

Submit 1 Copy To Appropriate District
Office
District I - (575) 393-6161
1625 N French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-26077
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Monte Carlo
8. Well Number 2
9. OGRID Number
10. Pool name or Wildcat Wildcat Gallup

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator Dugan Production Corp. c/o BHP Billiton San Juan Coal	
3. Address of Operator PO Box 561, Waterflow, NM 87421 (505) 598-2000	
4. Well Location Unit Letter M : 800 feet from the South line and 910 feet from the West line Section 24 Township 30N Range 15W NMPM San Juan County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5365 ' GL ' KB	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

RCVD JUL 11 '12
OIL CONS. DIV.
DIST. 3

Well was P&A on February 14, 2012

Dugan Production as the operator of this well, is reporting it to be plugged and abandoned per the attached report. The plugging work was done by A-Plus Well Service for BHP Billiton San Juan Coal.

** Below grade marker requires a C-102 using a current survey attached to a subsequent report*

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

William Clark

TITLE

Contractor

DATE

7/2/2012

Type or print name

William Clark

E-mail address:

billc@apluswell.com

PHONE: (505)325-2627

For State Use Only

APPROVED BY:

[Signature]

TITLE

Deputy Oil & Gas Inspector,
District #3

DATE

11/6/12

Conditions of Approval (if any):

Ay

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
Farmington, New Mexico 87499
505-325-2627 *fax: 505-325-1211

BHP Billiton – San Juan Coal
Monte Carlo #2

February 14, 2012
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800' FSL and 910' FWL, Section 24, T-30-N, R-15-W
San Juan County, NM
Lease Number: Fee
API #30-045-26077

Plug and Abandonment Report Notified NMOCD and BLM on 1/30/12

Plug and Abandonment Summary:

- Plug #1** with 24 sxs (28.32 cf) Class B cement with 2% CaCl above CR from 5382' to 5066' to isolate Dakota perforations.
- Plug #2** with 20 sxs (23.8 cf) Class B cement inside casing above CR from 4473' to 4210' to isolate Gallup perforations.
- Plug #3** with 12 sxs (14.16 cf) Class B cement from 3650' to 3492' to cover the Mancos top.
- Plug #4** with 12 sxs (14.16 cf) class B cement from 2339' to 2181' to cover the Mesaverde top.
- Plug #5** mix and pump 81 sxs (95.58 cf) Class B cement with 18% salt (by weight of mix water), pumped 26 sxs then shut in casing, squeeze 51 sxs into perfs with final rate of ¼ bpm at 1200#, pressure held 1000# to isolate the Pictured Cliffs zone and 200' below coal.
- Plug #6** mix and pump 89 sxs (105.02 cf) Class B cement with 18% salt (by weight of mix water) from 703' to 267' to fill the coal zones and cover the Fruitland top.
- Plug #7** with 19 sxs (22.42 cf) Class B cement inside casing from 235' to surface to cover the shoe.

Plugging Work Details:

- 1/30/12 Check well pressures: casing 120#, tubing 60# and bradenhead 0#. RU relief lines and blow well down to pit. ND wellhead, pick up 65,000# on tubing hanger, found it to be seized in wellhead. Install companion flange and use bolts to separate flange from well head to free tubing hanger. NU wellhead and SI well. SDFD.
- 1/31/12 Check well pressures: SITP 0#, SICP 0# and SIBHP 0#. Tubing on vacuum. ND wellhead. NU 8 5/8" companion flange and BOP, test pipe rams. TOH and LD 170 joints 2 3/8" 4.7# J-55 tubing, also LD 4 ½" tubing anchor catcher (TAC), 1 joint 2 3/8" tubing, SN, 4' perf sub and 1 joint 2 3/8" tubing with tapped bull plug on bottom. TAC was set at 5376'. Change out trailers. Pickup 4.5" cement retainer and 2.375" tubing workstring; tally and TIH 110 joints to 3450. SI well and SDFD.
- 2/1/12 Check well pressures: SITP 403, SICP 5# and SIBHP 0#. Continue to TIH and tally 60 joints 2.375" workstring. Set cement retainer at 5382'. Pressure test tubing to 1000#, held OK. Pump 65 bbls to load well and establish circulation. Circulate approx. 15 bbls oil out of casing to steel tank. Spot Plug #1 with 24 sxs above CR up to 5066'. TOH and LD the setting tool. TIH and tag TOC at 5082'. TOH with to 4473'. SI well and SDFD.

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Plug and Abandonment Summary (continued):

