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

Sundry Print Report

06/13/2023

Well Name: MAGNUM

Well Location: T24N / R7W / SEC 28 / NESE / 36.281891 / -107.573654

County or Parish/State: RIO ARRIBA / NM

Well Number: 1

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM33001

Unit or CA Name:

Unit or CA Number:

US Well Number: 300392343600S1

Well Status: Producing Oil Well

Operator: M & M PRODUCTION & OPERATION

Notice of Intent

Sundry ID: 2735134

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 06/08/2023

Time Sundry Submitted: 03:52

Date proposed operation will begin: 07/10/2023

Procedure Description: Dugan Production Corp. is plugging the well as the record title owner of the lease. See attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

Oral Submission

Oral Notification Date: Jun 8, 2023

Oral Notification Time: 12:00 AM

Contacted By: Aliph Reena

Contact's Email: Aliph.Reena@duganproduction.com

Comments:

Dugan Production Corp. is plugging the well as the record title owner of the lease. See attached.

NOI Attachments

Procedure Description

NMNM33001_Mag_1_03923436_NOIA_06082023_20230608155219.pdf

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Well Status: Producing Oil Well

Operator: M & M PRODUCTION & OPERATION

Conditions of Approval

Additional

PxA_24N07W28IKg_Magnum_001_20230612155134.pdf

Authorized

2735134_NOIA_COA_1_3003923436_KR_06132023_20230613101111.pdf

General_Requirement_PxA_20230613100823.pdf

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: 06/13/2023

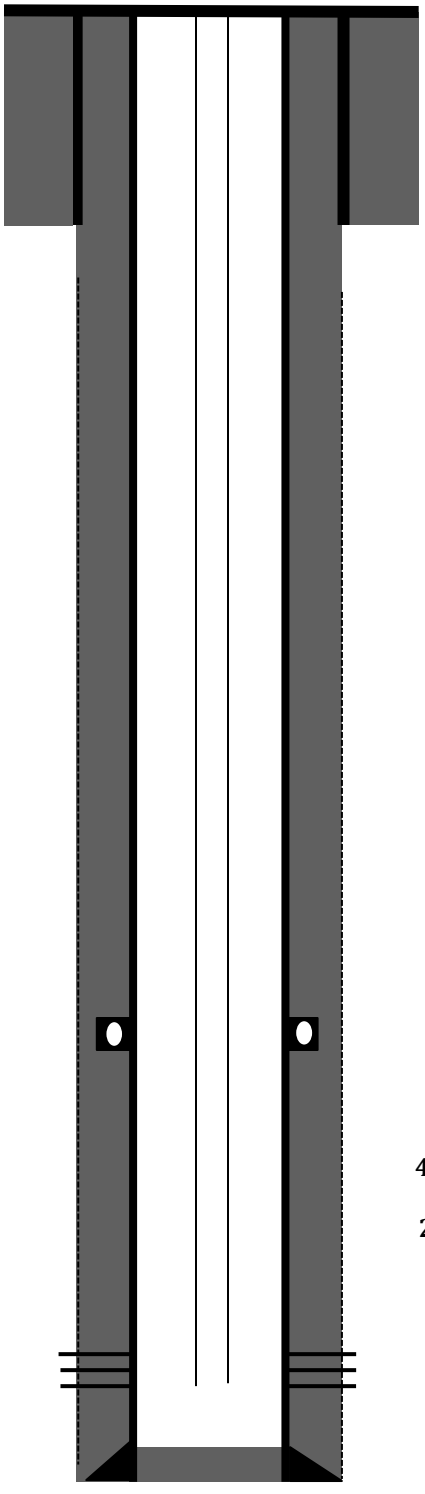
Signature: Kenneth Rennick

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

- TOOH w/2-3/8", 4.7# tubing. Run 4½" casing scraper to 5250'. RIH & set 4½" CIBP @ 5234'. Gallup Perforations @ 5284'-6072'.
- Load & circulate hole. Run CBL from 5234' to surface.
