

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 12/17/2019
Well information:
30-045-25947 APRIL SURPRISE #005
DUGAN PRODUCTION CORP

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Location Change

☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)

☐ Other:

Conditions of Approval:

- Notify NMOCD 24 Hours prior to commencing activities
- Add a Chacra Plug 1560'-1460'. OCD & BLM Chacra pick @ 1510'.

NMOCD Approved by Signature

4/30/2020
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM137056

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 28. Well Name and No.
APRIL SURPRISE 59. API Well No.
30-045-25947-00-S11. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
DUGAN PRODUCTION CORPORATION
Contact: ALIPH REENA
Email: aliph.reena@duganproduction.com3a. Address
PO BOX 420
FARMINGTON, NM 87499-04203b. Phone No. (include area code)
Ph: 505.325.182110. Field and Pool or Exploratory Area
UNDESIGNATED

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 7 T23N R9W NWNE 0660FNL 1830FEL
36.246826 N Lat, 107.826828 W Lon

11. County or Parish, State

SAN JUAN COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

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

- 1) Set CR @ 4467'. Pressure test casing to 600 psi.
- 2) Spot Plug I above retainer from 4467' to 4097' w/33 sks (38 cu ft) Class G cement (1.15 cu ft/sk). Gallup, top of Gallup: 4174', Plug I, inside 4-1/2" casing: 4097'-4467'.
- 3) Spot Plug II inside 4-1/2" casing from 3732' to 3632' w/12 sks (14.2 cu ft) Class G cement. Mancos, top of Mancos: 3682', Plug II, inside 4-1/2" casing: 3632'-3732'.
- 4) Spot Plug III inside 4-1/2" casing from 1880' to 1780' w/12 sks (14.2 cu ft) Class G cement. Mesaverde, top of Mesaverde: 1830', Plug III, inside 4-1/2" casing: 1780'-1880'.
- 5) Spot Plug IV inside 4-1/2" casing from 1117' to 650' w/40 sks (46 cu ft) Class G cement. Pictured Cliffs-Fruitland, top of Pictured Cliffs: 1067', top of Fruitland: 650'; Plug IV, inside 4-1/2" casing: 650'-1117'.
- 6) Spot inside Plug V from 493' to surface w/38 sks (44 cu ft) Class G cement. Ojo Alamo-Kirtland,

OCD Received
4/1/2020

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #496234 verified by the BLM Well Information System
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by JOE KILLINS on 12/19/2019 (20JK0073SE)

Name (Printed/Typed) ALIPH REENA

Title AGENT, ENGINEERING SUPERVISOR

Signature (Electronic Submission)

Date 12/17/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS

Title ENGINEER

Date 03/31/2019

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Farmington

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.

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

AV

Additional data for EC transaction #496234 that would not fit on the form

32. Additional remarks, continued

0-493'.

7) Cut wellhead. Tag TOC @ surface. Fill cement in case needed.

8) Install dry hole marker. Clean location.

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

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: April Surprise 5

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. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. Run a CBL after setting CR for plug 1 to confirm cement coverage.
4. Submit electronic copy of the CBL for verification to the following addresses: jkillins@blm.gov , jhoffman@blm.gov and Brandon.Powell@state.nm.us . Based on CBL results inside/outside plugs and volumes will be adjusted accordingly. Please review the General Requirements document to ensure volumes meet required excess inside and outside casing.
 - a. BLM tops are based on the attached geologic report. Plugs will be adjusted based on cement coverage indicated by the CBL. Do not proceed with any plugging operations prior to reviewing CBL results with BLM and revising plug depths.

BLM FLUID MINERALS Geologic Report

Date Completed: 3/30/2020

Well No. April Surprise #005 (API# 30-045-25947)			Location	660	FNL	&	1830	FEL
Lease No. NMNM-4958			Sec. 07	T23N			R09W	
Operator Dugan Production Corp.			County	San Juan		State	New Mexico	
Total Depth 4955		PBTD 4882	Formation Mancos (Gallup)					
Elevation (GL) 6710			Elevation (KB) 6723					

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					
Nacimiento Fm	Surface	342			Fresh water sands (probable)
Ojo Alamo Ss	342	443			Aquifer (fresh water probable)
Kirtland Shale	443	700			
Fruitland Fm	700	1067			Coal/Gas/Possible water
Pictured Cliffs Ss	1067	1274			Gas
Lewis Shale	1274	1510			
Chacra	1510	1830			
Cliff House Ss	1830	1933			Water/Possible gas
Menefee Fm	1933	3505			Coal/Ss/Water/Possible O&G
Point Lookout Ss	3505	3682			Probable water/Possible O&G
Mancos Shale	3682	4147			
Gallup	4147	PBTD			O&G/Water
Graneros Shale					
Dakota Ss					O&G/Water

Remarks:

P & A

- No well log available for the subject well. BLM geologist's picks for the Lewis, Chacra, Menefee were estimated using Reference Well #2.
- Log analysis of reference wells in the region indicate that Nacimiento and Ojo Alamo sands investigated likely contain fresh water ($\leq 5,000$ ppm TDS). These fresh water sands are adequately covered by the proposed surface plug (493' – Surface).

