

Well Name: HENRY AGC FEDERAL	Well Location: T23N / R7W / SEC 29 / NWNW / 36.202824 / -107.604546	County or Parish/State: SANDOVAL / NM
Well Number: 1	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM36943	Unit or CA Name:	Unit or CA Number:
US Well Number: 300432083200S1	Well Status: Producing Oil Well	Operator: DUGAN PRODUCTION CORPORATION

Notice of Intent

Sundry ID: 2642889

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 11/03/2021

Time Sundry Submitted: 04:10

Date proposed operation will begin: 11/29/2021

Procedure Description: Dugan Production plans to plug and abandon the well as per the following procedure: 1) Set CIBP @ 4864'. Pressure test casing to 600 psi. Circulate 80 sks of cement on Stage II of primary cement job. DV @ 4238'. 2) Spot Plug I above BP inside 4-1/2" casing from 4864' to 4764' w/12 sks (13.8 cu ft) Class G cement (1.15 cu ft/sk, 15.8#/gal). Plug I, Gallup, inside 4-1/2" casing 4764'-4864'. 3) Spot Plug II inside 4-1/2" casing from 4047' to 3947' w/12 sks (13.8 cu ft) Class G cement. Plug II, Mancos, inside 4-1/2" casing, 3947'-4047'. 4) Spot Plug III inside 4-1/2" casing from 2385' to 1878' w/44 sks (50.6 cu ft) Class G cement to combine and cover the Mesaverde and Chacra tops. Plug III, Mesaverde-Chacra, inside 4-1/2" casing, 1878'-2385'. 5) Spot Plug IV inside 4-1/2" casing from 1575' to 886' w/58 sks (66.7 cu ft) Class G cement to combine and cover the Pictured Cliff, Fruitland, Kirtland, Ojo Alamo tops. Plug IV, Pictured Cliffs-Fruitland-Kirtland-Ojo Alamo, inside 4-1/2" casing, 886'-1575'. 6) Spot inside Plug V inside 4-1/2" casing from 327' to surface w/30 sks (34.5 cu ft) Class G cement to cover the surface casing shoe to surface. Plug V, surface, inside 4-1/2" casing, 0-327'. 7) Cut wellhead. Tag TOC at surface. Fill cement in case needed. 8) Install dry hole marker. Clean location.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Henry_AGC_Federal_1_Planned_PA_Formation_Tops_20211216163619.pdf

Henry_AGC_Federal_1_Planned_PA_Procedure_20211216163558.pdf

Henry_AGC_Federal_1_Reclamation_Plan_20211103160750.pdf

Well Name: HENRY AGC FEDERAL	Well Location: T23N / R7W / SEC 29 / NWNW / 36.202824 / -107.604546	County or Parish/State: SANDOVAL / NM
Well Number: 1	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM36943	Unit or CA Name:	Unit or CA Number:
US Well Number: 300432083200S1	Well Status: Producing Oil Well	Operator: DUGAN PRODUCTION CORPORATION

Henry_AGC_Federal_1_location_pre_reclamation_pic8_20211103160646.pdf

Henry_AGC_Federal_1_location_pre_reclamation_pic7_20211103160645.pdf

Henry_AGC_Federal_1_location_pre_reclamation_pic6_20211103160645.pdf

Henry_AGC_Federal_1_location_pre_reclamation_pic3_20211103160645.pdf

Henry_AGC_Federal_1_location_pre_reclamation_pic1_20211103160645.pdf

Henry_AGC_Federal_1_location_pre_reclamation_pic4_20211103160645.pdf

Henry_AGC_Federal_1_location_pre_reclamation_pic5_20211103160644.pdf

Henry_AGC_Federal_1_planned_PA_schematic_20211103160628.pdf

Henry_AGC_Federal_1_current_wellbore_schematic_20211103160613.pdf

Conditions of Approval

Authorized Officer

General_Requirement_PxA_20211221141858.pdf

2642889_NOIA_1_3004320832_KR_12212021_20211221141845.pdf

Henry_AGC_Federal_No_1_Geo_Rpt_20211221141820.pdf

Operator Certification

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 submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: TYRA FEIL

Signed on: DEC 16, 2021 04:36 PM

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

Representative Name: ALIPH REENA

Street Address: PO BOX 420

City: FARMINGTON

State: NM

Zip: 87499-0420

Phone: (505)325-1821

Email address: aliph.reena@duganproduction.com

Well Name: HENRY AGC FEDERAL	Well Location: T23N / R7W / SEC 29 / NWNW / 36.202824 / -107.604546	County or Parish/State: SANDOVAL / NM
Well Number: 1	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM36943	Unit or CA Name:	Unit or CA Number:
US Well Number: 300432083200S1	Well Status: Producing Oil Well	Operator: DUGAN PRODUCTION CORPORATION

