Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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. **NM-19163**

6. If Indian, Allottee or Tribe Name

***SUBMIT IN TRIPLICATE**- Other instructions on reverse side.*

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

1. Type of Well ☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No. **Turk's Toast #6**

2. Name of Operator **Dugan Production, c/o Westmoreland, San Juan Coal Mine**

9. API Well No. **30-045-30586**

3a. Address **PO Box 561, Water Flow, NM 87421**

3b. Phone No. *(include area code)* **505-598-2000**

10. Field and Pool, or Exploratory Area **Gamblers Mesa Gallup**

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

400' FSL and 330' FWL, Sec. 18, T-30-N, R-14-W

11. County or Parish, State **San Juan, NM**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other ______
	☐ Change Plans	☑ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall 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 as the operator, desires Westmoreland, San Juan Coal Mine to plug and abandon this well per the attached procedure.

Also request approval to set an underground plate instead of a 4' above ground marker to prevent stray electrical currents from entering the underground coal mine.

Surface reclimation will be in accordance with the MSHA approved plan for the San Juan Coal Mine

A closed loop system will be utilized for waste fluid.

NMOCD
DEC 06 2018
DISTRICT III

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Notify NMOCD 24 hrs prior to beginning operations

NMOCD'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* **Chad Dawson**

Title **Mine Geologist**

Signature **Chad Dawson** Digitally signed by Chad Dawson Date: 2018.11.15 09:47:52 -07'00'

Date **11/15/2018**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by ______ Title ______ Date 11/27/18

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

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)

verbal CP/Phillip monday work

NMOCD

Turk's Toast #6

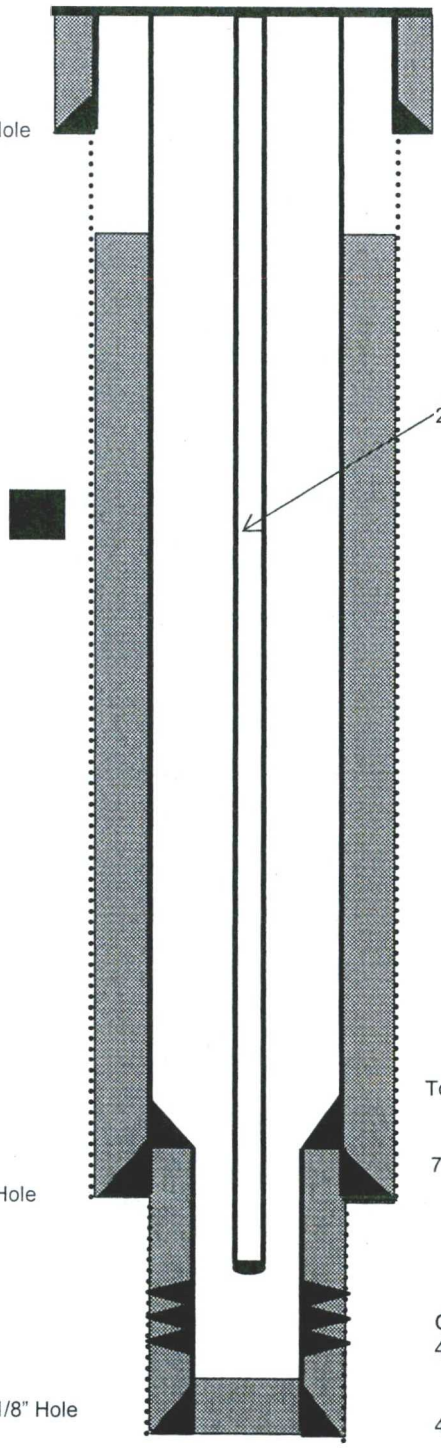
Current

Basin Dakota

400' FSL & 330' FWL, Section 18, T-30-N, R-14-W
San Juan County, NM / API #30-045-30586
N: 2113810.17 / E: 346539.68

