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

Sundry Print Report

02/23/2023

Well Name: CHACO PLANT

Well Location: T26N / R12W / SEC 17 / NWNE / 36.492935 / -108.131332

County or Parish/State: SAN JUAN / NM

Well Number: 90

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMNM12027

Unit or CA Name:

Unit or CA Number:

US Well Number: 300452837200S1

Well Status: Producing Gas Well

Operator: DUGAN PRODUCTION CORPORATION

Notice of Intent

Sundry ID: 2714704

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 02/08/2023

Time Sundry Submitted: 11:02

Date proposed operation will begin: 03/20/2023

Procedure Description: Dugan Production plans to plug and abandon the well per the following procedure: 1) Run 4½" casing scraper to 1100'. RIH & set 4½" CIBP @ 1097'. Fruitland Coal perforations @ 1147'-1167'. Load hole. Pressure test casing to 600 psi for 30 mins. 2) Spot inside Plug I above CIBP @ 1097' w/15 sks (17.3 cu ft) Class G neat cement to 955' w/50' excess added (5 gal/sk, 15.8#/gal, 1.15 cu ft/sk). Plug I, inside 4½" casing, 955'-1097', Fruitland-Pictured Cliffs, 15 sks, 17.3 cu ft). 3) Spot inside Plug II from 525 w/48 sks Class G neat cement (55.2 cu ft) to surface w/50' excess added. Plug II, inside 4½" casing, 0'-525', Kirtland-Ojo Alamo-surface, 48 sks, 55.2 cu ft. 4) Cut wellhead off. Fill casing w/cement in case needed. 5) Install below ground plate for dry hole marker as the well is within NAPI project area. 6) Clean location. Rig down and move.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Chaco_Plant_90_PA_Reclamation_Plan_20230208105032.pdf

Chaco_Plant_90_PA_formation_tops_20230208105009.pdf

Chaco_Plant_90_PA_planned_wellbore_schematic_20230208104957.pdf

Chaco_Plant_90_PA_current_wellbore_schematic_20230208104945.pdf

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Operator: DUGAN PRODUCTION CORPORATION

Conditions of Approval

Additional

26N12W17BKpc_Chaco_Plant_090_20230222083222.pdf

Authorized

General_Requirement_PxA_20230222143502.pdf

2714704_NOIA_90_3004528372_KR_02222023_20230222143450.pdf

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: FEB 08, 2023 10:50 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)325-1821

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: Approved

Disposition Date: 02/22/2023

Signature: Kenneth Rennick

Planned P & A Procedure

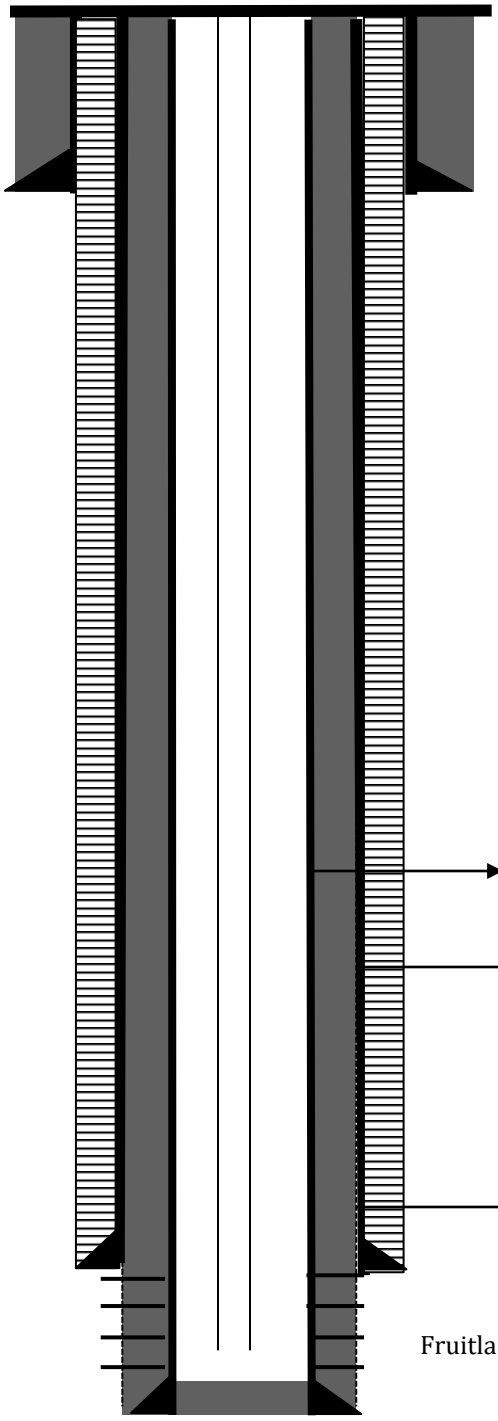
Chaco Plant #90
30-045-28372
Basin Fruitland Coal
930' FNL & 1815' FEL
S17 T26N R12W
San Juan County, NM
Lat:36.4929428 Long:-108.1320801