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:** Approved**Disposition Date:** 12/21/2021**Signature:** Kenneth Rennick

CONFIDENTIAL

Formation Tops
Henry AGC Federal # 1
API; 30-043-20832
Sec 29 T23N R7W
860' FNL & 590' FWL, Gallup
Sandoval, NM
Lat; 36.20282 Long: -107.60455

- Surface: Nacimiento
- Ojo Alamo: 936
- Kirtland: 1139
- Fruitland: 1247
- Pictured Cliffs: 1525
- Lewis: 1641
- Chacra: 1928
- Cliffhouse: 2335
- Menefee: 2568
- Point Lookout: 3885
- Mancos: 3997
- Gallup: 4897

Dugan Production plans to plug and abandon the well as per the following procedure.

- Set CIBP @ 4864'. Pressure test casing to 600 psi. Circulated 80 sks of cement circulated on Stage II of primary cement job. DV@ 4238'.
- Spot Plug I above BP inside 4 ½" casing from 4864' to 4764' w/ 12 sks (13.8 cu.ft) Class G cement (1.15 Cu.ft/sk, 15.8#/gal). Plug I, Gallup, Inside 4 ½" casing, 4764'-4864'
- Spot plug II inside 4 ½" casing from 4047' to 3947' w/ 12 sks (13.8 Cu.ft) Class G cement. Plug II, Mancos, Inside 4 ½" casing, 3947'-4047'
- Spot plug III inside 4 ½" casing from 2385' to 1878' w/ 44 sks (50.6 Cu.ft) Class G cement to combine and cover the Mesaverde and Chacra tops. Plug III, Mesaverde-Chacra, Inside 4 ½" casing, 1878'-2385'
- Spot Plug IV inside 4 ½" casing from 1575' to 886' w/ 58 sks (66.7 Cu.ft) Class G cement to combine and cover the Pictured Cliff, Fruitland, Kirtland, Ojo Alamo tops. Plug IV, Pictured cliffs-Fruitland-Kirtland-Ojo Alamo, Inside 4 ½" casing, 886'-1575'
- Spot inside plug V inside 4 ½" casing from 327' to surface w/ 30 sks (34.5 Cu.ft) Class G cement to cover the surface casing shoe to surface. Plug V, Surface, Inside 4 ½" casing, 0'-327'
- Cut wellhead. Tag TOC at surface. Fill cement incase needed.
- Install dryhole marker. Clean location.

Current Wellbore Schematic

Henry AGC Federal # 1

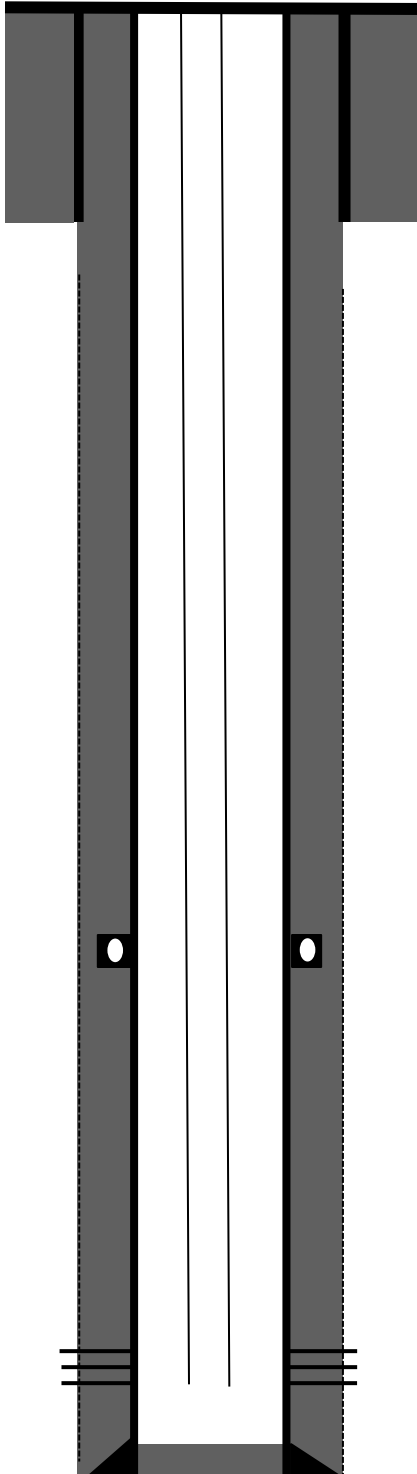
API; 30-043-20832

Sec 29 T23N R7W

860' FNL & 590' FWL, Gallup

Sandoval, NM

Lat; 36.20282 Long: -107.60455



8-5/8" J-55 24# casing @ 277'. Cemented with 180 sks, 206.5 cf Class B w/ 3% CaCl₂. Circulated 50 bbls to surface. Hole size: 12-1/4