Today's Date: **3/28/18**

Spud: 9/22/01
Completed: 9/29/01
Elevation: 5512' GL



Kirtland @ 200'

12-1/4" Hole

9-5/8" 36#, Casing set @ 222'
177 sxs cement, Circulated to surface

Fruitland @ 680'

TOC unknown, did not circulate

2-3/8" J-55 tubing at 1260'

Coal Seam #8: 985' – 999'

Pictured Cliffs @ 1020'

Chacra @ 1995'

Mesaverde @ 2570'

Mancos @ 2815'

Top of 4-1/2" Liner @ 4441'

7" 23# Casing set @ 4653'
Cemented with 497 sxs

8-3/4" Hole

Gallup @ 4730'

Gallup Perforations:
4739' - 5181'

6-1/8" Hole

4.5" 10.5# Casing set 5290'
Cemented with 193 cf

TD 5352'
PBTD 5225'

Turk's Toast #6

Proposed P&A

Basin Dakota

400' FSL & 330' FWL, Section 18, T-30-N, R-14-W
San Juan County, NM / API #30-045-30586
N: 2113810.17 / E: 346539.68

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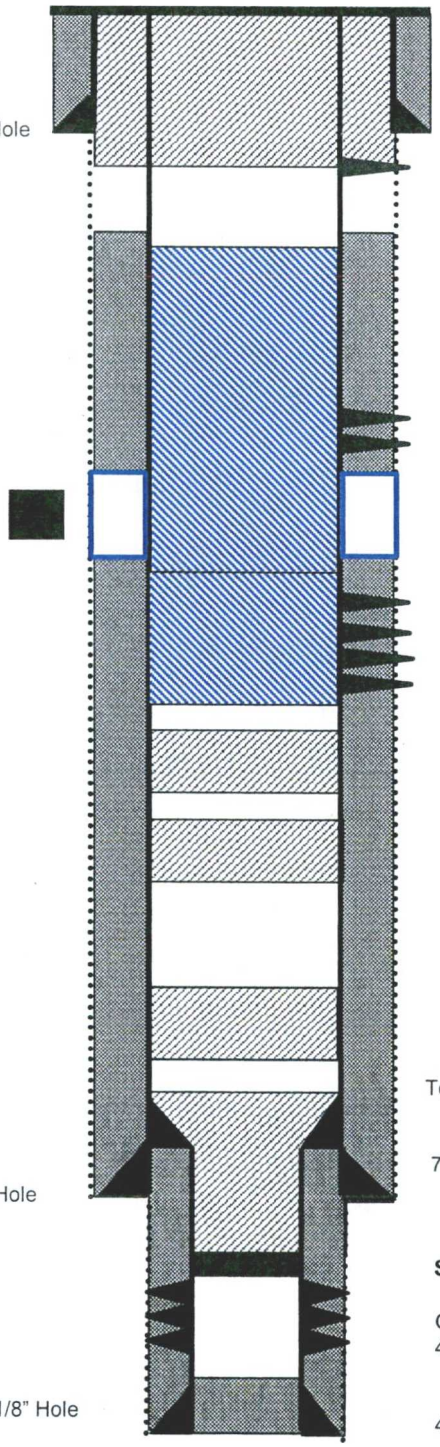

Kirtland @ 200'

12-1/4" Hole

9-5/8" 36#, Casing set @ 222'
177 sxs cement, Circulated to surface

Perforate @ 272'

Plug #7: 272' – 0'
Class G cement, 98 sxs

TOC unknown, did not circulate

Fruitland @ 680'

Plug #6: 1019' – 630'
Class G cement, 103 sxs with 18% salt by weight of water

Perforate @ 837' to 835'
Perforate @ 887' to 885'

Coal Seam #8: 936' – 947'

Mill out casing from 930' to 953'

Pictured Cliffs @ 1020'

Perforate @ 980'
Perforate @ 1030'
Perforate @ 1080'
Perforate @ 1130'

