

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

<b>Well Name:</b> MEXICO FEDERAL M COM	<b>Well Location:</b> T31N / R13W / SEC 12 / NESW / 36.91197 / -108.15721	<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> NMNM080280	<b>Unit or CA Name:</b> MEX-FED	<b>Unit or CA Number:</b> NMNM73634
<b>US Well Number:</b> 300451089700C1	<b>Well Status:</b> Gas Well Shut In	<b>Operator:</b> DUGAN PRODUCTION CORPORATION

**Notice of Intent**

**Sundry ID:** 2747754

**Type of Submission:** Notice of Intent

**Type of Action:** Plug and Abandonment

**Date Sundry Submitted:** 08/24/2023

**Time Sundry Submitted:** 09:43

**Date proposed operation will begin:** 09/25/2023

**Procedure Description:** Dugan Production plans to plug and abandon the well per the following procedure: 1) PU & tally 2-3/8" workstring. Run 4 1/2" casing scraper to 6550'. RIH & set 4 1/2" CIBP @ 6530'. Dakota perforations @ 6580'-6800'. Mesaverde perforations @ 4435'-4531'. 2) Attempt to load hole and run CBL from 6800' to surface. A temperature survey reported in the well files show TOC behind casing @ 2473'. All plugs are calculated based on that estimate. Will make necessary changes to the plugs after reviewing the CBL. 3) Spot Plug I inside 4 1/2" casing above the CIBP set @ 6530' to cover Dakota top from 6530' to 6380' w/12 sks (13.8 cu ft) Class G cement. Plug I, inside 4 1/2" casing, 12 sks, 13.8 cu ft, Dakota, 6380'-6530'. 4) Spot Plug II inside 4 1/2" casing from 5470' to 5320' w/12 sks (13.8 cu ft) Class G cement to cover the Gallup top. Plug II, inside 4 1/2" casing, 12 sks, 13.8 cu ft, Gallup, 5320'-5470'. 5) Spot Plug III inside 4 1/2" casing from 4760' to 4610' w/12 sks (13.8 cu ft) Class G cement to cover the Mancos top. Plug III, inside 4 1/2" casing, 12 sks, 13.8 cu ft, Mancos, 4610'-4760'. 6) Set a CIBP @ 4385'. Point Lookout perforations @ 4435'-4531'. Spot Plug IV above the CIBP w/12 sks, 13.8 cu ft, Class G neat cement from 4385' to 4235'. Plug IV, inside 4 1/2", 12 sks, 13.8 u ft, Point Lookout perforations, 4235'-4385'. 7) Spot Plug V inside 4 1/2" casing from 3672' to 3522' w/12 sks (13.8 cu ft) Class G cement to cover the Mesaverde top. Plug V, inside 4 1/2" casing, 12 sks, 13.8 cu ft, Mesaverde, 3522'-3672'. 8) Spot Plug VI inside 4 1/2" casing from 2740' to 2590' w/12 sks (13.8 cu ft) Class G cement to cover the Chacra top. Plug VI, inside 4 1/2" casing, 12 sks, 13.8 cu ft, Chacra, 2590'-2740'. 9) After determining the TOC behind casing from CBL and verifying, perforate @ 2115'. spot Plug VII inside/outside 4 1/2" casing from 2115' to 1965' w/52 sks (59.8 cu ft) Class G cement to cover the Pictured Cliffs top. Plug VII, Inside/Outside 4 1/2" casing, 52 sks, 59.8 cu ft, Pictured Cliffs, 1965'-2115'. 10) Perforate @ 1830'. Spot Plug VIII inside/outside 4 1/2" casing from 1830' to 1680' w/52 sks (59.8 cu ft) Class G cement to cover the Fruitland top. Plug VIII, Inside/Outside 4 1/2" casing, 52 sks, 59.8 cu ft, Fruitland, 1680'-1830'. Perforate @ 610'. Spot Plug IX inside/outside 4 1/2" casing from 610' to 340' w/128 sks (147.2 cu ft) Class G cement to cover the Ojo Alamo-Kirtland tops. Plug IX, Inside/Outside 4 1/2" casing, 128 sks, 147.2 cu ft, Kirtland-Ojo Alamo, 340'-610'. 11) Perforate @ 328'. Spot Plug X inside/outside 4 1/2" casing from 328' to surface w/110 sks (126.5 cu ft) Class G cement to cover the surface casing shoe. Plug X, Inside/Outside 4 1/2" casing, 110 sks, 125.4 cu ft, Surface, 0'-328'. 12) Cut wellhead. Tag TOC at surface. Fill cement in case needed. 13) Install dry hole marker. Clean location.

