

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

**Well Name:** PAYNE

**Well Location:** T25N / R8W / SEC 14 / NESE / 36.397217 / -107.6436

**County or Parish/State:** SAN JUAN / NM

**Well Number:** 3X

**Type of Well:** CONVENTIONAL GAS WELL

**Allottee or Tribe Name:**

**Lease Number:** NMSF078524

**Unit or CA Name:**

**Unit or CA Number:**

**US Well Number:** 300450536300S1

**Operator:** DUGAN PRODUCTION CORPORATION

### Subsequent Report

**Sundry ID:** 2905796

**Type of Submission:** Subsequent Report

**Type of Action:** Plug and Abandonment

**Date Sundry Submitted:** 04/13/2026

**Time Sundry Submitted:** 09:10

**Date Operation Actually Began:** 03/17/2026

**Actual Procedure:** Dugan Production plugged and abandoned the well from 03/17/2026 - 03/23/2026 per the attached procedure.

### SR Attachments

**Actual Procedure**

Payne\_3X\_marker\_gps\_20260413090910.pdf

Payne\_3X\_BLM\_OCD\_plug\_comms\_20260413090856.pdf

Payne\_3X\_SR\_PA\_formation\_tops\_20260413090632.pdf

Payne\_3X\_SR\_PA\_completed\_wellbore\_schematic\_20260413090626.pdf

Payne\_3X\_SR\_PA\_completed\_work\_20260413090620.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: APR 13, 2026 09:09 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: Accepted

Disposition Date: 04/13/2026

Signature: Kenneth Rennick

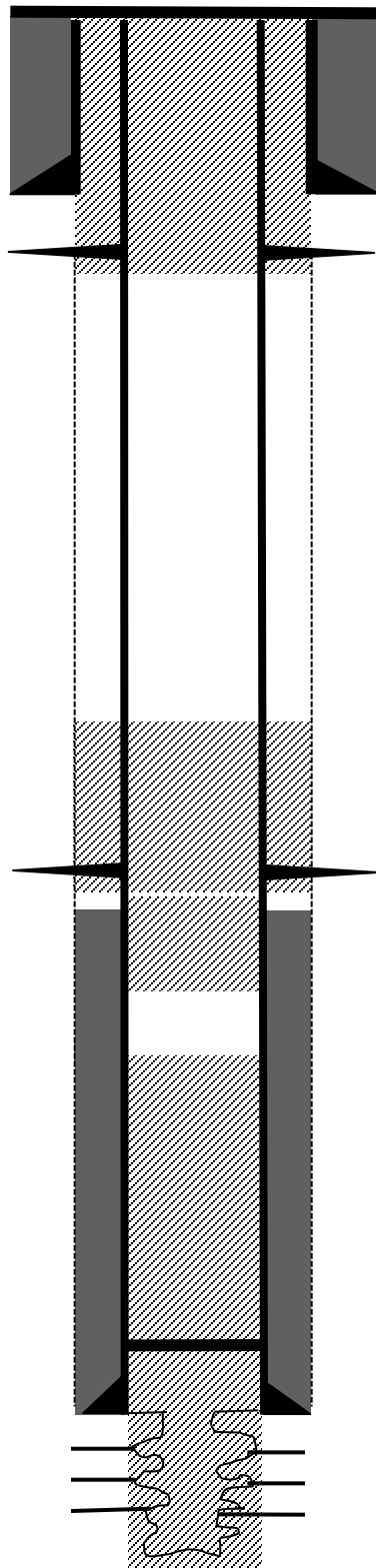
Dugan Production plugged and abandoned the **Payne 3X from 3/17/26 to 3/23/26** per the following procedure:

- MI&RU Aztec Well Service Rig 481. Spot in and RU cement equipment.
- Check pressures: Tubing 53 psi, Casing 53 psi, BH 0 psi.
- LD production tubing.
- PU & tally 2-3/8" work string. Run 5½" string mill to scrape casing to 2555'.
- RIH & set 4½" CICR to 2530'. **Pictured Cliffs perforations @ 2579'-2605'.**
- Load and circulate hole clean with 68 bbls of water.
- **Pressure test casing to 650 psi for 30 minutes, good test.**
- Run CBL from 2520' to surface. Sent copy of CBL to NMOCD. Copy of communications attached.
- Attempt to get an injection rate under CICR: locked up to 1000 psi. No rate.
- **Plug I, Pictured Cliffs-Fruitland tops:** Spot inside 5½" casing above cement retainer @ 2530' with 26 sks (29.9 cu ft) Class G cement with 2% CaCl<sub>2</sub> to cover the Pictured Cliffs & Fruitland tops. Displaced with 8.9 bbls of water. WOC 4 hrs. Tagged TOC at 2273'. Good Tag. **Plug I, Inside 5½" casing, cement retainer at 2530', 26 sks, 29.9 cu ft, Pictured Cliffs-Fruitland, 2273'-2530'.**
- **Plug II, Kirtland top:** Spot Plug II inside 5½" casing from 2151' w/23 sks, 26.45 cu ft Class G neat cement to cover the Kirtland top. Displaced with 7.5 bbls of water. WOC overnight. Tagged TOC at 1951'. Good tag. **Plug II, Inside 5½" casing, 23 sks, 26.45 cu ft, Kirtland top, 1951'-2151'.**
- Check pressures: Tubing 0 psi, Casing 10 psi, BH 0 psi.
- **Plug III, Ojo Alamo top:** MI WL, RIH and shoot squeeze holes at 1945', attempt to get an injection rate: pressured up to 1000 psi, no rate. EOT at 1950', swap to cement. Spot Plug III inside 5½" casing from 1950' w/18 sks, 20.7 cu ft Class G neat cement to cover the Ojo Alamo top. Displaced with 6.9 bbls of water. WOC 4 hrs. Tagged TOC at 1776'. Good tag. **Plug III, Inside 5½" casing, perforations at 1945', EOT 1950', 18 sks, 20.7 cu ft, Ojo Alamo top, 1776'-1950'.**
- **Plug IV, surface casing shoe-Surface:** MI WL, RIH and shoot squeeze holes at 200', EOT at 250', established good circulation to surface through BH valve to pit. Swap to cement. Squeeze Plug IV inside/outside 5½" casing from 250' to surface w/91 sks, 104.65 cu ft Class G neat cement to cover from 250' to surface. No displacement. WOC overnight. MI welder, cut wellhead off. Tagged TOC at 3.5 inside, 2' annulus. **Plug IV, Inside 5½" casing, perforations at 200', EOT @ 250', 91 sks, 104.65 cu ft, surface casing shoe to surface, 0-250'.**
- Fill cellar and install dry hole marker with 20 sks, 23 cu ft, Class G neat cement.
- RD Aztec Well Service Rig 481. Clean location, move.
- Bill Diers with BLM witnessed the job.
- Photos of P&A marker and GPS coordinates attached per NMOCD COA.
- **Well P&A'd on 3/23/2026.**

**Completed P & A Wellbore Schematic**

**Payne 3X**

30-045-05363  
Ballard Pictured Cliffs  
1600' FSL & 660' FEL  
I S14-T25N-R08W  
San Juan County, NM



**8-5/8" 24#, J-55 casing @ 89'.**  
Cemented with 70 sks, cement. Circulated cement to surface.

**Plug IV, Inside 5½" casing, Perforations at 200', EOT @ 250',  
91 sks, 104.65 cu ft, surface casing shoe to surface, 0-250'.**

**Plug III, Inside 5½" casing, Perforations at 1945', EOT  
1950', 18 sks, 20.7 cu ft, Ojo Alamo top, 1776'-1950'.**

**Plug II, Inside 5½" casing, 23 sks, 26.45 cu ft, Kirtland top,  
1951'-2151'.**

**Plug I, Inside 5½" casing, cement retainer at 2530', 26 sks, 29.9  
cu ft, Pictured Cliffs-Fruitland, 2273'-2530'.**

**5 ½" 14#, J-55 casing @ 2571'.**  
Cement w/ 100 sks cement.

Pictured Cliffs Perforated @ 2579' - 2605'

PBTD @ 2579', TD 2605'

**Payne 3X**

30-045-05363

Ballard Pictured Cliffs

1600' FSL & 660' FEL

I S14-T25N-R08W

San Juan County, NM

**Formation Tops (Referenced for the P & A)**

- **Surface Casing - 89'**
- **Ojo Alamo - 1913'**
- **Kirtland - 2096'**
- **Fruitland - 2464'**
- **Perforations - 2579'-2605'**
- **Pictured Cliffs - 2676'**

