

Well Name: NICE COM	Well Location: T30N / R14W / SEC 7 / SESE / 36.823654 / -108.343964	County or Parish/State: SAN JUAN / NM
Well Number: 1	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM16765	Unit or CA Name: NICE	Unit or CA Number: NMNM76392
US Well Number: 300452649900S1	Well Status: Producing Gas Well	Operator: DUGAN PRODUCTION CORPORATION

Notice of Intent

Sundry ID: 2775682

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 02/19/2024	Time Sundry Submitted: 12:29
Date proposed operation will begin: 02/28/2024	

Procedure Description: Dugan Production plans to plug and abandon the well per the following procedure: 1) PU & tally 2-3/8" workstring. Run 4½" casing scraper to 5520'. RIH & set 4½" CIBP @ 5507'. Dakota perforations @ 5557'-5604'. 2) Load and circulate hole. Run CBL from 5507' to surface. Will make necessary changes to the plugs after reviewing the CBL. 3) Spot Plug I inside 4½" casing above the CIBP set @ 5507' to cover Dakota top from 5507' to 5357' w/12 sks (13.8 cu ft) Class G cement. Plug I, inside 4½" casing, 12 sks, 13.8 cu ft, Dakota, 5357'-5507'. 4) Spot Plug II inside 4½" casing from 4725' to 4575' 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, 4575'-4725'. 5) Spot Plug III inside 4½" casing from 3817' to 3608' w/18 sks (20.7 cu ft) Class G cement to cover the Mancos top & DV tool. Plug III, Inside 4 ½" casing, 18 sks, 20.7 cu ft, Mancos-DV tool, 3608'-3817'. 6) Spot Plug IV inside w/54 sks, 62.1 cu ft, Class G neat cement from 2450' to 1780' to over the Mesaverde & Chacra tops. Plug IV, inside 4½" casing, 54 sks, 62.1 cu ft, Mesaverde-Chacra, 1780'-2450'. 7) Spot Plug V inside 4½" casing from 946' to 546' w/32 sks (36.8 cu ft) Class G cement to cover the Pictured Cliff & Fruitland tops. Plug V, inside 4½" casing, 32 sks, 36.8 cu ft, Pictured Cliff-Fruitland, 546'-946'. 8) Spot Plug VI inside 4½" casing from 270' to surface w/22 sks (25.3 cu ft) Class G cement to cover the Kirtland top & surface casing shoe. Plug VI, inside 4½" casing, 22 sks, 25.3 cu ft, Kirtland-Surface, 0'-270'. 9) Cut wellhead. Tag TOC at surface. Fill cement in case needed. 10) Install dryhole marker. Clean location.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Well Name: NICE COM	Well Location: T30N / R14W / SEC 7 / SESE / 36.823654 / -108.343964	County or Parish/State: SAN JUAN / NM
Well Number: 1	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM16765	Unit or CA Name: NICE	Unit or CA Number: NMNM76392
US Well Number: 300452649900S1	Well Status: Producing Gas Well	Operator: DUGAN PRODUCTION CORPORATION

Nice_Com_1_Reclamation_Plan_20240219122652.pdf

Nice_Com_1_planned_PA_formation_tops_20240219122632.pdf

Nice_Com_1_planned_PA_proposed_wellbore_schematic_20240219122623.pdf

Nice_Com_1_planned_PA_current_wellbore_schematic_20240219122611.pdf

Nice_Com_1_planned_PA_procedure_20240219122601.pdf

Conditions of Approval

Additional

2775682_NOI_PnA_Nice_Com_1_3004526499_MHK_2.23.2024_20240223145457.pdf

General_Requirement_PxA_20240223144500.pdf

Nice_Com_1_Geo_Rpt_20240223132457.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: FEB 19, 2024 12:25 PM

Name: DUGAN PRODUCTION CORPORATION

Title: Authorized Representative

Street Address: PO Box 420

City: FarmingtonState: NM

Phone: (505) 325-1821

Email address: tyrafeil@duganproduction.com

Field

Representative Name: Aliph Reena

Street Address: PO Box 420

City: FarmingtonState: NMZip: 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: 02/23/2024