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COM

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NESW / 36.91197 / -108.15721

County or Parish/State: SAN  
JUAN / NM

Well Number: 1

Type of Well: CONVENTIONAL GAS  
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Allottee or Tribe Name:

Lease Number: NMNM080280

Unit or CA Name: MEX-FED

Unit or CA Number:  
NMNM73634

US Well Number: 300451089700C1

Well Status: Gas Well Shut In

Operator: DUGAN  
PRODUCTION CORPORATION

### Surface Disturbance

Is any additional surface disturbance proposed?: No

### NOI Attachments

#### Procedure Description

Mexico\_Federal\_M\_Com\_1\_PA\_Reclamation\_Plan\_20230824094158.pdf

Mexico\_Federal\_M\_Com\_1\_PA\_formation\_tops\_20230824094143.pdf

Mexico\_Federal\_M\_Com\_1\_PA\_planned\_wellbore\_schematic\_20230824094131.pdf

Mexico\_Federal\_M\_Com\_1\_PA\_current\_wellbore\_schematic\_20230824094120.pdf

Mexico\_Federal\_M\_Com\_1\_PA\_plan\_20230824094108.pdf

### Conditions of Approval

#### Specialist Review

2747754\_NOIA\_1\_3004510897\_KR\_08242023\_20230824112750.pdf

General\_Requirement\_PxA\_20230824112740.pdf

31N13W12\_Mexico\_Federal\_M\_Com\_1\_Geo\_KGR\_20230824112719.pdf

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### 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 24, 2023 09:39 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:** 08/24/2023

