

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: May 13, 2014

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Recomplete/DHC
☐ Location Change ☐ Other:

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-09401-00-00	MCKENZIE	001	DUGAN PRODUCTION CORP	G	A	San Juan	F	B	20	30	N	12	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Run CBL and provide to agencies prior to cementing

NMOCD Approved by Signature

6-19-14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 13 2014

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an open Field Office
abandoned well. Use form 3160-3 (APD) for such proposals and notices.
Bureau of Land Management

5. Lease Serial No.
NMNM024158

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

5/13/14

8. Well Name and No.
MCKENZIE 1

2. Name of Operator

DUGAN PRODUCTION CORPORATION

Contact: ALIPH REENA

Email: aliph.reena@duganproduction.com

9. API Well No.
30-045-09401-00-S1

3a. Address

FARMINGTON, NM 87499

3b. Phone No. (include area code)

Ph: 505-325-1821

10. Field and Pool, or Exploratory
BASIN DAKOTA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 20 T30N R12W NWNE 0930FNL 1990FEL
36.803101 N Lat, 108.118179 W Lon

11. County or Parish, and State

SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof.

If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true depths. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-3 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

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

1. Pressure test casing.
2. Set CR @ 6355'. Set plug from 6255'-6355' with 12 sks (14.2 cu ft) Class B neat cement (Dakota plug).
3. Perforate @ 5350'. Set inside/outside plug from 5250'-5350' w/52 sks (61 cu ft) Class B neat cement (Gallup plug).
4. Perforate @ 4655'. Set inside/outside plug from 4555'-4655' w/52 sks (61 cu ft) Class B neat cement (Mancos plug).
5. Perforate @ 3555'. Set inside/outside plug from 3455'-3555' w/52 sks (61 cu ft) Class B neat cement (Mesaverde plug).
6. Perforate @ 1945'. Set inside/outside plug from 1650'-1945' w/165 sks (194 cu ft) Class B neat cement (PC-Fruitland Coal plug).

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR OF ANY OBLIGATIONS OR OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

OIL CONS. DIV DIST. 3
JUN 12 2014

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #245478 verified by the BLM Well Information System
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by TROY SALYERS on 06/10/2014 (14TSL0285SE)

Name (Printed/Typed) ALIPH REENA

Title PRODUCTION ENGINEER

Signature (Electronic Submission)

Date 05/13/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By TROY SALYERS

Title PETROLEUM ENGINEER

Date 06/10/2014

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Farmington

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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

NMOC

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Additional data for EC transaction #245478 that would not fit on the form

32. Additional remarks, continued

7. Perforate @ 545'. Try to circulate to surface. Circulate cement to surface from 545' to surface w/250 sks (298 cu ft) Class B neat cement (Kirtland-Ojo Alamo).
8. Tag TOC at surface. Fill cement in case it is needed. Cut wellhead.
9. Install dry hole marker. Clean location.

ON FEDERAL AND INDIAN LANDS
AUTHORIZATION REQUIRED FOR OPERATIONS
OPERATOR FROM OBTAINING ANY OTHER
ACTION DOES NOT RELIEVE THE LESSEE AND
STATE APPROVAL OR ACCEPTANCE OF THIS

NOT CERTIFIED
LITHIA TO CHARTER

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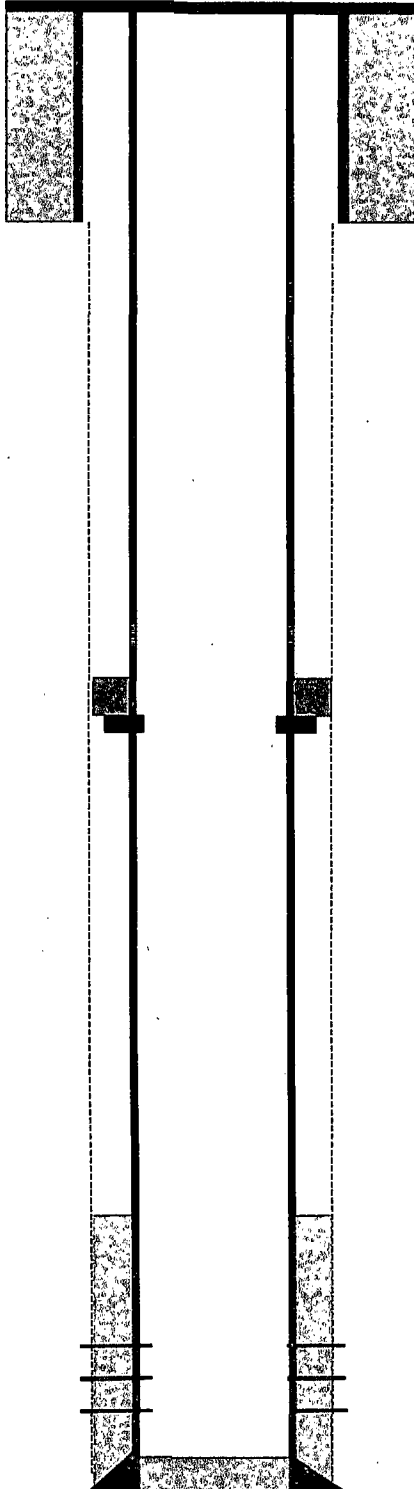
Current Wellbore Schematic

Mckenzie #1 , Dakota

300-45-09401

930' FNL 1990' FEL

S20 T30N R12W



8 5/8" J-55 24# casing @ 271'. Cement circulated to surface.