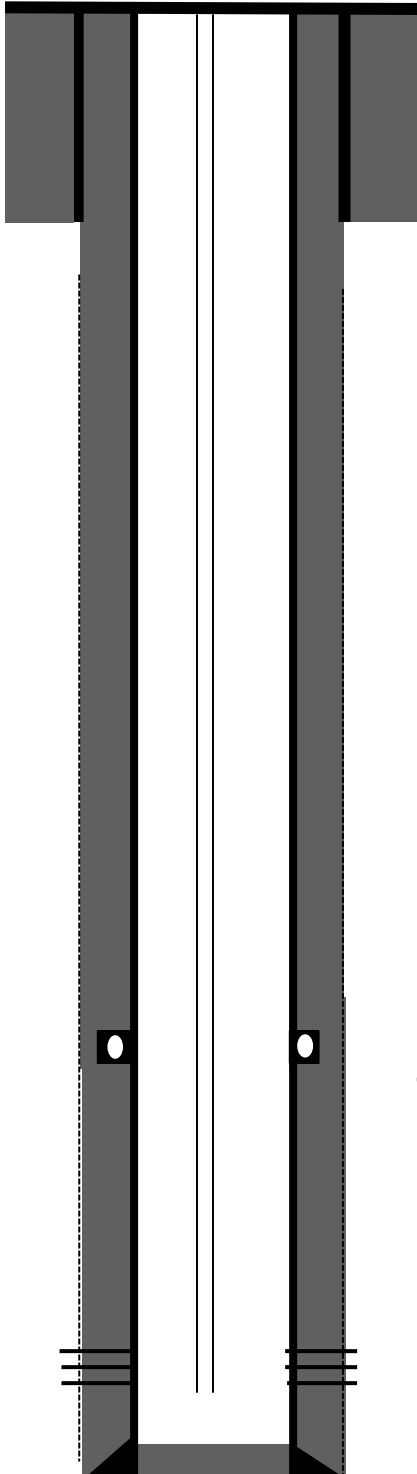
Signature: Matthew Kade

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

- PU & tally 2-3/8" workstring. Run 4½" casing scraper to 5520'. RIH & set 4½" CIBP @ 5507'. Dakota perforations @ 5557'-5604'.
- Load and circulate hole. Run CBL from 5507' to surface. Will make necessary changes to the plugs after reviewing the CBL.
- Spot Plug I inside 4½" casing above the CIBP set @ 5507' to cover Dakota top from 5507' to 5357' w/12 sks (13.8 cu ft) Class G cement. **Plug I, inside 4½" casing, 12 sks, 13.8 cu ft, Dakota, 5357'-5507'.**
- Spot Plug II inside 4½" casing from 4725' to 4575' 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, 4575'-4725'.**
- Spot Plug III inside 4½" casing from 3817' to 3608' w/18 sks (20.7 cu ft) Class G cement to cover the Mancos top & DV tool. **Plug III, Inside 4 ½" casing, 18 sks, 20.7 cu ft, Mancos-DV tool, 3608'-3817'.**
- Spot Plug IV inside w/54 sks, 62.1 cu ft, Class G neat cement from 2450' to 1780' to over the Mesaverde & Chacra tops. **Plug IV, inside 4½" casing, 54 sks, 62.1 cu ft, Mesaverde-Chacra, 1780'-2450'.**
- Spot Plug V inside 4½" casing from 946' to 546' w/32 sks (36.8 cu ft) Class G cement to cover the Pictured Cliff & Fruitland tops. **Plug V, inside 4½" casing, 32 sks, 36.8 cu ft, Pictured Cliff-Fruitland, 546'-946'.**
- Spot Plug VI inside 4½" casing from 270' to surface w/22 sks (25.3 cu ft) Class G cement to cover the Kirtland top & surface casing shoe. **Plug VI, inside 4½" casing, 22 sks, 25.3 cu ft, Kirtland-Surface, 0'-270'.**
- Cut wellhead. Tag TOC at surface. Fill cement in case needed.
- Install dryhole marker. Clean location.

Current Wellbore Schematic

Nice Com #1
API: 30-045-26499
Unit P Sec 7 T30N R14W
990' FSL & 890' FEL
San Juan County, NM
Lat:36.8239975 Long:-108.3446579



8-5/8" J-55 24# casing @ 220'. Cemented with 135 sks Class B, 159 Cu.ft.

Cemented w/ 340 sks 50-50 poz, 471 cu.ft. DV tool @ 3767'.
Cemented second stage. 750 sks, 65-35-12 followed by 120 sks 50-50 poz, 1817 Cu.ft.
Total cement slurry 2288 Cu.ft.

2-3/8", 4.7 # J-55 tubing at 5580'

Dakota Perforated @ 5557'-5604'

4 1/2" 10.5 # casing @ 5829'