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

- Run 4½" casing scraper to 1100'. RIH & Set 4½" CIBP @ 1097'. Fruitland Coal perforations @ 1147'-1167'. Load hole. Pressure test casing to 600 psi for 30 mins.
- Spot inside Plug I above CIBP @ 1097' w/15 sks (17.3 cu ft) Class G neat cement to 955' with 50' excess added. (5 gal/sk, 15.8 #/gal, 1.15 cu ft/sk). Plug I, inside 4½" casing, 955'-1097', Fruitland-Pictured Cliffs, 15 sks, 17.3 cu ft.
- Spot inside Plug II from 525' w/48 sks Class G neat cement (55.2 cu ft) to surface w/50' excess added. Plug II, inside 4½" casing, 0-525', Kirtland - Ojo Alamo - Surface, 48 sks, 55.2 cu ft.
- Cut wellhead off. Fill casing w/cement incase needed.
- Install below ground plate for dry hole marker as the well is within NAPI project area.
- Clean location. Rig down and move.

Current P & A Wellbore

Chaco Plant #90
30-045-28372
Basin Fruitland
930' FNL & 1815' FEL
S17 T26N R12W
San Juan County, NM
Lat:36.4929428 Long:-108.1320801



13-3/8" 48# H-40 casing @ 128'. Cemented with 175 sks Class G cement w/ 3% CaCl2 . Total 201 Cu.ft. Circulate 35 cu.ft to surface. Hole size: 17 ½".

Recompleted w/ 4 ½" 10.5# casing ran as liner inside 7" original casing. @ 1223'.

PBTD @ 1195', TD 1223'

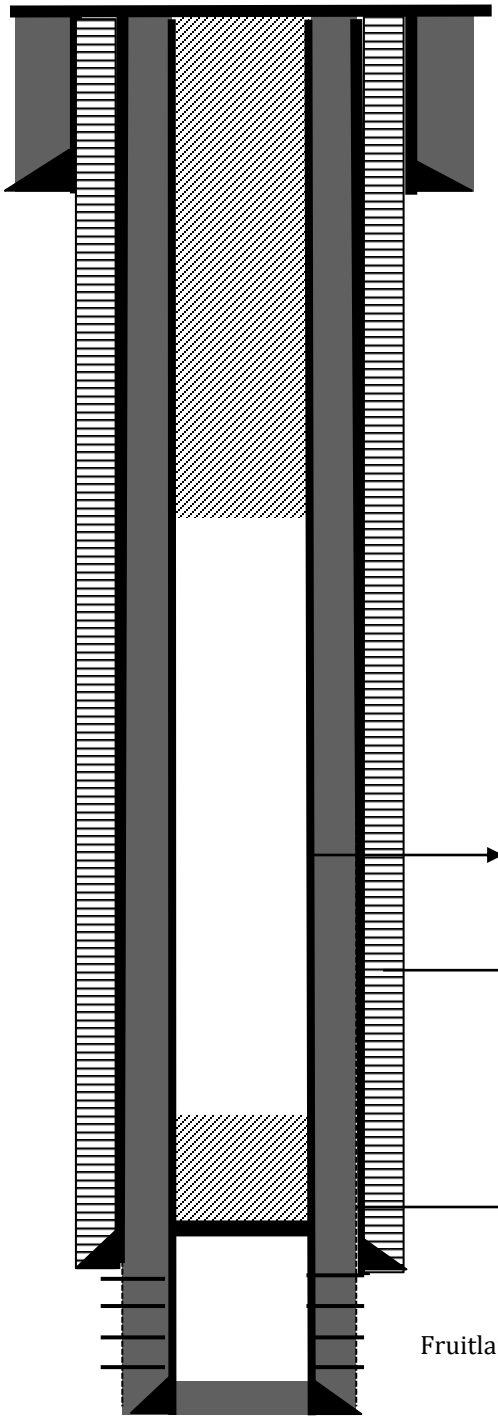
Cement 4 ½"production casing w/ 175 sks Class G, 201.3 cu.ft total cement. Cement not circulated to surface