DV tool @ 2107'. Cemented with 50 sks 50-50 poz mix with 6% gel. Calculated TOC @ 1828'

Stage I: Cemented with 175 sks 50-50 Pozmix with 2% gel. Calculated TOC @ 5840'.

Dakota Perforated @ 6405' - 6523'

4 1/2" 9.5/11.6 # casing @ 6635' RKB.

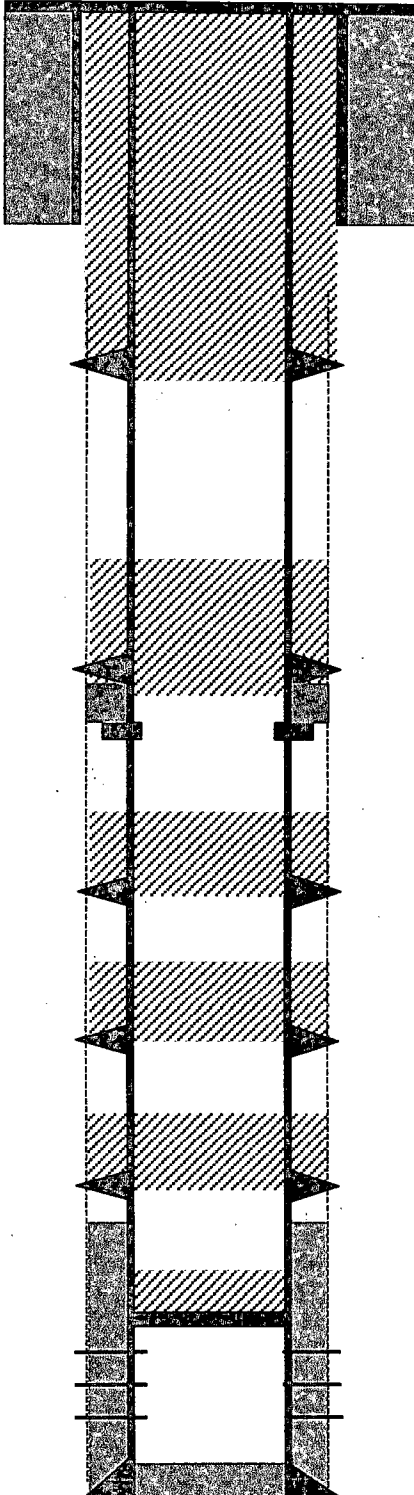
Planned P & A Schematic

Mckenzie #1 , Dakota

300-45-09401

930' FNL 1990' FEL

S20 T30N R12W



8 5/8" J-55 24# casing @ 271'. Cement circulated to surface.

Perforate @ 545'. Pump cement to surface w/ 250 sks Class B neat (298 cu.ft) (Surface '-545'). [Ojo Alamo, Kirtland Plug]

Perforate @ 1945'. Spot inside plug w/ 165 sks Class B neat (193 cu.ft) (1600'-1945'). [PC-Fruitland Coal]

Cement Stage II w/ 50 sks 50:50 Pozmix w/ 6% gel. TOC calculated @ 1828'. DV tool @ 2107'.

Perforate @ 3555'. Set inside/outside plug w/ 52 sks (59.3 cu.ft) Class B neat cement. (3455'-3555'). [Mesaverde]

Perforate @ 4655'. Spot inside/Outside plug w/ 52 sks Class B cement (59.3 cu.ft). (4555'-4655'). [Mancos].

Perforate @ 5350'. Spot inside/Outside plug w/ 52 sks Class B cement (59.3 cu.ft). (5250'-5350). [Gallup].

Stage I: Cemented with 175 sks 50-50 Pozmix with 2% gel. Calculated TOC @ 5840'.

Set CR @ 5088'. Set Inside Plug with 12 sks (14.2 cu.ft) Class B. (6255'-6355'). (Dakota)

Dakota Perforated @ 6405' - 6523'

4 1/2" 9.5/11.6 # casing @ 6635' RKB.

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

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 1 McKenzie

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. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Place the Gallup plug from 5600' – 5500'.
 - b) Place the Chacra plug from 3002' – 2902' inside and outside the 4 ½" casing.
 - c) Place the Pictured Cliffs/Fruitland plug from 1942'- 1430' inside and outside the 4 ½" casing where cement is not present behind the 4 ½" casing.
 - d) Place the Kirtland/Ojo Alamo/Surface plug from 558' to surface inside and outside the 4 ½" casing.

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.