Plug #5: 1249' – 999'
Class G cement, 60 sxs with 18% salt by weight of water

Chacra @ 1995'

Plug #4: 2045' – 1945'
Class G cement, 29 sxs

Mesaverde @ 2570'

Plug #3: 2620' – 2520'
Class G cement, 29 sxs

Mancos @ 2815'

Plug #2: 3865' – 3765'
Class G cement, 29 sxs

Top of 4-1/2" Liner @ 4441'

7" 23# Casing set @ 4653'
Cemented with 497 sxs

Plug #1: 4689' – 4391'
Class G cement, 40 sxs

8-3/4" Hole

Gallup @ 4730'

Set CR @ 4689'

Gallup Perforations:
4739' - 5181'

6-1/8" Hole

4.5" 10.5# Casing set 5290'
Cemented with 193 cf

TD 5352'
PBTD 5225'

A-Plus Well Service, Inc.

PLUG AND ABANDONMENT PROCURE

March 29, 2017

Turk's Toast #6

Gamblers Mesa Gallup
400' FSL and 330' FWL, Section 18, T30N, R14W
San Juan County, New Mexico / API 30-045-30586

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be water or drilling mud with sufficient weight to balance all exposed formation pressures. Cement is Class G mixed at 15.8 ppg with 1.15 cf/sxs yield or Class G with 18% salt by weight of water (for expansion, MSHA requirement through the Fruitland Coal zone).

MILLING OUT CASING AND PLUGGING PROCEDURE:

A closed loop system will be utilized.

1. Comply with all applicable MSHA, NMOCD, BLM and BHP Billiton safety regulations. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. Lay relief line to the waste pit and blow well down, kill well with water as necessary. ND wellhead and NU BOP. Test BOP. Pull rod and tubing from well if present.

2. Rods: Yes_____ , No_____, Unknown_____.
   Tubing: Yes __X__ , No _____, Unknown_____ , Size __2-3/8"_____ , Length __5021' RKB____.
   Packer: Yes_____ , No __X___, Unknown_____, Type _____.
   If this well has rods, a packer or tubing anchor, then modify the work sequence in step #2 appropriate. Pump twice the tubing capacity down the tubing before ND wellhead. TOH and LD the 2.375" tubing and pick up a 2.375" workstring.

3. Round trip 4.5" string mill to 4689' or as deep as possible. TIH and set a 4.5" cement retainer at 4689'. Pressure test the tubing to 1000 PSI. Load the well and circulate the casing clean. If paraffin is present, then circulate the well with hot water from a hot oil truck until clean. *Pressure test the casing to 1000 PSI. If the casing does not test, then tag or WOC plugs as appropriate.* TOH with setting tool. Run a CBL to determine the annulus top of cement.

4. **Plug #1 (Gallup interval, 7" Casing Shoe, and 4-1/2" Liner Top, 4689' – 4391'):** TIH with open ended tubing and tag the CR at 4689'. Mix 40 sxs Class G cement and spot a balanced plug inside the casing to isolate the Gallup interval, 7" Casing Shoe, and 4-1/2" Liner top. PUH.

5. **Plug #2 (Mancos top, 3865' – 3765'):** Mix 29 sxs Class G cement and spot a balance plug to cover the Mancos top. PUH.

6. **Plug #3 (Mesaverde top, 2620' – 2520'):** Mix 29 sxs Class G cement and spot a balance plug to cover the Mesaverde top. PUH.

7. **Plug #4 (Chacra top, 2045' – 1945'):** Mix 29 sxs Class G cement and spot a balanced plug to cover the Chacra top. PUH..

Plugging Procedure Continued:

8. **Rig up Jet West wireline and run a Gamma - Neutron log and a directional survey log. Adjust the milling intervals and perforation depths as appropriate from these logs.**

All reported depths should be from ground level.

