

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, 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: 5/18/2018

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-23893-00-00	JUNE JOY	002	DUGAN PRODUCTION CORP	O	A	San Juan	F	B	25	24	N	10	W

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 24hrs prior to beginning operations.
- Add Chacra plug 1930'-1830'.

NMOCD Approved by Signature

8/17/18
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.
NMNM5991

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
JUNE JOY 2

2. Name of Operator

DUGAN PRODUCTION CORPORATION

Contact: ALIPH REENA

Email: aliph.reena@duganproduction.com

9. API Well No.

30-045-23893-00-C1

3a. Address

709 E MURRAY DRIVE
FARMINGTON, NM 87499

3b. Phone No. (include area code)

Ph: 505.325.1821

10. Field and Pool or Exploratory Area
BISTI LOWER GALLUP

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

Sec 25 T24N R10W NWNE 0790FNL 1670FEL
36.290039 N Lat, 107.844284 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 Corp. plans to plug & abandon the well as per the following procedure:

- 1) Set CIBP @ 4673. Load hole. Pressure test casing to 600 psi. Run CBL.
- 2) Spot Plug I above BP from 4673' to 4573' w/12 sks (14.2 cu ft) Class B cement - Gallup Plug I: 4573'-4673'.
- 3) Spot Plug II inside 4-1/2" casing from 4088' to 3988' w/12 sks (14.2 cu ft) Class B cement - Mancos Plug II: 3988'-4088'.
- 4) Spot inside Plug III from 2107' to 2207' w/12 sks (14.2 cu ft) Class B cement - Mesaverde Plug III: 2107'-2207'.
- 5) Spot inside plug IV from 1496' to 1153' w/30 sks (35.4 cu ft) Class B cement - Plug IV: Fruitland-PC, 1153'-1496'.
- 6) Spot inside Plug V from 823' to 601' w/21 sks (25 cu ft) Class B cement - Plug V: Ojo

Notify NMOCD 24 hrs
prior to beginning
operations

NMOCD

AUG 16 2018

DISTRICT III

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

**Electronic Submission #420723 verified by the BLM Well Information System
For DUGAN PRODUCTION CORPORATION, sent to the Farmington
Committed to AFMSS for processing by JACK SAVAGE on 08/14/2018 (18JWS0176SE)**

Name (Printed/Typed) ALIPH REENA

Title AGENT, ENGINEERING SUPERVISOR

Signature (Electronic Submission)

Date 05/18/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JACK SAVAGE

Title PETROLEUM ENGINEER

Date 08/14/2018

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 ****

NMOCD

Additional data for EC transaction #420723 that would not fit on the form

32. Additional remarks, continued

Alamo-Kirtland, 601'-823'.

7) Spot inside Plug VI from 259' to surface w/24 sks (28.3 cu ft) Class B cement - Plug VI: surface-259'.

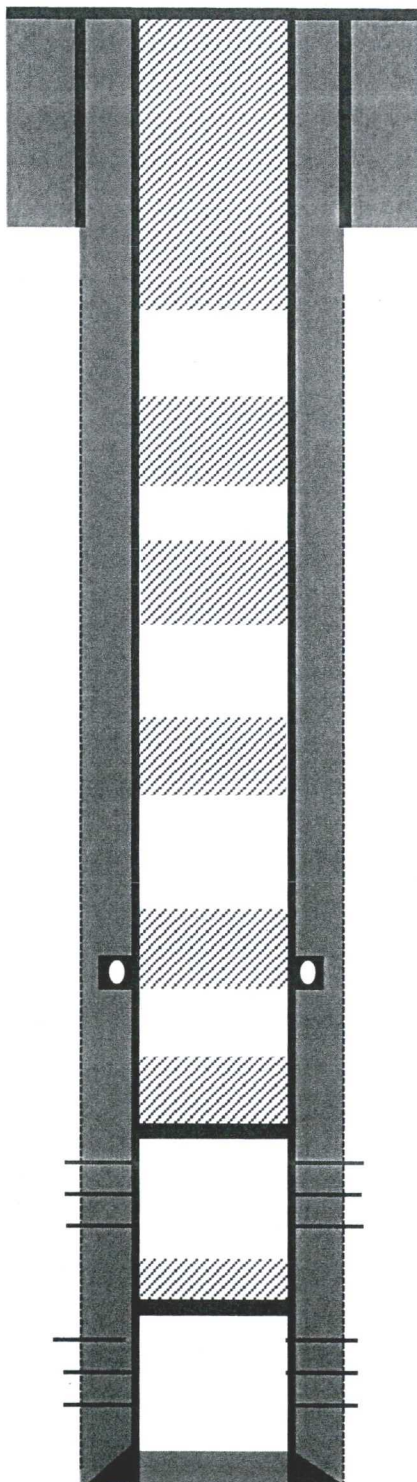
8) Cut wellhead. Tag TOC at surface. Fill cement in case needed.