Nice Com #1

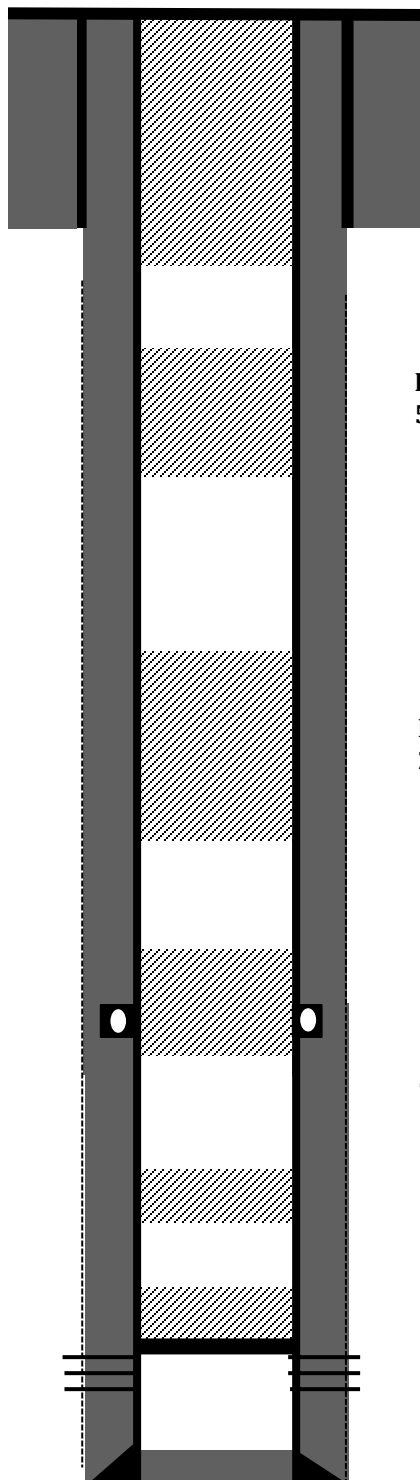
API: 30-045-26499

Unit P Sec 7 T30N R14W

990' FSL & 890' FEL

San Juan County, NM

Lat:36.8239975 Long:-108.3446579



8-5/8" J-55 24# casing @ 220'. Cemented with 135 sks Class B, 159 Cu.ft.

Plug VI, Inside 4 ½" casing, 22 sks, 25.3 Cu.ft, Kirtland-Surface, 0'-270'**Plug V, Inside 4 ½" casing, 32 sks, 36.8 Cu.ft, Pictured Cliff-Fruitland, 546'-946'****Plug IV, Inside 4 ½" casing, 54 sks, 62.1 Cu.ft, Mesaverde-Chacra, 1780'-2450'****Plug III, Inside 4 ½" casing, 18 sks, 20.7 Cu.ft, Mancos-DV tool, 3608'-3817'**

Cemented w/ 340 sks 50-50 poz, 471 cu.ft. DV tool @ 3767'.

Cemented second stage. 750 sks, 65-35-12 followed by 120 sks 50-50 poz, 1817 Cu.ft.

Total cement slurry 2288 Cu.ft.

Plug II, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, Gallup, 4575'-4725'**Set CIBP @ 5829'. Plug I, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, Dakota, 5357'-5507'****Dakota Perforated @ 5557'-5604'****4 ½" 10.5 # casing @ 5829'**

Nice Com #1

API: 30-045-26499

Unit P Sec 7 T30N R14W

990' FSL & 890' FEL

San Juan County, NM

Lat:36.8239975 Long:-108.3446579

Elevation ASL : 5448

Formation Tops

- **Kirtland - Surface**
- **Fruitland - 646**
- **Pictured Cliffs - 896**
- **Chacra - 1880**
- **Mesaverde - 2400**
- **Mancos - 3708**
- **DV tool - 3767**
- **Gallup - 4675**
- **Graneros - 5507**
- **Dakota - 5555**
- **Perforations - 5557-5604**

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

AFMSS 2 Sundry ID 2775682

Attachment to Notice of Intent for Plug and Abandonment

Operator: Dugan Production Corporation
Well: Nice Com 1 (API#30-045-26499)

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. **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 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) 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 2/23/2024

Well No. Nice Com # 1 Surf. Loc. 990 FSL 890 FEL
Sec. 7 T30N R14W
Lease No. NMNM16765
Agrmt # NMNM76392
Operator Dugan Production Co. County San Juan State New Mexico
TVD 5832 PBTD 5785 Formation Basin Dakota
Elevation GL 5448 Elevation Est. KB 5460 (Estimated)

Geologic Formations	Est. tops	Subsea Elev.	Remarks
Kirtland Fm.	Surface		
Fruitland Fm.	646	4814	Coal/gas/possible water
Pictured Cliffs	896	4564	Possible gas/water
Lewis Shale (Main)	1020	4440	Source rock
Huerfanito Bentonite	1560	3900	Reference bed
Chacra (lower)	1880	3580	Possible gas/water
Cliff House Ss	2400	3060	Possible gas/water
Menefee Fm.	2570	2890	Coal/water/possible gas
Point Lookout Fm.	3325	2135	Possible gas/water
Mancos Shale	3708	1752	Source rock
DV Tool	3767	1693	
Gallup	4675	785	Oil & gas
Mancos Stringer	4800	660	Source rock
Juana Lopez	4940	520	
Mancos Stringer	5150	310	
Brdge Crk/Grnhrn	5445	15	
Graneros Shale	5507	-47	
Dakota Ss	5555	-95	Possible gas/water
DK Perfs	5557		

Remarks:

Reference Well:

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

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 317387

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 317387
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	If a pressure is not ran and passed all plugs need to be woc and tag - Notify NMOCD 24 hours prior to moving on	2/28/2024