9. **Perforate the 7" casing below the Basel Fruitland Coal Seam (#8):** [after making the correcting depth adjustments]:
   a) Perforate 6 squeeze holes in a 2 foot interval from 1198' to 1200';
   b) Perforate 6 squeeze holes in a 2 foot interval from 1148' to 1150';
   c) Perforate 6 squeeze holes in a 2 foot interval from 1098' to 1100';
   d) Perforate 6 squeeze holes in a 2 foot interval from 1048' to 1050';
   e) Attempt to establish a rate into these squeeze holes, up to 1200 PSI
   f) If the CBL log shows poor bond in the interval from 900' to 700', then add additional perforations as appropriate to enhance the cement placement quality in the annulus below the coal zone.

   Plug #5 (Pictured Cliffs interval, 1249' to 999'): Squeeze the above holes with Class G cement with 18% salt (by weight of water); volume depending on the injection rate and pressure; between 50 to 100 sxs cement; hesitate squeeze up to 1500 PSI pressure. WOC overnight.

10. Pick up a 6.125" blade bit and 6 - 3.5" drill collars and TIH to tag cement. Drill out cement from plug #6 down to 1019'. Pressure test the casing to 1000 PSI. TOH and LD bit.

11. PU a flat bottom mill, the 6.125" section milling tool and the drill collars; this is the milling bottom hole assembly(BHA). TIH with BHA and work string to 978'. Rig up drilling equipment and establish circulation with a high viscosity low solids fresh water mud.

12. **Note: The intervals to be milled out below are from ground level - not KB.**

13. **Mill out the 7" casing from 978' to 1005'.** Start milling out the 7" casing from 978' down to 1005'. Mill per the tool hands instructions for weight on mill, circulation rate and power swivel's RPM. Circulate well clean with mud. TOH with section mill and workstring; stand back the drill collars. TIH with bit and clean out to 1019'. Circulate the well clean. TOH with the bit.

14. Rig up a wireline truck and run a caliper log through the milled interval to insure all the 4.5" casing from the planned milling depths (978' to 1005') has been removed. Re-mill as appropriate. Re-log as necessary.

Plugging Procedure Continued:

15. **Perforate the 7" casing with 6 SPF at 935' and 885'.** This is 50' and 100' above Coal Seam #8 and the depths should be modified as appropriate from the logs run in step #8.

16. **Plug #6 (Fruitland Coal interval, 1019' to 630'):** TIH open ended workstring. Circulate out the mud with water in the well. Mix 103 sxs Class G cement with 18% salt (by weight of water) and spot a balanced plug from 1019' to 630' to fill the milled interval and cover the Fruitland top. Displace cement with water. TOH with workstring. Hesitate squeeze the cement down as appropriate inside the 7" casing to achieve a 1000 PSI pressure. WOC and tag

17. **Plug #7 (9.625" Surface casing shoe, 272' to Surface):** Perforate 4 squeeze holes at 272'. Establish rate through perforations and circulate BH annulus clean, note the fluid volume to load and circulate clean. Mix approximately 98 sxs Class G cement to fill the bradenhead annulus and 7" casing with cement to surface. Shut in well and WOC.

18. ND BOP and cut off wellhead below surface. Install P&A marker with cement to comply with regulations. RD, MOL. Cut off anchors and clean up 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: Turks Toast 6

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 #2 (3822 – 3722) ft. to cover the Mancos top. BLM picks top of Mancos at 3772 ft.

b) Set Plug #3 (2537 – 2437) ft. to cover the Mesaverde top. BLM picks top of Mesaverde at 2487 ft.

c) Set Plug #6 (1019 – 582) ft. to cover the Fruitland Coal interval. BLM picks top of Pictured Cliffs at 946 ft. BLM picks top of Fruitland at 632 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

H_2S has not been reported at this location, however, ***high to very high concentrations of H_2S (100 ppm – 600 ppm GSV)*** have been reported in several wells within a 1 mile radius of this location. ***It is imperative that H_2S monitoring and safety equipment be on location during P&A operations at this well site.***

This well is located within Westmoreland San Juan Coal's active mining area.

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.