

Well Name: NICE COM	Well Location: T30N / R14W / SEC 4 / NWNE / 36.848007 / -108.310104	County or Parish/State: SAN JUAN / NM
Well Number: 2	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM16765	Unit or CA Name: NICE	Unit or CA Number: NMNM80712
US Well Number: 300452702500S1	Operator: DUGAN PRODUCTION CORPORATION	

Notice of Intent

Sundry ID: 2871570

Type of Submission: Notice of Intent Type of Action: Plug and Abandonment

Date Sundry Submitted: 09/04/2025 Time Sundry Submitted: 08:00

Date proposed operation will begin: 09/26/2025

Procedure Description: Dugan Production plans to plug and abandon the well according to the attached procedure.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- Nice_Com_2_proposed_PA_planned_wellbore_schematic_20250904072940.pdf
- Nice_Com_2_Rec_Plan_7_1_25_20250904072025.pdf
- Nice_Com_2_proposed_PA_formation_tops_20250904072012.pdf
- Nice_Com_2_proposed_PA_current_wellbore_schematic_20250904072000.pdf
- Nice_Com_2_proposed_PA_planned_work_20250904071954.pdf

Received by OCD: 9/10/2025 2:30:36 PM

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Conditions of Approval

Additional

General_Requirement_PxA_20250910140844.pdf
2871570_NOI_PnA_Nice_Com_2_3004527025_MHK_09.10.2025_20250910140838.pdf
Nice__2_Geo_Rpt_20250910130434.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: SEP 04, 2025 07:56 AM

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

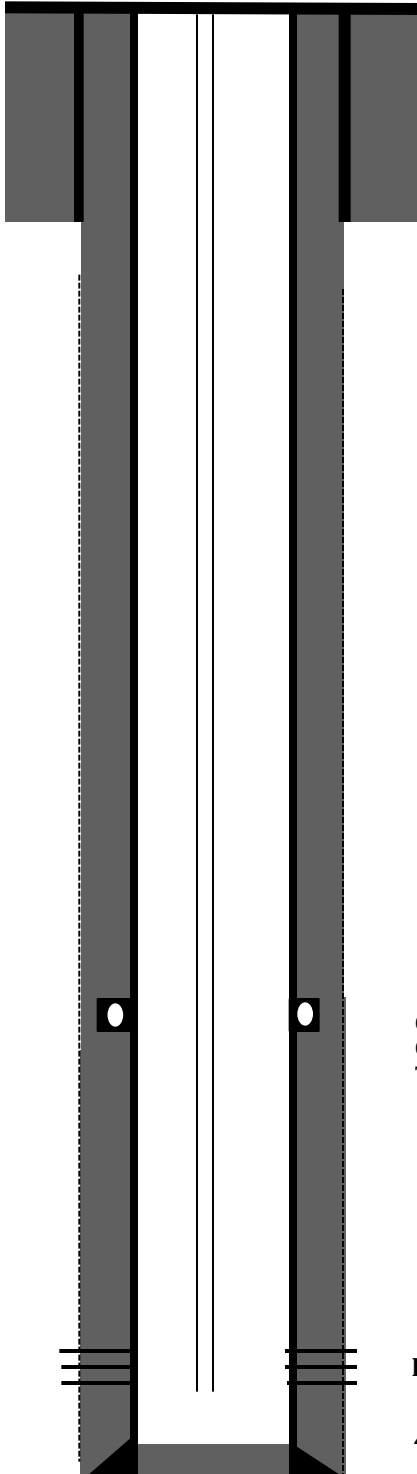
Disposition Date: 09/10/2025

Signature: Matthew Kade

Dugan Production plans to P&A the well according to the following procedure:

- PU & tally 2-3/8" workstring. Run 4½" casing scraper to 5760'. RIH & set 4½" CIBP @ 5745'. Dakota perforations @ 5795'-5871'.
- Load and circulate hole. Attempt to pressure test casing to 650 psi for 30 minutes.
- Run CBL from 5745' to surface. Will make necessary changes to the plugs after reviewing the CBL.
- **Plug I, Dakota Perforations – Dakota:** Spot Plug I inside 4½" casing above the CIBP set @ 5745' to cover Dakota top from 5745' to 5595' w/12 sks (13.8 cu ft) Class G cement. **Plug I, Inside 4½" casing, 12 sks, 13.8 cu ft, Dakota, 5595'-5745'.**
- **Plug II, Gallup:** Spot Plug II inside 4½" casing from 4955' to 4805' 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, 4805'-4955'.**
- **Plug III, DV tool-Mancos:** Spot Plug III inside 4½" casing from 4104' to 3845' w/22 sks (25.3 cu ft) Class G cement to cover the Mancos top & DV tool. **Plug III, Inside 4½" casing, 22 sks, 25.3 cu ft, Mancos-DV tool, 3845'-4104'.**
- **Plug IV, Mesaverde-Lower Chacra-Upper Chacra:** Spot Plug IV inside 4½" casing from 2723' to 2000' w/58 sks, 66.7 cu ft Class G neat cement to cover the Mesaverde & Chacra tops. **Plug IV, Inside 4½" casing, 58 sks, 66.7 cu ft, Mesaverde-Lower Chacra-Upper Chacra, 2000'-2723'.**
- **Plug V, Pictured Cliffs-Fruitland:** Spot Plug V inside 4½" casing from 1161' to 610' w/44 sks (50.6 cu ft) Class G cement to cover the Pictured Cliff & Fruitland tops. **Plug V, Inside 4½" casing, 44 sks, 50.6 cu ft, Pictured Cliff-Fruitland, 610'-1161'.**
- **Plug VI, Surface Casing shoe-Kirtland-Surface:** Spot Plug VI inside 4½" casing from 283' to surface w/22 sks (25.3 cu ft) Class G cement to cover the Surface casing shoe, Kirtland & Surface. **Plug VI, Inside 4½" casing, 22 sks, 25.3 cu ft, surface casing shoe-Kirtland-Surface, 0'-283'.**
- Cut wellhead. Tag TOC at surface. Fill cement in case needed.
- Install dry hole marker. Clean location.

Nice Com # 2
API: 30-045-27025
Sec 4 T30N R14W
830' FNL & 1530' FEL
San Juan County, NM



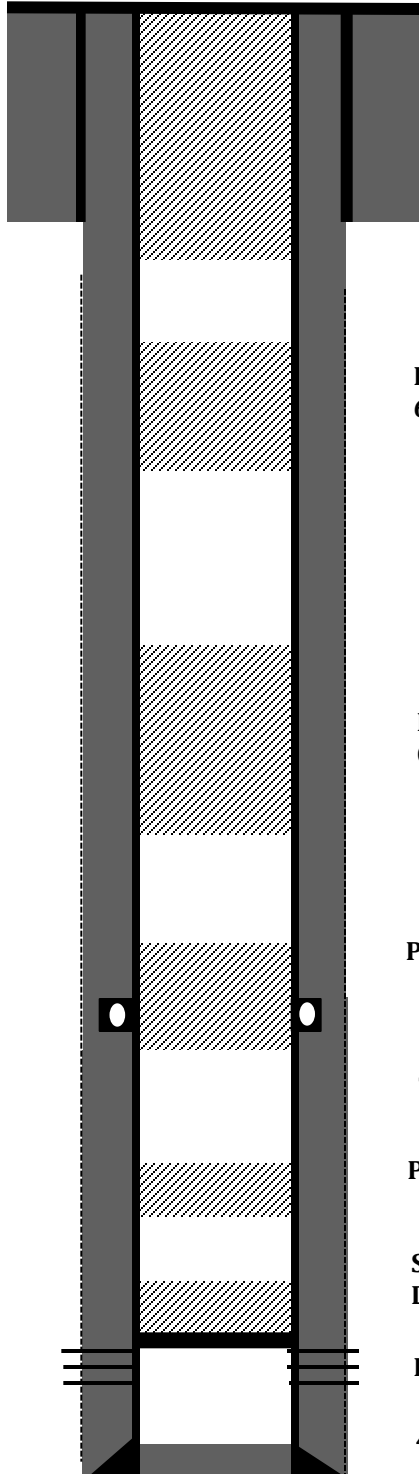
8-5/8" J-55 24# casing @ 233'. Cemented with 135 sks Class B, 159 Cu.ft.
Circulated 3 bbl cement to surface.

Cemented first stage w/ 305 sks 50-50 poz, 418 cu.ft. DV tool @ 4054'
Cemented second stage w/ 715 sks, 65-35-12 followed by 100 sks 50-50 poz, 1707 Cu.ft.
Total cement slurry: 2125 Cu.ft.

Dakota Perforated @ 5795'-5841'

4 1/2" 10.5 # casing @ 6024'

Nice Com # 2
 API: 30-045-27025
 Sec 4 T30N R14W
 830' FNL & 1530' FEL
 San Juan County, NM



8-5/8" J-55 24# casing @ 233'. Cemented with 135 sks Class B, 159 Cu.ft.
 Circulated 3 bbl cement to surface.

Plug VI, Inside 4 1/2" casing, 22 sks, 25.3 Cu.ft, Surface casing Shoe-Kirtland-Surface, 0'-283'

Plug V, Inside 4 1/2" casing, 44 sks, 50.6 Cu.ft, Pictured Cliff-Fruitland, 610'-1161'

Plug IV, Inside 4 1/2" casing, 58 sks, 66.7 Cu.ft, Mesaverde-Lower Chacra-Upper Chacra, 2000'-2723'

Plug III, Inside 4 1/2" casing, 22 sks, 25.3 Cu.ft, Mancos-DV tool, 3845'-4104'

Cemented w/ 305 sks 50-50 poz, 418 cu.ft. DV tool @ 4054'
 Cemented second stage. 715 sks, 65-35-12 followed by 100 sks 50-50 poz, 1707 Cu.ft.
 Total cement slurry: 2125 Cu.ft.