- Spot Plug I inside 4½" casing from 5234' to 4780' w/36 sks (41.4 cu ft) Class G cement to cover the Gallup & Mancos top. Plug I, Gallup-Mancos, inside 4½" casing, 36 sks, 41.4 cu ft, 4780'-5234'.
- Spot Plug II inside 4½" casing from 4000' to 3850' w/12 sks (13.8 cu ft) Class G cement to cover the Mesaverde top. Plug II, Mesaverde, inside 4½" casing, 12 sks, 13.8 cu ft, 3850'-4000'.
- Spot Plug III inside 4½" casing from 2880' to 2730' w/12 sks (13.8 cu ft) Class G cement to cover the Chacra top. Plug III, Chacra, inside 4½" casing, 12 sks, 13.8 cu ft, 2730'-2880'.
- Spot Plug IV inside 4½" casing from 2390' to 1690' w/56 sks (64.4 cu ft) Class G cement to cover the Pictured Cliffs & Fruitland tops. Plug IV, Pictured Cliffs-Fruitland, inside 4½" casing, 56 sks, 64.4 cu ft, 1690'-2390'.
- Spot Plug V inside 4½" casing from 1160' to 930' w/18 sks (20.7 cu ft) Class G cement to cover the Kirtland-Ojo Alamo tops. Plug V, Kirtland-Ojo Alamo, inside 4½" casing, 18 sks, 20.7 cu ft, 1030'-1110'.
- Spot Plug VI inside 4½" casing from 320' to surface w/25 sks (28.75 cu ft) Class G cement to cover the surface shoe to surface. Plug VI, Surface, inside 4½" casing, 25 sks, 28.75 cu ft, 0-320'.
- Cut wellhead. Tag TOC at surface. Fill cement in case needed.
- Install dry hole marker. Clean location.

Current Wellbore Schematic

Magnum #1
API: 30-039-23436
Unit I Sec 28 T24N R7W
1750' FSL & 800' FEL
Rio Arriba County, NM
Lease # NM33001
Lat:36.2821045 Long:-107.5742188



8-5/8" K-55 24# casing @ 220'. Cemented with 150 sks Class B.
Circulated cement 10 bbls cement to surface. Hole size: 12-1/2

Cemented Stage I w/ 420 sks w/ 2% gel followed by 200 sks Class B.
Stage II w/ 1150 sks followed by 125 sks . Circulated 5.6 bbl cement to surface

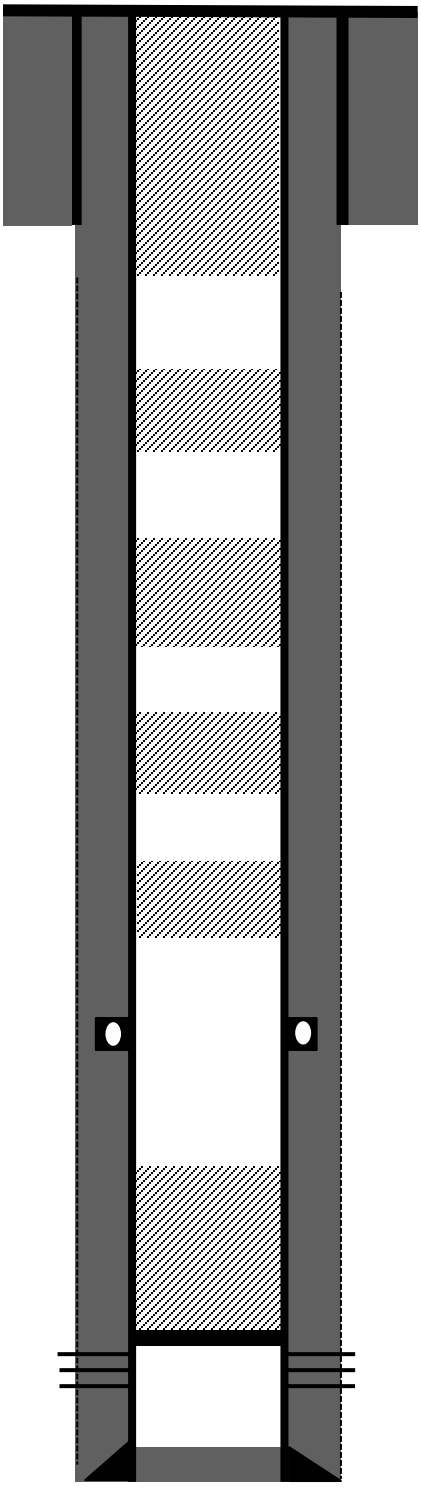
4 ½" 10.5 # casing @ 6410'. Hole size: 7-7/8"

2-3/8" tubing set @ 5702'

Gallup Perforated @ 5284'-6072'