**Tyra Feil**

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**From:** Diede, Loren, EMNRD <Loren.Diede@emnrd.nm.gov>  
**Sent:** Wednesday, March 18, 2026 11:42 AM  
**To:** Rennick, Kenneth G; Alex Robles; Aliph Reena; Lucero, Virgil S; Vermersch, Thomas, EMNRD; Fordyce, Andrew, EMNRD; Smith, Clarence, EMNRD; Halliburton, Darin L; Garcia, John, EMNRD; Durham, John, EMNRD; Diers, William B; Heslop, Jason, EMNRD  
**Cc:** Indalecio Roldan; Tyra Feil; Brian McCann  
**Subject:** RE: [EXTERNAL] Dugan Payne 3x CBL

NMOCD concurs with BLM.

Loren

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**From:** Rennick, Kenneth G <krennick@blm.gov>  
**Sent:** Wednesday, March 18, 2026 11:41 AM  
**To:** Alex Robles <arobles@aztecwell.com>; Aliph Reena <aliph.reena@duganproduction.com>; Lucero, Virgil S <vlucero@blm.gov>; Diede, Loren, EMNRD <Loren.Diede@emnrd.nm.gov>; Vermersch, Thomas, EMNRD <Thomas.Vermersch@emnrd.nm.gov>; Fordyce, Andrew, EMNRD <Andrew.Fordyce@emnrd.nm.gov>; Smith, Clarence, EMNRD <Clarence.Smith@emnrd.nm.gov>; Halliburton, Darin L <dhallibu@blm.gov>; Garcia, John, EMNRD <JohnA.Garcia@emnrd.nm.gov>; Durham, John, EMNRD <john.durham@emnrd.nm.gov>; Diers, William B <WDiers@blm.gov>; Heslop, Jason, EMNRD <Jason.Heslop@emnrd.nm.gov>  
**Cc:** MILO <indalecio.rolدان@duganproduction.com>; Tyra Feil <tyra.feil@duganproduction.com>; Brian McCann <bmccann@aztecwell.com>  
**Subject:** Re: [EXTERNAL] Dugan Payne 3x CBL

The BLM finds the procedure appropriate.

Kenneth (Kenny) Rennick

Petroleum Engineer

Bureau of Land Management  
Farmington Field Office  
6251 College Blvd  
Farmington, NM 87402

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**From:** Alex Robles <[arobles@aztecwell.com](mailto:arobles@aztecwell.com)>  
**Sent:** Wednesday, March 18, 2026 11:02 AM  
**To:** Aliph Reena <[aliph.reena@duganproduction.com](mailto:aliph.reena@duganproduction.com)>; Lucero, Virgil S <[vlucero@blm.gov](mailto:vlucero@blm.gov)>; Rennick, Kenneth G <[krennick@blm.gov](mailto:krennick@blm.gov)>; Diede, Loren, EMNRD <[loren.diede@emnrd.nm.gov](mailto:loren.diede@emnrd.nm.gov)>; Thomas Vermersch

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**Cc:** MILO <[indalecio.rolدان@duganproduction.com](mailto:indalecio.rolدان@duganproduction.com)>; Tyra Feil <[tyra.feil@duganproduction.com](mailto:tyra.feil@duganproduction.com)>; Brian McCann <[bmccann@aztecwell.com](mailto:bmccann@aztecwell.com)>  
**Subject:** [EXTERNAL] Dugan Payne 3x CBL

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Dugan Prod.  
Payne 3x  
Api# 30-045-05363

Looking at the CBL, TOC appears to be at around 2020'.

We request the following changes:

- Split plug #2 Kirtland-Ojo Álamo. Pump inside plug for **Kirtland top** from 2146' to 1970'.
- Perforate @ 1960' & Attempt to get an injection rate. If rate Cannot be established we can do an inside plug.
- Surface plug will remain as accorded to original NOI.

Please let us know if the changes are acceptable to NMOCD & BLM, and we will proceed accordingly.

Alex Prieto  
Rig Manager – San Juan Basin  
Aztec Well Servicing Co.  
P.O. Box 100  
Aztec, New Mexico 87410  
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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 574498

**CONDITIONS**

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 574498
	Action Type: [C-103P] Sub. Plugging (C-103P)

**CONDITIONS**

Created By	Condition	Condition Date
loren.diede	None	4/16/2026