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

Sundry Print Report

02/15/2024

Well Name: SALGE FEDERAL A

Well Location: T25N / R13W / SEC 3 / NWSE / 36.428314 / -108.203491

County or Parish/State: SAN JUAN / NM

Well Number: 4

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMSF078156

Unit or CA Name:

Unit or CA Number:

US Well Number: 300452586100S1

Well Status: Producing Oil Well

Operator: DUGAN PRODUCTION CORPORATION

Notice of Intent

Sundry ID: 2774800

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 02/12/2024

Time Sundry Submitted: 03:35

Date proposed operation will begin: 02/19/2024

Procedure Description: Dugan Production plans to plug and abandon the well per the following procedure: 1) PU & tally 2-3/8" workstring. Run 5½" casing scraper to 4970'. RIH & set 4½" CIBP @ 4932'. Gallup perforations @ 4982'-5026'. 2) Load and circulate hole and run CBL from 4932' to surface. All plugs are designed assuming cement behind casing to surface. Will make necessary changes to the plugs after reviewing the CBL. 3) Spot Plug I inside 5½" casing from 4932' to 4665' w/32 sks (36.8 cu ft) Class G cement to cover the Gallup top. Plug I, inside 5½" casing, 32 sks, 36.8 cu ft, Gallup, 4665'-4932'. 4) Spot Plug II inside 5½" casing from 3885' to 3735' w/18 sks (20.7 cu ft) Class G cement to cover the Mancos top. Plug II, inside 5½" casing, 18 sks, 20.7 cu ft, Mancos, 3735'-3885'. 5) Spot Plug III inside 5½" casing w/28 sks, 32.2 cu ft, Class G neat cement from 2102' to 1865' to over the Mesaverde top & DV tool. Plug III, inside 5½" casing, 28 sks, 32.2 cu ft, Mesaverde-DV tool, 1865'-2102'. 6) Spot Plug IV inside 5½" casing w/54 sks, 62.1 cu ft, Class G neat cement from 1670' to 1219' to cover the Chacra & Pictured Cliffs tops. Plug IV, inside 5½" casing, 54 sks, 62.1 cu ft, Chacra-Pictured Cliffs, 1219'-1670'. 7) Spot Plug V inside 5½" casing w/18 sks, 20.7 cu ft Class G neat cement from 932' to 782' to cover the Fruitland tops. Plug V, inside 5½" casing, 18 sks, 20.7 cu ft, Fruitland, 782'-932'. 8) Spot Plug VI inside 5½" casing from 370' to surface w/50 sks (57.5 cu ft) Class G cement to cover the Ojo Alamo-Kirtland tops & surface casing shoe. Plug VI, inside 5½" casing, 50 sks, 57.5 cu ft, Ojo Alamo-Kirtland-Surface, 0'-370'. 9) Cut wellhead. Tag TOC at surface. Fill cement in case needed. 10) Install dry hole marker. Clean location.

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Well Number: 4

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Allottee or Tribe Name:

Lease Number: NMSF078156

Unit or CA Name:

Unit or CA Number:

US Well Number: 300452586100S1

Well Status: Producing Oil Well

Operator: DUGAN PRODUCTION CORPORATION

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Salge_Federal_A_4_planned_PA_formation_tops_20240212153329.pdf

Salge_Federal_A_4_Rec_Plan_20240212153124.pdf

Salge_Federal_A_4_planned_PA_planned_wellbore_schematic_20240212152944.pdf

Salge_Federal_A_4_planned_PA_current_wellbore_schematic_20240212152932.pdf

Salge_Federal_A_4_planned_PA_work_20240212152921.pdf

Conditions of Approval

Additional

2774800_NOI_PnA_Salge_Federal_A_4_3004525861_MHK_2.13.2024_20240215073458.pdf

Salge_Federal_A_1_C_Geo_Rpt_20240214170501.pdf

General_Requirement_PxA_20240213110922.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: FEB 12, 2024 03:29 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: MATTHEW H KADE