Planned P & A Schematic

Magnum #1
API: 30-039-23436
Unit I Sec 28 T24N R7W
1750' FSL & 800' FEL
Rio Arriba County, NM
Lease # NM33001
Lat:36.2821045 Long:-107.5742188



8-5/8" K-55 24# casing @ 220'. Cemented with 150 sks Class B. Circulated cement 10 bbls cement to surface. Hole size: 12-1/2

Plug VI, Surface, Inside 4 ½" casing, 25 sks, 28.75 Cu.ft, 0-320'

Plug V, Kirtland-Ojo Alamo, Inside 4 ½" casing, 18 sks, 20.7 Cu.ft, 930'-1160'

Plug IV, Pictured Cliffs-Fruitland, Inside 4 ½" casing, 56 sks, 64.4 Cu.ft, 1690'-2390'

Plug III, Chacra, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, 2730'-2880'

Plug II, Mesaverde, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, 3850'-4000'

Cemented Stage I w/ 420 sks w/ 2% gel followed by 200 sks Class B.
Stage II w/ 1150 sks followed by 125 sks . Circulated 5.6 bbl cement to surface

CIBP @ 5234'. Plug I, Gallup-Mancos, Inside 4 ½" casing, 36 sks, 41.4 Cu.ft, 4780'-5234'

Gallup Perforated @ 5284'-6072'

4 ½" 10.5 # casing @ 6410'. Hole size: 7-7/8"

Magnum #1
API: 30-039-23436
Unit I Sec 28 T24N R7W
1750' FSL & 800' FEL
Rio Arriba County, NM
Lease # NM33001
Lat:36.2821045 Long:-107.5742188

Elevation ASL : 7125'

Formation Tops

- **Ojo Alamo – 1030**
- **Kirtland – 1110**
- **Fruitland – 1790**
- **Pictured Cliffs – 2340**
- **Lewis – 2370**
- **Chacra – 2830**
- **Mesaverde – 3950**
- **Mancos – 4880**
- **Gallup – 5700**

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

AFMSS 2 Sundry ID 2735134

Attachment to notice of Intention to Abandon

Well: Magnum 1

CONDITIONS OF APPROVAL

1. Plugging operations must be completed by December 31, 2023.

2. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."

3. The following modifications to your plugging program are to be made:
   a. Adjust Plug #2 (Mesaverde/ Cliff House) to cover 3760' – 3910' (BLM pick @ 3860').
   b. Adjust Plug #3 (Chacra) to cover 2652' – 2802' (BLM pick @ 2752').
   c. Adjust Plug #4 to cover the interval from 1570' – 2372' to cover BLM picks for the Picture Cliffs, Fruitland, Kirtland, and Ojo Alamo formations.
   d. Proposed Plug #5 can be omitted based on BLM picks for the Kirtland and Ojo Alamo.

4. 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 06/13/2023

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), through the Automated Fluid Minerals Support System (AFMSS) 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 FFO Fluid Minerals
P&A Geologic Report

AFMSS ID: 2735126 **Date Completed:** 6/12/2023

Well No.	Gulf Federal 24 #001	SHL	920	FNL	795	FWL
API No.	3004320672		NWNW	Sec. 24	T23N	R06W
Lease No.	NMNM17009	BHL	Same			
Operator	M & M Production & Operation					
Elev.(KB)	7081'	County	Sandoval		State	NM
Total Depth	5810' PBTD 5783'	Formation	Gallup (Mancos)			

Formation	Top (TVD)	Remarks
San Jose Fm.		
Nacimiento Fm.	Surface	Surface/fresh water sands
Ojo Alamo Ss	1677	Aquifer (fresh water)
Kirtland Fm.	1836	Probable gas/water
Fruitland Fm.	1956	Coal/gas/brine
Pictured Cliffs Ss	2194	Gas/brine
Lewis Shale	2328	
Chacra (upper)	2649	Possible gas
Cliff House Ss	3753	Possible gas
Menefee Fm.	3897	Coal/possible gas
Point Lookout Fm.	4447	
Mancos Shale	4676	O&G
Gallup	5276	O&G
Greenhorn Ls		
Graneros Shale		
Dakota Ss		
Morrison Fm.		

Remarks:

- Dugan Production is plugging this well as record title owner of the lease.

- Gallup perforations 5372' - 5776'.

Reference Well:

1) Formation Tops
Same

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 228490

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 228490
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
john.harrison	Accepted for record - NMOCD JRH 6/15/23. BLM approved P&A 6/13/23	6/15/2023