7", 23# casing @ 1118'. Hole size: 12 ¼"
Cemented w/ 35/65 w/ 6% gel and tail w/ 200 sks Class G

Fruitland Coal Perforated @ 1147'-1167'

Planned P & A Wellbore

Chaco Plant #90
30-045-28372
Basin Fruitland
930' FNL & 1815' FEL
S17 T26N R12W
San Juan County, NM
Lat:36.4929428 Long:-108.1320801



13-3/8" 48# H-40 casing @ 128'. Cemented with 175 sks Class G cement w/ 3% CaCl2 . Total 201 Cu.ft. Circulate 35 cu.ft to surface. Hole size: 17 ½".

Spot inside plug II from 525' w/ 48 sks Class G Cement (55.2 cu.ft) to surface. Plug II, Surface-Ojo Alamo-Kirtland, 0'-525'

Recompleted w/ 4 ½" 10.5# casing ran as liner inside 7" original casing. @ 1223'.

PBTD @ 1195', TD 1223'

Cement production casing w/ 175 sks Class G, 201.3 cu.ft total cement. Cement not circulated to surface

Set 4 ½" CIBP @ 1097'. Spot Inside Plug I with 15 sks (17.3 cu.ft) @ 955'-1097' Class G cement.
Plug I, Pictured Cliff-Fruitland, 955'-1097'

7", 23# casing @ 1118'. Hole size: 12 ¼"
Cemented w/ 35/65 w/ 6% gel and tail w/ 200 sks Class G

Fruitland Coal Perforated @ 1147'-1167'

Chaco Plant #90
30-045-28372
Basin Fruitland
930' FNL & 1815' FEL
S17 T26N R12W
San Juan County, NM
Lat:36.4929428 Long:-108.1320801

Formation Tops

- **Ojo Alamo – 325**
- **Kirtland – 475**
- **Fruitland – 1005**
- **Pictured Cliffs - 1105**

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

AFMSS 2 Sundry ID 2714704

Attachment to notice of Intention to Abandon

Well: Chaco Plant 90

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. The following modifications to your plugging program are to be made:
   a. Recommend running CBL to determine TOC 7” and 4-1/2” casing strings (cement not circulated to surface). Change plugs to inside/ outside as necessary based on CBL.

3. Farmington Office is to be notified at least 24 hours before the plugging operations commence at (505) 564-7750.

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 02/22/2023

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 H_2S.

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.

BLM FLUID MINERALS
P&A Geologic Report

Date Completed: 2/22/2023

Well No. Chaco Plant #090 (API# 30-045-28372)		Location	930	FNL	&	1815	FEL
Lease No. NMNM12027		Sec. 17	T26N			R12W	
Operator Dugan Production Corporation		County	San Juan		State	New Mexico	
Total Depth 1240’	PBTD 1195’	Formation	Fruitland Coal (perfs), Pictured Cliffs (TD)				
Elevation (GL) 6010’		Elevation (KB)					

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose					
Nacimiento	Surface	325			Surface/possible freshwater sands
Ojo Alamo Ss	325	475			Aquifer (possible freshwater)
Kirtland Shale	475	1005			Possible gas
Fruitland	1005	1105			Coal/Gas/Water
Pictured Cliffs Ss	1105	PBTD			Probable Gas
Lewis Shale					
Chacra					
Cliff House Ss					
Menefee					
Point Lookout Ss					
Mancos Shale					
Gallup					
Greenhorn					
Graneros Shale					
Dakota Ss					
Morrison					

Remarks:
P & A

- Sundry ID: 2714704
- No well log for subject well. Operator tops are acceptable based on logs from Reference Well #1.
- Recommend running a CBL to determine TOC between 7” and 4-1/2” casing strings (cement not circulated to surface). Change plugs to inside/outside as necessary based on CBL.
- Fruitland Coal perfs 1147’ – 1167’.

Reference Well:
1) **Formation Tops**
Dugan Production Corp.
Chaco Plant #002
30-045-21737
Sec. 17, T26N, R12W
5989’ GL elev.

Prepared by: *Chris Wenman*

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 192400

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 192400
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	3/9/2023
kpickford	Adhere to BLM approved COAs and plugs. See BLM COAs and GEO report.	3/9/2023