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647736

BLM POC Email Address: MKADE@BLM.GOV

Disposition: Approved

Disposition Date: 02/15/2024

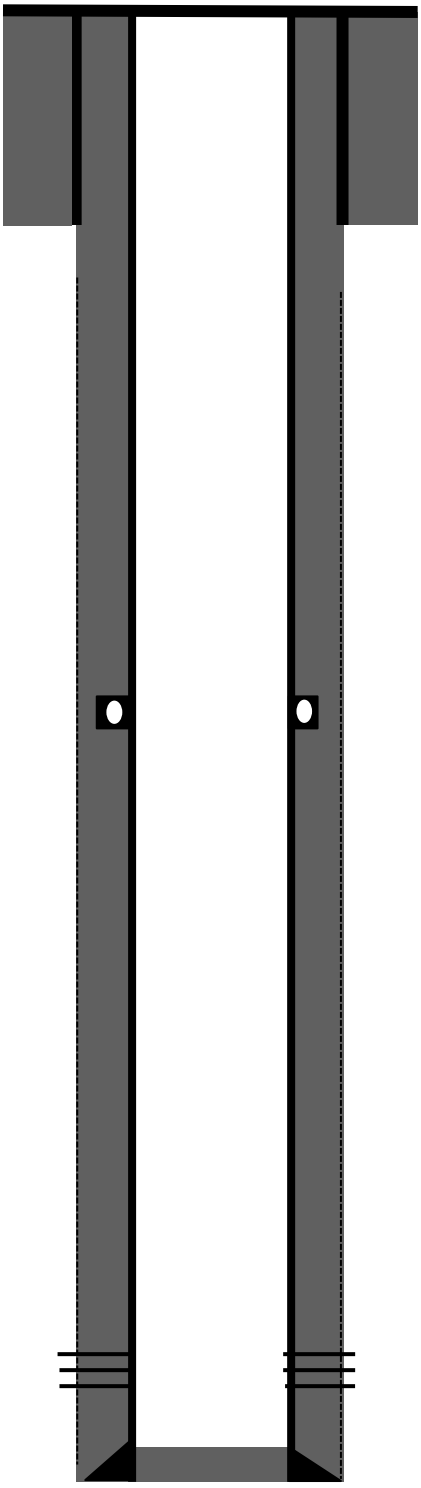
Signature: Matthew Kade

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

- PU & tally 2-3/8" workstring. Run 5½" casing scraper to 4970'. RIH & set 4½" CIBP @ 4932'. Gallup perforations @ 4982'-5026'.
- Load and circulate hole and run CBL from 4932' to surface. All plugs are designed assuming cement behind casing to surface. Will make necessary changes to the plugs after reviewing the CBL.
- Spot Plug I inside 5½" casing from 4932' to 4665' w/32 sks (36.8 cu ft) Class G cement to cover the Gallup top. **Plug I, inside 5½" casing, 32 sks, 36.8 cu ft, Gallup, 4665'-4932'.**
- Spot Plug II inside 5½" casing from 3885' to 3735' w/18 sks (20.7 cu ft) Class G cement to cover the Mancos top. **Plug II, inside 5½" casing, 18 sks, 20.7 cu ft, Mancos, 3735'-3885'.**
- Spot Plug III inside 5½" casing w/28 sks, 32.2 cu ft, Class G neat cement from 2102' to 1865' to over the Mesaverde top & DV tool. **Plug III, inside 5½" casing, 28 sks, 32.2 cu ft, Mesaverde-DV tool, 1865'-2102'.**
- Spot Plug IV inside 5½" casing w/54 sks, 62.1 cu ft, Class G neat cement from 1670' to 1219' to cover the Chacra & Pictured Cliffs tops. **Plug IV, inside 5½" casing, 54 sks, 62.1 cu ft, Chacra-Pictured Cliffs, 1219'-1670'.**
- Spot Plug V inside 5½" casing w/18 sks, 20.7 cu ft Class G neat cement from 932' to 782' to cover the Fruitland tops. **Plug V, inside 5½" casing, 18 sks, 20.7 cu ft, Fruitland, 782'-932'.**
- Spot Plug VI inside 5½" casing from 370' to surface w/50 sks (57.5 cu ft) Class G cement to cover the Ojo Alamo-Kirtland tops & surface casing shoe. **Plug VI, inside 5½" casing, 50 sks, 57.5 cu ft, Ojo Alamo-Kirtland-Surface, 0'-370'.**
- Cut wellhead. Tag TOC at surface. Fill cement in case needed.
- Install dry hole marker. Clean location.