- 2/2/12 Open up well; no pressures. Set 4.5" DHS cement retainer at 4473'. Pressure test casing to 1000#, Held OK. Plug #2 with 20 sxs from CR up to 4210'. TOH and LD setting tool. RU A-Plus wireline and run Cement Bond Log (CBL) from 4200' to surface; good bond. TIH with tubing to 3650'. Plug #3 with 12 sxs up to 3492'. TOH up to 2339'. SI well. SDFD.
- 2/3/12 Open up well; no pressures. RU pump to tubing and load hole with 3.5 bbl. Plug #4 with 12 sxs from 2339' to 2181'. TOH with tubing. RU Jet West wireline. Run Gamma Ray / Neutron logs from 900' to surface. Set PlugWell 4.5" CIBP at 905'. Pressure test casing to 1500#, held OK. Perforate 6 HSC holes from 890' to 892'. Attempt to establish injection rate into holes; bled from 1500# to 1475# in 5 mins. Perforate 6 HSC holes from 840' to 842'. Attempt to establish injection rate into all holes; bled from 1500# to 1475# in 5 mins. Perforate 6 HSC holes from 790' to 792'. Attempt to establish injection rate into all holes; at 1400 PSI formation broke down; established rate 3 bpm at 800 PSI. Perforate 6 HSC holes from 740' to 742'. RD wireline. TIH tubing and tag CIBP at 905'. Establish circulation to surface with 2 bbl water. Establish rate of 2 bpm at 700# into all perforations. Plug #5 with 81 sxs inside casing and then squeeze 51 sxs outside casing into perforations with final rate of 1/4 bpm at 1200#. Squeeze rate 1/4 bpm at 1200#. Left TOC at 516'. TOH with tubing to 548. Load casing with 3/4 bbl, hesitation squeeze 1.25 bbl until final squeeze pressure of 1500 PSI. TIH tubing to 703' and circulate casing clean with 12 bbl water. Pressure up casing to 1500#, no bleed off. SI well. SDFD.
- 2/6/12 Open up well; no pressures. Tally and prepare 3-1/8" drill collars. TIH with 3-7/8" bit and drill collars and tubing. Tag plug #5 at 703' (ground level). LD 4 joints tubing. TOH and LD bit. Pick up 3-5/8" section milling tool and TIH with 6 - 3 1/8" drill collar and tubing. RU up drilling equipment. Establish circulation and start milling the 4.5" casing at 648'. Mill from 648' to 652' with polymer sweep to clean hole. LD 1 joint and power swivel. SI well. SDFD.
- 2/7/12 Open up well; no pressures. RIH with section, milling tools to 647'. Open knives and start milling again at 652'. Mill 4.5" casing 652' to 658'. Knives failed and TOH to inspect. Knives in poor condition. PU second 3-5/8" section milling tool and TIH. Ream down milling tool knives from 648' to 655' with no torque. Resume milling at 655'. Mill down to 660'. Pull up mill. SI well. SDFD.
- 2/8/12 Open up well; no pressures. Prepare drilling equipment (pump and power swivel). TIH to 647 and engage knives. Resume milling at 660'. Mill to 666'. Knives stopped engaging the casing. TOH to inspect mill; found all knives broken. LD mill - send in for repairs. SI well. SDFD.

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Plug and Abandonment Summary (continued):

- 2/9/12 Open up well; no pressures. PU re-dressed section mill and TIH. Engage mill and ream from 648' to 664' with no torque. Then resume milling casing at 666' to 667'. Then lost fluid in mud pit. Add water to pit and then resume mill casing from 667' to 667.5'. Mill stopped cutting. TOH tubing and collars inspect mill; all knives broken off. Repaired section milling tool. TIH with repaired tool to 648'. Engaged knives at 647' and then ream from 648' to 667.5'. Milled down to 672'. Pulled up tool. SI well. SDFD.
- 2/10/12 Open up well; no pressures. Establish circulation and ream down 668' to 672'. Continue milling from 672' to 673'; knives failed. Circulate hole clean. TOH to inspect mill; found knives in bad condition. TIH with re-dressed section milling tool to 648'. Ream from 648' to 668'. Re-mill casing from 668' to 672'. Then mill to 680'. TOH with mill and inspect knives. Knives in fair condition, keeper plate missing. Milling operations completed. SI well. SDFD.
- 2/11/12 Open up well; no pressures. TIH bit and tag PBTD at 680'. Establish circulation and wash out down to 703'. Circulate casing clean with fresh water. TOH with bit. RU Jet West wireline. Run 3-arm caliper with Gamma log through milled interval down to 679'. Also ran Sonic log from 679' to 620'. No casing present from 648' to 679'. RD wireline. RU A-Plus wireline perforate 3 HSC holes at 591'. Then perforate 3 HSC holes 533'. RD wireline. LD 6 – 3 1/8" drill collars. Pressure test bradenhead annulus to 300 PSI, held OK. TIH with tubing to 703'. Establish circulation out casing valve with 8 bbl. Shut casing valve and establish rate in coal zones 3 bpm at 350 PSI. Plug #6 with 89 sxs inside casing from 703' up to surface. TOH with tubing and squeeze cement outside casing. Final squeeze 1500 PSI. SI well. SDFD.
- 2/13/12 Check well pressures: casing 150# and bradenhead 0#. TIH tubing and tag plug #6 at 235'. Plug #7 with 19 sxs up to surface. TOH and LD all tubing. ND BOP. Dig out wellhead, monitor atmosphere around wellhead and Write Hot Work Permit. Cut off wellhead 3.5 below ground level. Install p&a steel plate and fill bradenhead annulus and 4.5' casing with 12 sxs cement using poly pipe. RD rig and move off location.

Charlie Perrin, NMOCD, verbal approval for underground plate (to prevent electric current into the mine).

Jonathan Kelly, NMOCD representative was on location during cementing operations.

I hereby certify that the foregoing is true and correct


Phillip Fitzpatrick
Field Supervisor
A-Plus Well Service, Inc.