdf
- Hill_4_P_AGeoReport_20260313140758.pdf
- General_Requirement_PxA_20260313140749.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: MAR 12, 2026 03:52 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: 03/13/2026

Signature: Kenneth Rennick

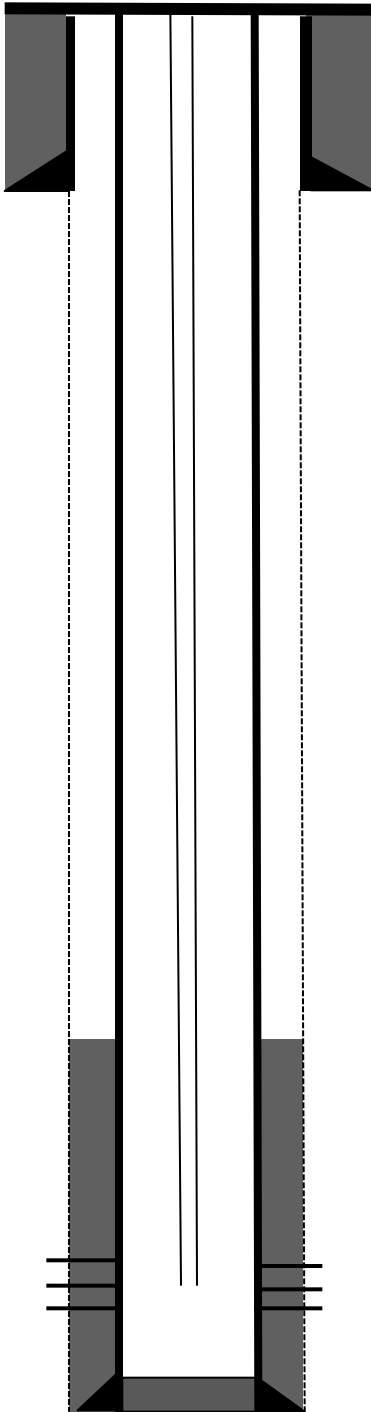
Dugan Production plans to plug and abandon the well per the following procedure:

- Run 5½" casing scraper to 3640'.
- RIH & set 5½" cement retainer to 3620'. **Pictured Cliffs perforations @ 3662'-3680'.**
- Load and circulate hole.
- Pressure test casing to 600 psi for 30 mins.
- Run CBL from 3620' to surface.
- Calculations for inside/outside plugs were done assuming hole size is 7-7/8" as actual size in unknown.
- **Plug I, Pictured Cliffs Perforations-Pictured Cliffs-Fruitland-Kirtland tops:** Sting in the cement retainer. Squeeze 20 sks, 23 cu ft Class G cement to cover the Pictured Cliffs below the retainer. Sting out. Spot inside 5½" casing above cement retainer @ 3620' to 3363' w/35 sks (40.25 cu ft) Class G neat cement to cover the Pictured Cliffs-Fruitland-Kirtland tops. Total cement 55 sks, 63.25 cu ft (5 gal/sk, 15.8 #/gal, 1.15 cu ft/sk). Tag and verify. **Plug I, Inside 5½" casing, cement retainer at 3620', 55 sks, 63.25 cu ft, Pictured Cliffs-Fruitland-Kirtland, 3363'-3662'.**
- **Plug II, Ojo Alamo top:** MI WL. RIH and shoot squeeze holes at 3113', EOT at 3153', squeeze Plug II inside/outside 5½" casing from 3153' to 2963' w/73 sks, 83.95 cu ft (48 sks, 55.2 cu ft outside; 25 sks, 28.75 cu ft. inside) Class G neat cement to cover the Ojo Alamo top (5 gal/sk, 15.8 #/gal, 1.15 cu ft/sk). Tag and verify. **Plug II, Inside/outside 5½" casing, perforations at 3113', EOT 3153', 73 sks, 83.95 cu ft, Ojo Alamo top, 3153'-2963'.**
- **Plug III, Nacimiento top:** MI WL. RIH and shoot squeeze holes at 908', EOT at 958', squeeze Plug III inside/outside 5½" casing from 958' to 758' w/73 sks, 83.95 cu ft (48 sks, 55.2 cu ft outside; 25 sks, 28.75 cu ft. inside) Class G neat cement to cover the Ojo Alamo top (5 gal/sk, 15.8 #/gal, 1.15 cu ft/sk). Tag and verify. **Plug III, inside/outside 5½" casing, perforations at 908', EOT 958', 73 sks, 83.95 cu ft, Nacimiento top, 758'-958'.**
- **Plug IV, surface casing shoe-Surface:** MI WL. RIH and shoot squeeze holes at 200', EOT at 250'. Squeeze Plug IV inside/outside 5½" casing from 250' to surface w/95 sks, 109.25 cu ft Class G neat cement to cover from 215' to surface (63 sks, 72.45 cu ft outside, 32 sks, 36.8 cu ft inside). **Plug IV, Inside 5½" casing, perforations at 200', EOT @ 250' 95 sks, 109.25 cu ft, surface casing shoe to surface, 0-250'.**
- 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

Hill 4

30-039-05939
Tapacito Pictured Cliffs
790' FNL & 1850' FEL
B S23-T25N-R03W
Rio Arriba County, NM



8-5/8" 24#, J-55 casing @ 96': Hole size -12-1/4"
Cemented with 70 sks, cement.