Current Wellbore Schematic

Salge Federal A #4
API: 30-045-25861
Unit J Sec 3 T25N R13W
1980' FSL & 1980' FEL
San Juan County, NM
Lat:36.4284172 Long:-108.2042236



8-5/8" J-55 24# casing @ 320'. Cemented with 265 Cu.ft Class B. Circulated to surface

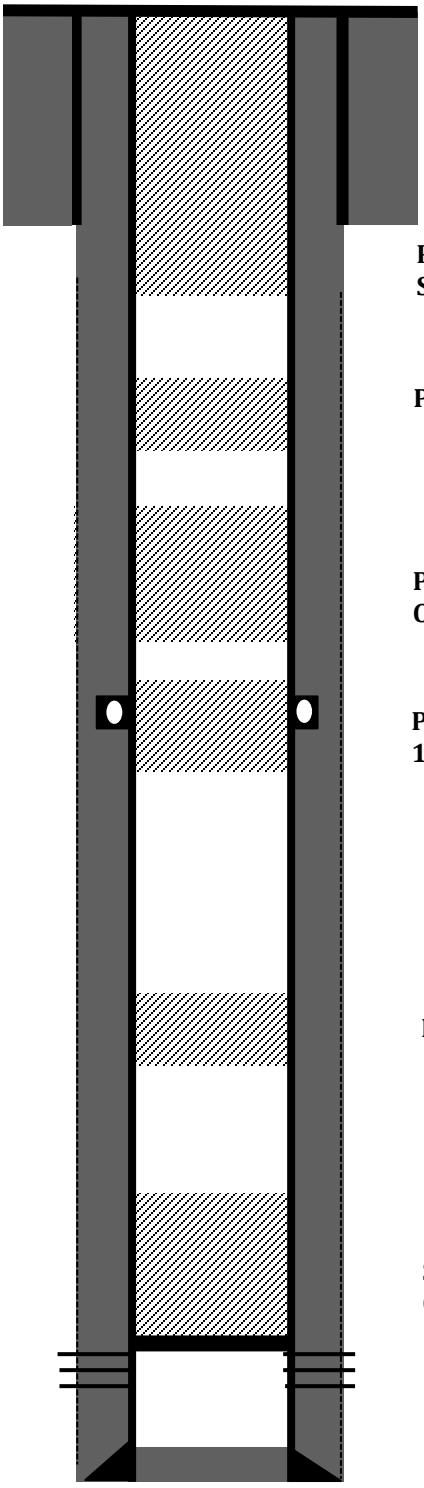
Cemented Stage I w/ 1344 Cu.ft Class B. DV tool @ 1965'. Stage II w/ 820 Cu.ft. Circulated 14 Cu.ft to surface.

Gallup Perforated @ 4982'-5026'

5 ½" 15.5 # casing @ 5199'

Planned P&A Schematic

Salge Federal A #4
API: 30-045-25861
Unit J Sec 3 T25N R13W
1980' FSL & 1980' FEL
San Juan County, NM
Lat:36.4284172 Long:-108.2042236



8-5/8" J-55 24# casing @ 320'. Cemented with 265 Cu.ft Class B. Circulated to surface

Plug VI, Inside 5 ½" casing, 50 sks, 57.5 Cu.ft, Ojo Alamo-Kirtland-Surface, 0'-370'

Plug V, Inside 5 ½" casing, 18 sks, 20.7 Cu.ft, Fruitland, 782'-932'

Plug IV, Inside 5 ½" casing, 54 sks, 62.1 Cu.ft, Chacra-Pictured Cliffs, 1219'-1670'

Plug III, Inside 5 ½" casing, 28 sks, 32.2 Cu.ft, Mesaverde-DV tool, 1865'-2102'

Plug II, Inside 5 ½" casing, 18 sks, 20.7 Cu.ft, Mancos, 3735'-3885'

Cemented Stage I w/ 1344 Cu.ft Class B. DV tool @ 1965'. Stage II w/ 820 Cu.ft. Circulated 14 Cu.ft to surface.