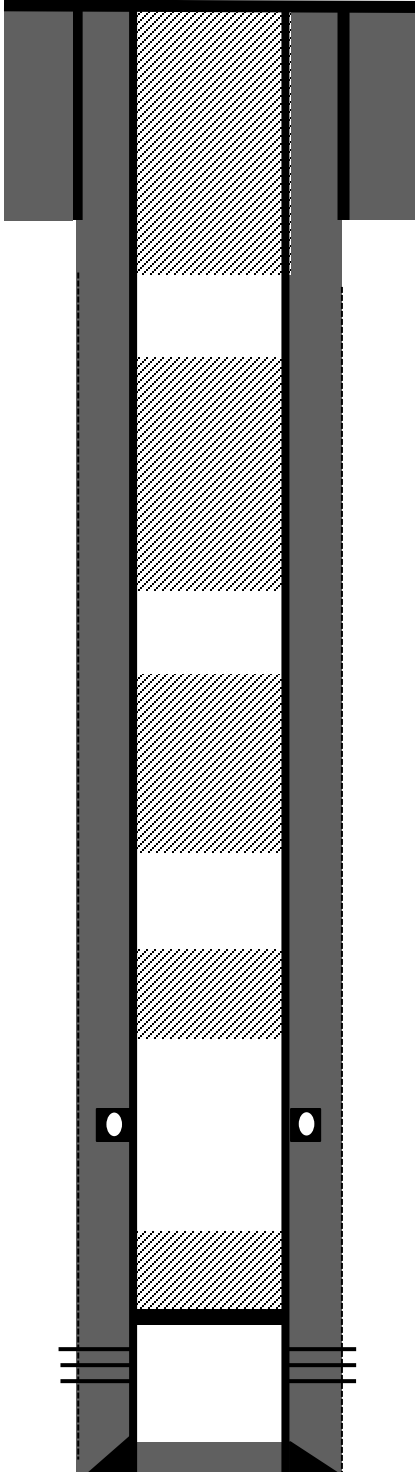
Cemented Stage I w / 260 sks 50-50 poz (532 Cu.ft). DV tool @ 4238'. Stage II w/ 525 sks 65-35-12 (1470 cu.ft) tailed w/ 50 sks Class B (59 cu.ft). Circulated 80 sks cement to surface.

2-3/8" 4.7# tubing @ 5234

Gallup Perforated @ 4914'-5185', 36 holes

4 1/2" 10.5 # casing @ 5423'. PBTD @ 5338'

Henry AGC Federal # 1
API; 30-043-20832
Sec 29 T23N R7W
860' FNL & 590' FWL, Gallup
Sandoval, NM
Lat; 36.20282 Long: -107.60455



4 1/2" 10.5 # casing @ 5423'. PBTB @ 5338'