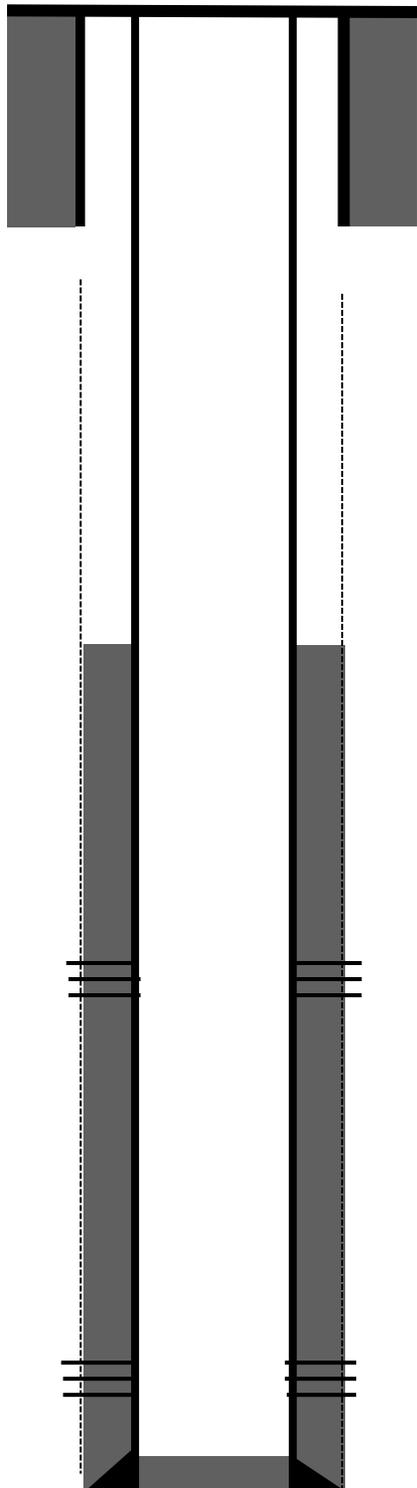
**Signature:** Kenneth Rennick

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

- PU & tally 2-3/8" workstring. Run 4½" casing scraper to 6550'. RIH & set 4½" CIBP @ 6530'. Dakota perforations @ 6580'-6800'. Mesaverde perforations @ 4435'-4531'.
- Attempt to load hole and run CBL from 6800' to surface. A temperature survey reported in the well files show TOC behind casing @ 2473'. All plugs are calculated based on that estimate. Will make necessary changes to the plugs after reviewing the CBL.
- Spot Plug I inside 4½" casing above the CIBP set @ 6530' to cover Dakota top from 6530' to 6380' w/12 sks (13.8 cu ft) Class G cement. **Plug I, inside 4½" casing, 12 sks, 13.8 cu ft, Dakota, 6380'-6530'**
- Spot Plug II inside 4½" casing from 5470' to 5320' w/12 sks (13.8 cu ft) Class G cement to cover the Gallup top. **Plug II, inside 4½" casing, 12 sks, 13.8 cu ft, Gallup, 5320'-5470'**.
- Spot Plug III inside 4½" casing from 4760' to 4610' w/12 sks (13.8 cu ft) Class G cement to cover the Mancos top. **Plug III, inside 4½" casing, 12 sks, 13.8 cu ft, Mancos, 4610'-4760'**.
- Set a CIBP @ 4385'. Point Lookout perforations @ 4435'-4531'. Spot Plug IV above the CIBP w/12 sks, 13.8 cu ft, Class G neat cement from 4385' to 4235'. **Plug IV, inside 4½", 12 sks, 13.8 u ft, Point Lookout perforations, 4235'-4385'**.
- Spot Plug V inside 4½" casing from 3672' to 3522' w/12 sks (13.8 cu ft) Class G cement to cover the Mesaverde top. **Plug V, inside 4½" casing, 12 sks, 13.8 cu ft, Mesaverde, 3522'-3672'**.
- Spot Plug VI inside 4½" casing from 2740' to 2590' w/12 sks (13.8 cu ft) Class G cement to cover the Chacra top. **Plug VI, inside 4½" casing, 12 sks, 13.8 cu ft, Chacra, 2590'-2740'**.
- After determining the TOC behind casing from CBL and verifying, perforate @ 2115'. spot Plug VII inside/outside 4½" casing from 2115' to 1965' w/52 sks (59.8 cu ft) Class G cement to cover the Pictured Cliffs top. **Plug VII, Inside/Outside 4½" casing, 52 sks, 59.8 cu ft, Pictured Cliffs, 1965'-2115'**.
- Perforate @ 1830'. Spot Plug VIII inside/outside 4½" casing from 1830' to 1680' w/52 sks (59.8 cu ft) Class G cement to cover the Fruitland top. **Plug VIII, Inside/Outside 4½" casing, 52 sks, 59.8 cu ft, Fruitland, 1680'-1830'**.
- Perforate @ 610'. Spot Plug IX inside/outside 4½" casing from 610' to 340' w/128 sks (147.2 cu ft) Class G cement to cover the Ojo Alamo-Kirtland tops. **Plug IX, Inside/Outside 4½" casing, 128 sks, 147.2 cu ft, Kirtland-Ojo Alamo, 340'-610'**.
- Perforate @ 328'. Spot Plug X inside/outside 4½" casing from 328' to surface w/110 sks (126.5 cu ft) Class G cement to cover the surface casing shoe. **Plug X, Inside/Outside 4½" casing, 110 sks, 125.4 cu ft, Surface, 0'-328'**.
- Cut wellhead. Tag TOC at surface. Fill cement incase needed.
- Install dry hole marker. Clean location.

**Current Wellbore Schematic**

Mexico Federal M Com # 1  
API: 30-045-10897  
Unit K Sec 12 T31N R13W  
1850' FSL & 1850' FWL  
San Juan County, NM  
Lat:36.9120369 Long:-108.1578598



8-5/8" J-55 24# casing @ 278'. Cemented with 200 sks Class B. Circulated cement to surface.

**Mesaverde (Point Lookout) Perforated @ 4435'-4531'**

Cemented w/ 700 sks Cement. TOC @ 2473 reported. Will redo CBL.

**Dakota Perforated @ 6580'-6800'**

4 1/2" 11.6 # casing @ 6855'. PBTD @ 6827

**Planned P & A Schematic**

Mexico Federal M Com # 1

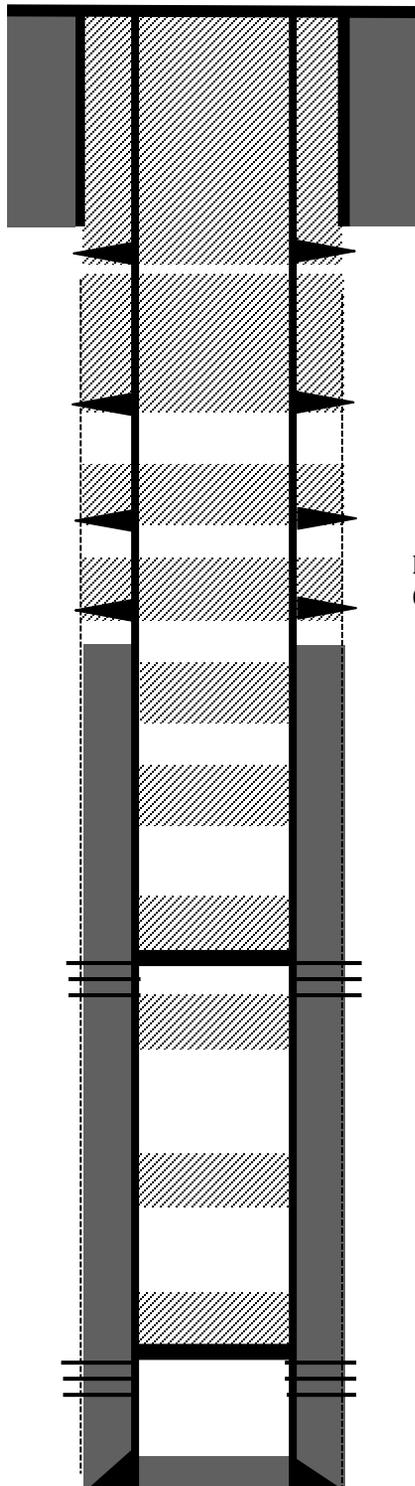
API: 30-045-10897

Unit K Sec 12 T31N R13W

1850' FSL & 1850' FWL

San Juan County, NM

Lat:36.9120369 Long:-108.1578598



8-5/8" J-55 24# casing @ 278'. Cemented with 200 sks Class B. Circulated cement to surface.