Plug II, Inside 4 1/2" casing, 12 sks, 13.8 Cu.ft, Gallup, 4805'-4955'

Set CIBP @ 5745'. Plug I, Inside 4 1/2" casing, 12 sks, 13.8 Cu.ft, Dakota, 5595'-5745'

Dakota Perforated @ 5795'-5871'

4 1/2" 10.5 # casing @ 6024'

Nice Com # 2
API: 30-045-27025
Sec 4 T30N R14W
830' FNL & 1530' FEL
San Juan County, NM

Elevation ASL : 5685' GL, 5697' KB

Formation Tops

- **Kirtland - Surface**
- **Surface Casing - 233'**
- **Fruitland - 710'**
- **Pictured Cliffs - 1111'**
- **Upper Chacra - 2100'**
- **Lower Chacra - 2390'**
- **Mesaverde - 2673'**
- **Mancos - 3945'**
- **DV tool - 4054'**
- **Gallup - 4905'**
- **Greenhorn - 5676'**
- **Graneros - 5736'**
- **Dakota - 5795'**
- **Perforations - 5795'-5871'**



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Farmington District Office
6251 College Boulevard, Suite A
Farmington, New Mexico 87402
<http://www.blm.gov/nm>



CONDITIONS OF APPROVAL

September 10, 2025

Notice of Intent - Plug and Abandonment

Operator: Dugan Production Corporation
Lease: NMNM16765
Agreement: NMNM80712
Well(s): Nice Com 2, API # 30-045-27025
Location: NWNE Sec 4 T30N R14W (San Juan County, NM)
Sundry Notice ID#: 2871570

The Notice of Intent to Plug and Abandon is accepted with the following Conditions of Approval (COA):

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Changes to procedure, before or during plugging, should be sent through email to Kenneth Rennick (krennick@blm.gov) for approval. Verbal approvals may be given and must be followed up with an email documenting the requested changes.
3. Provide copy of bond log to BLM Petroleum Engineer Kenny Rennick by email at krennick@blm.gov.
4. **Notification:** Farmington Field Office is to be notified at least 24 hours before the plugging operations commence at (505) 564-7750.
5. **Deadline of Completion of Operations:** Complete the plugging operation before September 10, 2026. If unable to meet the deadline, notify the Bureau of Land Management's Farmington Field Office prior to the deadline via Sundry Notice (Form 3160-5) Notice of Intent detailing the reason for the delay and the date the well is to be plugged.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements. Any estimated minimum sacks provided in procedure modification include necessary excesses.

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

Kenny Rennick (krennick@blm.gov/505-564-7742)

**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** 9/10/2025

Well No.	Nice Com	# 2	Surf. Loc.	830	FNL	1530	FEL
			Sec.	4	T30N		R14W
Lease No.	NMNM16765						
Agrmt #	NMNM80712						
Operator	Dugan Production Corp.			County	San Juan	State	New Mexico
TVD	6024	PBTD	5922	Formation	Basin Dakota		
Elevation	GL	5685		Elevation	Est. KB	5697	

Geologic Formations	Est. tops	Subsea Elev.	Remarks
Kirtland Fm.	Surface		
Fruitland Fm.	710	4987	Coal/gas/possible water
Pictured Cliffs	1111	4586	Possible gas/water
Lewis Shale (Main)	1205	4492	Source rock
Huerfanito Bentonite	1830	3867	Reference bed
Chacra (upper)	2100	3597	Possible gas/water
Chacra (lower)	2390	3307	Possible gas/water
Cliff House Ss	2673	3024	Possible gas/water
Menefee Fm.	2832	2865	Coal/water/possible gas
Point Lookout Fm.	3564	2133	Possible gas/water
Mancos Shale	3945	1752	Source rock
DV Tool	4054	1643	
Gallup	4905	792	Oil & gas
Mancos Stringer	5190	507	Source rock
Juana Lopez	5335	362	
Mancos Stringer	5440	257	
Brdge Crk/Grnhn	5676	21	
Graneros Shale	5736	-39	
Dakota Ss	5795	-98	Possible gas/water
DK Perfs Top	5795	-98	
DK Perfs Bottom	5871	-174	

Remarks:Reference Well:

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

Same

Prepared by: Walter Gage

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 505026

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 505026
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
loren.diede	Notify the OCD inspection supervisor via email 24 hours prior to beginning Plug & Abandon (P&A) operations.	9/11/2025