Reference Well:

1) Same

Fm. Tops

2) Dugan Prod. Co.
Wit's End #004
660' FSL, 660' FWL
Sec. 02, T23N, R10W
GL 6719' KB 6731'

Fm. Tops

Prepared by: Chris Wenman

April Surprise # 5
API; 30-045-25947
Sec 7 T23N R9W
660' FNL & 1830' FEL, Gallup
Lat; 36.24690 Long: -107.82738

Spot inside plug w/ 38 sks Class G (44 cu.ft) @ 0'-493'
[Plug V: Ojo Alamo-Kirtland-Surface, 0'-493']

Inside plug w/ 40 sks Class G @ 650'-1117' (46 cu.ft)
[Plug IV, PC-Fruitland, 650'-1117']

Cemented Stage I w / 260 sks 50-50 poz (320 Cu.ft). DV tool @ 3722'. Cemented stage II w / 515 sks 65-35 followed by 50 sks 50-50 poz w / 2% gel (1202 cu.ft). Total slurry 1522 cu.ft.

Inside plug w/ 12 sks Class G @ 1780'-1880' (14.2 cu.ft)
[Plug III, Mesaverde, 1780'-1880']

Inside plug w/ 12 sks Class G @ 3632'-3732' (14.2 cu.ft)
[Plug II, Mancos, 3632'-3732']

Set CR @ 4467'. Inside plug w/ 33 sks Class G @ 4097'-4467' (38 cu.ft)[Plug I, Gallup, 4097'-4467']

4 1/2" 10.5 # casing @ 4955'. PBTD @ 4882'

Gallup Perforated @ 4517'-4813', 32 holes

Current Wellbore Schematic

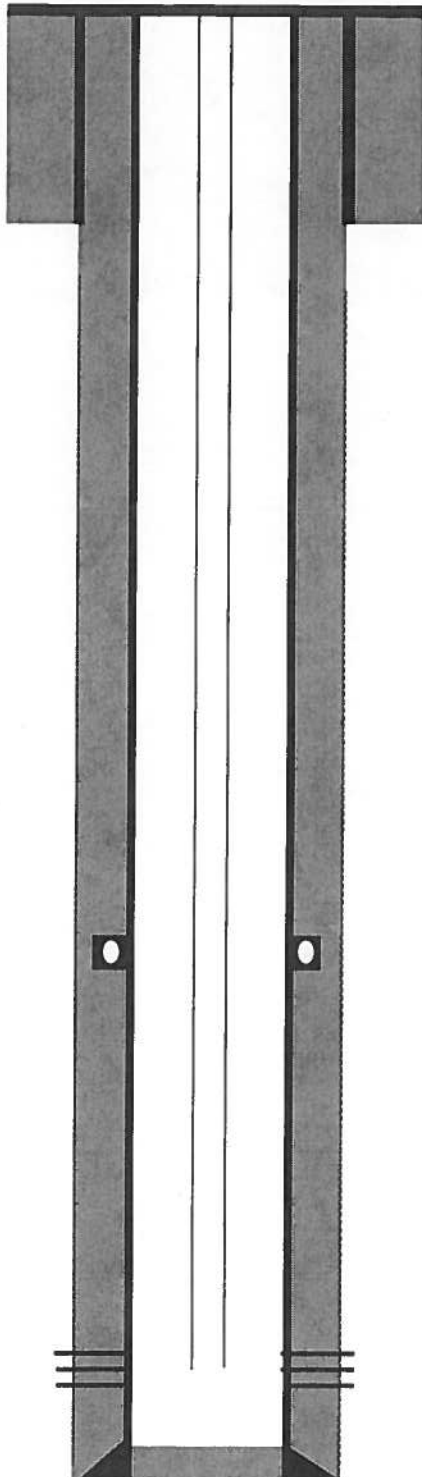
April Surprise # 5

API; 30-045-25947

Sec 7 T23N R9W

660' FNL & 1830' FEL, Gallup

Lat; 36.24690 Long: -107.82738



8-5/8" J-55 24# casing @ 207'. Cemented with 135
sks, 159 cf Class B w/ 2% CaCl₂. Circulated 2 bbls
cement to surface.
Hole size: 12-1/4

Cemented Stage I w / 260 sks 50-50 poz (320 Cu.ft). DV tool @
3722'. Cemented stage II w/ 515 sks 65-35 followed by 50 sks
50-50 poz w/ 2% gel (1202 cu.ft).
Total slurry 1522 cu.ft.

2 3/8" 4.7# tubing set @ 4729'

4 1/2" 10.5 # casing @ 4955'. PBTD @ 4882'

Gallup Perforated @ 4517'-4813', 32 holes