**Perf @ 328'. Plug X, Inside/outside 4 1/2" casing, 110 sks, 125.4 Cu.ft, Surface, 0'-328'**

**Perf @ 610'. Plug IX, Inside/Outside 4 1/2" casing, 128 sks, 147.2 Cu.ft, Kirtland-Ojo Alamo, 340'-610'**

**Perf @ 1830'. Plug VIII, Inside/Outside 4 1/2" casing, 52 sks, 59.8 Cu.ft, Fruitland, 1680'-1830'**

**Perf @ 2115'. Plug VII, Inside/Outside 4 1/2" casing, 52 sks, 59.8 Cu.ft, Pictured Cliffs, 1965'-2115'**

**Plug VI, Inside 4 1/2" casing, 12 sks, 13.8 Cu.ft, Chacra, 2590'-2740'**

**Plug V, Inside 4 1/2" casing, 12 sks, 13.8 Cu.ft, Mesaverde, 3522'-3672'**

**Set CIBP @ 4385'. Plug IV, Inside 4 1/2", 12 sks, 13.8 Cu.ft, (Point Lookout perforations), 4235'-4385'**

**Mesaverde (Point Lookout) Perforated @ 4435'-4531'**

**Plug III, Inside 4 1/2" casing, 12 sks, 13.8 Cu.ft, Mancos, 4610'-4760'**

Cemented w/ 700 sks Cement. TOC @ 2473 reported. Will redo CBL.

**Plug II, Inside 4 1/2" casing, 12 sks, 13.8 Cu.ft, Gallup, 5320'-5470'**

**Set CIBP @ 6380'. Plug I, Inside 4 1/2" casing, 12 sks, 13.8 Cu.ft, Dakota, 6380'-6530'**

**Dakota Perforated @ 6580'-6800'**

**4 1/2" 11.6 # casing @ 6855'. PBSD @ 6827'**

Mexico Federal M Com # 1  
API: 30-045-10897  
Unit K Sec 12 T31N R13W  
1850' FSL & 1850' FWL  
San Juan County, NM  
Lat:36.9120369 Long:-108.1578598

**Elevation ASL : 5789**

**Formation Tops**

- **Ojo Alamo - 440**
- **Kirtland - 560**
- **Fruitland - 1780**
- **Pictured Cliffs - 2065**
- **Chacra - 2690**
- **Mesaverde - 3622**
- **Mancos - 4710**
- **Gallup - 5410**
- **Dakota - 6563**

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

AFMSS 2 Sundry ID 2747754

Attachment to notice of Intention to Abandon

Well: Mexico Federal M Com 1

**CONDITIONS OF APPROVAL**

1. Plugging operations must be completed by March 31, 2024.
2. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
3. 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.

Office Hours: 7:45 a.m. to 4:30 p.m.

K. Rennick 08/24/2023

**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 FLUID MINERALS  
P&A Geologic Report**

**Date Completed: 8/24/2023**

Well No. Mexico Federal M Com 1 (API 30-045-10897)	Location	NESW			
Lease No. NMNM080280	Sec. 12	T31N			R13W
Operator Dugan Production Corporation	County	San Juan	State	New Mexico	
Total Depth 6875'	PBTD 6827'	Formation Dakota, Mesaverde			
Elevation (GL) 5774'					

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/freshwater sands
Nacimiento Fm					Possible freshwater sands
Ojo Alamo Ss			440		Aquifer (possible freshwater)
Kirtland Shale			560		
Fruitland Fm			1780		Coal/Gas/Possible water
Pictured Cliffs Ss			2065		Gas
Lewis Shale					
Chacra			2690		Gas
Cliff House Ss			3622		Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale			4710		
Gallup			5410		O&G/Water
Greenhorn					
Graneros Shale					
Dakota Ss			6563		O&G/Water

Remarks:  
P & A

Reference Well:

- Dakota perforations 6580- 6800'. Mesaverde perforations 4435 – 4531'.

Prepared by: Kenneth Rennick

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 257343

**CONDITIONS**

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 257343
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

**CONDITIONS**

Created By	Condition	Condition Date
mkuehling	Follow BLM COAs - Notify NMOCD 24 hours prior to moving rig on	8/25/2023