**3257' Estimated top of cement behind casing using the 75%
volume calculation of cement pumped at completion.**

1-1/4" J-55 tubing ran to 3667'

5 1/2" 15.5#, J-55 casing @ 3734'. Hole size: 7-7/8"
Cement w/ 100 sks cement.

Pictured Cliffs Perforated @ 3662' – 3680'

PBTD @ 3734', TD 3755'

Planned P & A Wellbore Schematic

Hill 4

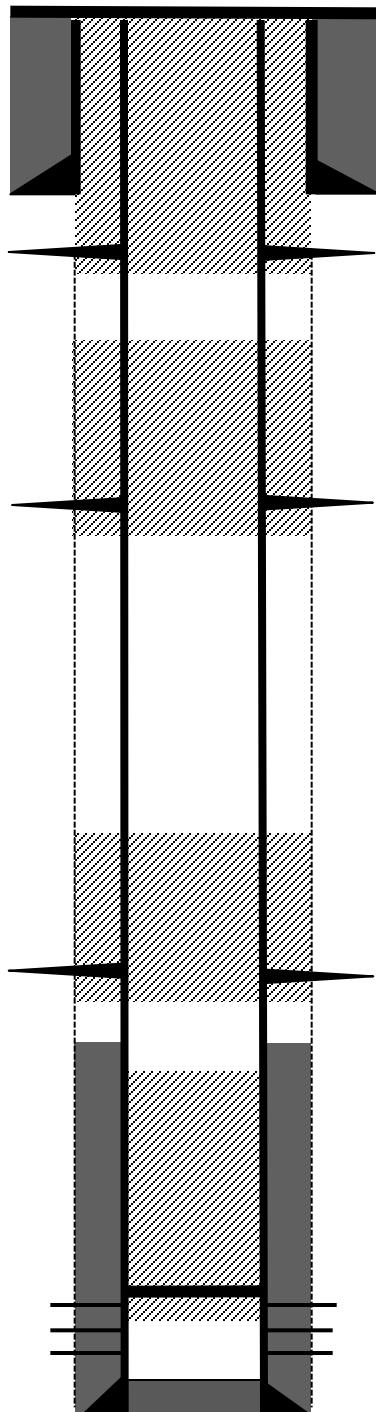
30-039-05939

Tapacito Pictured Cliffs

790' FNL & 1850' FEL

B S23-T25N-R03W

Rio Arriba County, NM



8-5/8" 24#, J-55 casing @ 96': Hole size -12-1/4"
Cemented with 70 sks, cement.

Plug IV, Inside 5 1/2" casing, Perforations at 200', EOT @ 250'
95sks, 109.25 cu ft, surface casing shoe to surface, 0-250'.

Plug III, Inside/outside 5 1/2" casing, Perforations at 908',
EOT 958', 73 sks, 83.95 cu ft, Nacimiento top, 758'-958'.

Plug II, Inside/outside 5 1/2" casing, Perforations at 3113',
EOT 3153', 73 sks, 83.95 cu ft, Ojo Alamo top, 3153'-2963'.

Set 5 1/2" CR @ 3620'. Squeeze 20 sks, 23 cu ft under CICR to
cover the Pictured Cliffs Perforations.

Plug I, Inside 5 1/2" casing, cement retainer at 3620', 55 sks,
63.25 cu ft, Pictured Cliffs-Fruitland-Kirtland, 3363'-3662'.

5 1/2" 15.5#, J-55 casing @ 3734'. Hole size: 7-7/8"
Cement w/ 100 sks cement.

Pictured Cliffs Perforated @ 3662' - 3680'

PBTD @ 3734', TD 3755'

Hill 4

30-039-05939

Tapacito Pictured Cliffs

790' FNL & 1850' FEL

B S23-T25N-R03W

Rio Arriba County, NM

Elevation: 7232'

Formation Tops (Operator submitted)

- Surface Casing - 96'
- Nacimiento - 858'
- Ojo Alamo - 3063'
- Kirtland - 3363'
- Fruitland - 3504'
- Pictured Cliffs - 3650'
- Perforations - 3662' - 3680'



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

March 13, 2026

Notice of Intent – Plug and Abandonment

Operator: Dugan Production Corporation
Lease: NMNM 004075
Agreement: NMNM 073508
Well(s): Hill 4, US Well # 30-039-05939
Sundry Notice ID #: 2900306

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. Modify Plug 3. Adjust the perforations and BOC to account for the BLM geologist's pick for the Nacimiento 890'. Setting perforations at approximately 940' is recommended.
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 3/13/2025

**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: 3/13/2026

Well No.	Hill #4	Surf. Loc.	790	FSL	1850	FEL	
API	30-039-05939		T. 25 N	R. 03 W	Section		23
Operator	Dugan Production Corp	County	Rio Arriba	State			NM
Elevation (KB)	7233						

Geologic Formations	Tops (TVD)	Remarks
Nacimiento	890	F/W Sands
Ojo Alamo	3063	F/W Sands
Kirtland	3470	
Fruitland	3597	Coal, Gas
Pic. Cliffs	3671	Gas

Completed by Alek K.

Remarks: Please adjust all plugs to cover BLM-Picked formation tops.

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 563591

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 563591
	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.	3/17/2026
loren.diede	Submit photo and GPS coordinates of the P&A marker with the C-103P subsequent P&A report. The API# on the marker must be clearly legible.	3/17/2026