Set CIBP @ 4932'. Plug I, Inside 5 ½" casing, 32 sks, 36.8 Cu.ft, Gallup, 4665'-4932'

Gallup Perforated @ 4982'-5026'

5 ½" 15.5 # casing @ 5199'

Formation Tops

Salge Federal A #4
API: 30-045-25861
Unit J Sec 3 T25N R13W
1980' FSL & 1980' FEL
San Juan County, NM
Lat:36.4284172 Long:-108.2042236

Elevation ASL : 6324

Formation Tops

- **Ojo Alamo – 80**
- **Kirtland – 152**
- **Fruitland – 886**
- **Pictured Cliffs – 1319**
- **Chacra – 1620**
- **DV Tool - 1965**
- **Mesaverde – 2052**
- **Mancos – 3835**
- **Gallup – 4765**

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

AFMSS 2 Sundry ID 2774800

Attachment to Notice of Intent for Plug and Abandonment

Operator: Dugan Production Corporation
Well: Salge Federal A #4 (API#30-045-25861)

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. The following modifications to your plugging program are made:

   a. Adjust Plug #2 (Mancos) to cover BLM Mancos formation top pick @ 3772'. Estimated minimum 18 Sx Cement (3672' – 3822')

   b. Add plug to cover BLM Cliff House formation top pick @ 2572'. Estimated minimum 18 Sx cement (2472' – 2622')

   c. Adjust Plug #4 (Chacra – Picture Cliffs) to cover BLM Chacra top pick @ 1652' and BLM Picture Cliffs @ 1322'. Estimated 56 Sx cement (1222' - 1702')

   d. Adjust Plug #5 (Fruitland) to cover BLM Fruitland top pick @ 767'. Estimated 18 Sx cement (667' – 817')

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. Estimated minimum sacks provided here include the necessary excesses.

Office Hours: 7:45 a.m. to 4:30 p.m. / M. Kade (mkade@blm.gov / 505-564-7736)

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_2S.

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) and 43 CFR 3172.12(a)(10). 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 2/14/2024

Well No.	Salge Federal A	# 4	Surf. Loc.	1980	FSL	1980	FEL
			Sec.	3	T25N		R13W
Lease No.	NMSF078156						
Operator	Dugan Production Co.		County	San Juan		State	New Mexico
TVD	5200		Formation		Bisti Lower Gallup		
Elevation	GL	6324	Elevation	Est. KB	6334		

Geologic Formations	Est. tops	Subsea Elev.	Remarks
Nacimiento Fm.	Surface		Surface /fresh water sands
Ojo Alamo Ss	BSC		Fresh water aquifer
Kirtland Fm.	BSC		
Fruitland Fm.	767	5567	Coal/gas/possible water
Pictured Cliffs	1322	5012	Possible gas/water
Lewis Shale (Main)	1442	4892	Source rock
Huerfanito Bentonite	1524	4810	Reference bed
Chacra (upper)	1652	4682	Possible gas/water
Lewis Shale Stringer	1922	4412	Source rock
Chacra (lower)	2052	4282	Possible gas/water
La Ventana Member	2422	3912	Possible gas/water
Cliff House Ss	2572	3762	Possible gas/water
Menefee Fm.	2702	3632	Coal/water/possible gas
Point Lookout Fm.	3722	2612	Possible gas/water
Mancos Shale	3772	2562	Source rock
Tocito Ss Lentils	4432	1902	Possible gas/water
Gallup	4767	1567	Oil & gas
Juana Lopez	4932	1402	
Mancos Stringer	5032	1302	
Brdge Crk/Grnhrn	5052	1282	

Remarks:

-Vertical wellbore, all formation depths are TVD from KB at the wellhead.

-BSC: Behind Surface Casing

-Adjust Plug 2 to run from 3672' to 3822' to account for the BLM geologists Mancos top.

-Add a plug from 2472' to 2622' to account for the BLM geologists Cliff House top.

-Deepen the bottom of plug 4 from 1670' to 1702' to account for the BLM geologists upper Chacra top.

--Adjust Plug 2 to run from 667' to 817' to account for the BLM geologists Fruitland top.

Reference Well:

British-American Oil Prod. Co
Salge # 1-C
Sec 3M-25N-13W
GL= 6372', KB= 6382'

Prepared by: Walter Gage

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 314596

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 314596
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	Follow BLM with addition of NMOCD Chacra top 2052 - Rig is waiting have been notified of move. -	2/16/2024