9) Tag TOC behind 4-1/2" casing w/1" tubing. Fill up cement as needed.

10) Install dryhole marker. Clean location.

Planned P & A Schematic

June Joy # 2
30-045-23893
S25 T24N R10W
790' FNL 790' FEL
San Juan County, NM



8 5/8" J-55 24# casing @ 209'. Cemented with 125 sks Class B w/ 2% CaCl₂. Circulated cement to surface.

Spot plug from 252' to surface w/ 24 sks Class B @ 0-259' (28 cu.ft) [Plug VI: Surface]

Inside plug w/ 21 sks Class B (25 cu.ft) @ 601'-823' [Plug V: Ojo Alamo-Kirtland]

Inside plug w/ 30 sks Class B @ 1153'-1496' (35.4 cu.ft) [Plug IV: PC-Fruitland]

Inside plug w/ 12 sks Class B @ 2107'-2207' (14.2 cu.ft) [Plug III: Mesaverde]

Inside plug w/ 12 sks Class B @ 3988'-4088' (14.2 cu.ft) [Plug II: Mancos]

Cemented w/ 250 sks Class B w/ 4% gel followed by 150 sks Class B (557 Cu.ft). DV tool @ 4081'. 400 sks 65-35-12 followed by 100 sks Class B w/ 4% gel. (1203 cu.ft). Total slurry 1760 cu.ft.

Set CIBP @ 4673'. Inside plug w/ 12 sks Class B @ 4573'-4673' (14.2 cu.ft) [Plug I: Gallup].

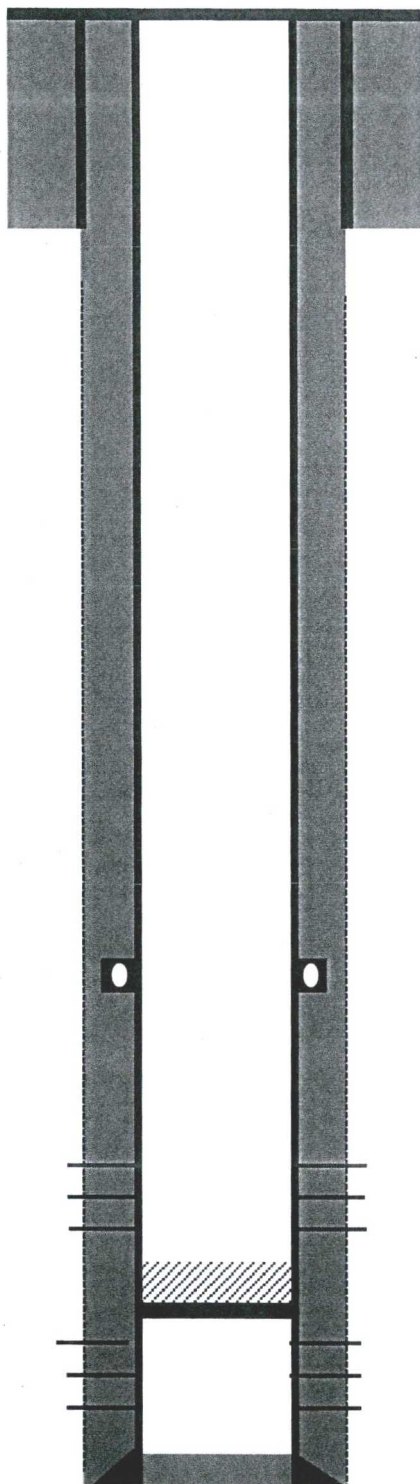
Gallup Perforated @ 4723'-5105'

4 1/2" 10.5 # casing @ 6175'. PBTB @ 5780'

BP set @ 5830'. Spot 50' of cement on top to plug Dakota/Gallup perforations. PBTB @ 5780'

Current Wellbore Schematic

June Joy # 2
30-045-23893
S25 T24N R10W
790' FNL 790' FEL
San Juan County, NM



8 5/8" J-55 24# casing @ 209'. Cemented with 125 sks Class B w/ 2% CaCl₂. Circulated cement to surface.

4 1/2" 10.5 # casing @ 6175'. PBTB @ 5780'

Cemented w / 250 sks Class B w/ 4% gel followed by 150 sks Class B (557 Cu.ft). DV tool @ 4081'. 400 sks 65-35-12 followed by 100 sks Class B w/ 4% gel. (1203 cu.ft). Total slurry 1760 cu.ft.

Gallup Perforated @ 4723'-5105'

BP set @ 5830'. Spot 50' of cement on top to plug Dakota/Gallup perforations. PBTB @ 5780'

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: June Joy 2

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. The following modifications to your plugging program are to be made:
 - a) Set Plug 1 (4673 – 4542) ft. to cover the Gallup top. BLM picks top of Gallup at 4592 ft.

Operator will run a CBL to verify cement top. Submit the electronic copy of the log for verification to the following addresses: jwsavage@blm.gov Brandon.Powell@state.nm.us

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

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