Current Wellbore Schematic

Henry AGC Federal # 1

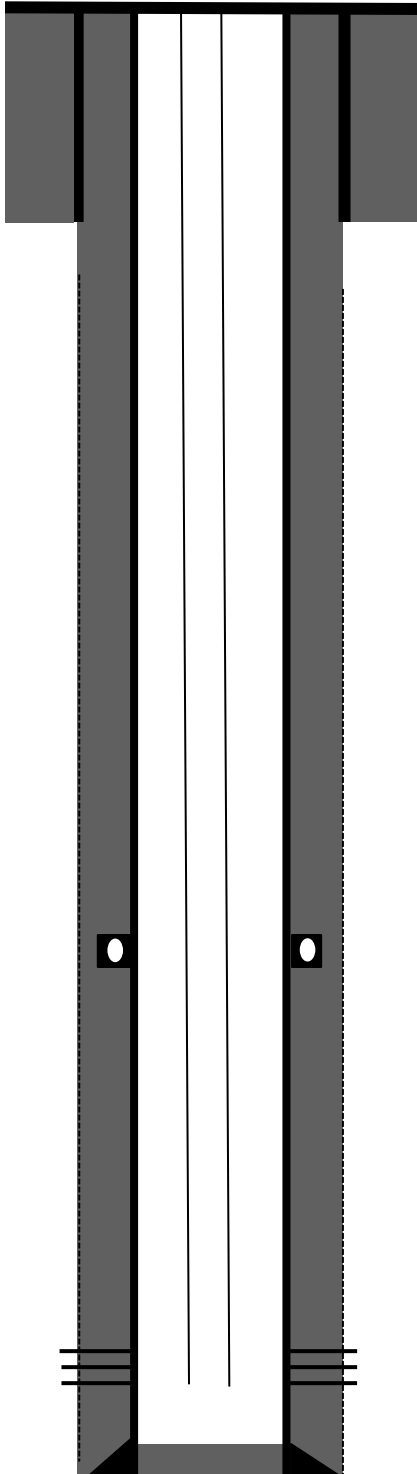
API; 30-043-20832

Sec 29 T23N R7W

860' FNL & 590' FWL, Gallup

Sandoval, NM

Lat; 36.20282 Long: -107.60455



8-5/8" J-55 24# casing @ 277'. Cemented with 180 sks, 206.5 cf Class B w/ 3% CaCl₂. Circulated 50 bbls to surface. Hole size: 12-1/4

Cemented Stage I w / 260 sks 50-50 poz (532 Cu.ft). DV tool @ 4238'. Stage II w/ 525 sks 65-35-12 (1470 cu.ft) tailed w/ 50 sks Class B (59 cu.ft). Circulated 80 sks cement to surface.

2-3/8" 4.7# tubing @ 5234

Gallup Perforated @ 4914'-5185', 36 holes

4 1/2" 10.5 # casing @ 5423'. PBTD @ 5338'

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

AFMSS 2 Sundry ID 2642889

Attachment to notice of Intention to Abandon

Well: Henry AGC Federal 1

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 at (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Plug 2: Must be moved to 4130 feet to 3980 feet to cover the BLM pick for the Manco Shale top with 50 feet excess.
 - b) Plug 3: Significant differences between the Operator's and the BLM Geologist's picks for the Mesa Verde and Chacra tops. Because of this adjust Plug 3 to cover the interval from 3070 feet to 2232 feet.
 - c) Plug 4: Must be moved to 825 feet to 1600 feet to cover the BLM picks for the Pictures Cliffs, Fruitland Formation, Kirtland Formation, and Ojo Alamo Sandstone with 50 feet excess.

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.

K. Rennick 12/21/2021

BLM - FFO - Geologic Report

Date Completed

12/10/2021

Well No. Henry AGC Federal

1

Surf. Loc. 860
Sec. 29FNL 590
T23NFWL
R7W

Lease NO. NMNM36943

Operator Dugan Production Co

TVD 5425

PBTD

5338

County Sandoval

State

New Mexico

Elevation GL

6903

Formation Alamito Gallup
Elevation Est. KB 6915

Geologic Formations

Est. tops Subsea Elev.

Remarks

San Jose Fm.

Nacimiento/Animas Fm.

Surface

5645

Surface /fresh water sands

Ojo Alamo Ss

925

5990

Fresh water aquifer

Kirtland Fm.

1216

5699

Fruitland Fm.

1367

5548

Coal/gas/possible water

Pictured Cliffs

1550

5365

Possible water

Lewis Shale (Main)

1750

5165

Source rock

Huerfania Bentonite

1822

5093

Reference bed

Chacra (Upper)

1935

4980

Possible gas/water

Chacra (Lower)

2332

4583

Possible gas/water

La Ventana Member

2570

4345

Possible gas/water

Cliff House Ss

3020

3895

Water

Menefee Fm.

3136

3779

Coal/water/possible gas

Point Lookout Fm.

3959

2956

Possible gas/water

Mancos Shale

4080

2835

Source rock

Gallup

4900

2015

Oil & gas

Remarks:

Reference Well:

-Vertical wellbore, all formation depths are TVD

-Plug 2 must be moved to cover 3980' - 4130' because of the BLM top and 50' required excess.

-There is a significant difference between the Operator's and the BLM Geologist's picks for the Mesa Verde and Chacra tops. This results in a longer Plug 3: 3070' - 2232'.

- Plug 4 must be moved to cover 825' - 1600' because of the BLM top and 50' required excess.

-The P&A package submitted in AFMSS 2 was missing the Operators formation top picks and a downloadable P&A procedure.

1) Fm Tops
Dugan Production Co
Same

Prepared by: Walter Gage

**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), five copies, 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). 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.

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 69324

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 69324
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	1/3/2022
kpickford	Adhere to BLM approved COAs and plugs	1/3/2022