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

Sundry Print Report

07/07/2023

Well Name: TARGET

Well Location: T24N / R10W / SEC 20 / SENW / 36.300446 / -107.920609

County or Parish/State: SAN JUAN / NM

Well Number: 1

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM43442

Unit or CA Name:

Unit or CA Number:

US Well Number: 300452853700S1

Well Status: Producing Oil Well

Operator: DUGAN PRODUCTION CORPORATION

Notice of Intent

Sundry ID: 2739660

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 07/06/2023

Time Sundry Submitted: 01:55

Date proposed operation will begin: 07/20/2023

Procedure Description: Dugan Production plans to plug and abandon the well per the following procedure: 1) TOOH w/2-3/8", 4.7# tubing. Run 4½" casing scraper to 4740'. RIH & Set 4½" CIBP @ 4704'. Gallup perforations @ 4754'-4829'. 2) Load & circulate hole. Pressure test casing to 600 psi for 30 minutes. Run CBL from 4704' to surface. Will make necessary changes to the plugs after reviewing the CBL. 3) Spot Plug I inside 4½" casing from 4704' to 4360' w/28 sks (32.2 cu ft) Class G cement to cover the Gallup top. Plug I, inside 4½" casing, 28 sks, 32.2 cu ft, Gallup, 4360'-4704'. 4) Spot Plug II inside 4½" casing from 3870' to 3720' w/12 sks (13.8 cu ft) Class G cement to cover the Mancos top. Plug II, inside 4½" casing, 12 sks, 13.8 cu ft, Mancos, 3720'-3870'. 5) Spot Plug III inside 4½" casing from 1982' to 1832' w/12 sks (13.8 cu ft) Class G cement to cover the Mesaverde top. Plug III, inside 4½" casing, 12 sks, 13.8 cu ft, Mesaverde, 1832'-1982'. 6) Spot Plug IV inside 4½" casing from 1576' to 1426' w/12 sks (13.8 cu ft) Class G cement to cover the Chacra top. Plug IV, inside 4½" casing, 12 sks, 13.8 cu ft, Chacra, 1426'-1576'. 7) Spot Plug V inside 4½" casing from 1250' to 797' w/ 36 sks (41.4 cu ft) Class G cement to cover the Pictured Cliffs & Fruitland tops. Plug V, inside 4½" casing, 36 sks, 41.4 cu ft, Pictured Cliffs – Fruitland, 797'-1250'. 8) Spot Plug VI inside 4½" casing from 515' to surface w/44 sks (50.6 cu ft) Class G cement to cover the Kirtland-Ojo Alamo tops and surface casing shoe. Plug VI, Kirtland-Ojo Alamo-Surface, inside 4½" casing, 44 sks, 50.6 cu ft, 0'-515'. 9) Cut wellhead. Tag TOC at surface. Fill cement in case needed. 10) Install dryhole marker. Clean location.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Well Name: TARGET	**Well Location:** T24N / R10W / SEC 20 / SENW / 36.300446 / -107.920609	**County or Parish/State:** SAN JUAN / NM
Well Number: 1	**Type of Well:** OIL WELL	**Allottee or Tribe Name:**
Lease Number: NMNM43442	**Unit or CA Name:**	**Unit or CA Number:**
US Well Number: 300452853700S1	**Well Status:** Producing Oil Well	**Operator:** DUGAN PRODUCTION CORPORATION

Target_1_PA_Reclamation_Plan_20230706133802.pdf

Target_1_planned_PA_schematic_20230706133010.pdf

Target_1_current_wellbore_schematic__20230706132949.pdf

Target_1_planned_PA_20230706132932.pdf

Conditions of Approval

Additional

PxA_24N10W20FKg_Target_001_20230707162234.pdf

Authorized

General_Requirement_PxA_20230707172749.pdf

2739660_NOIA_1_3004528537_KR_07072023_20230707172735.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: JUL 06, 2023 01:23 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 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:** 07/07/2023

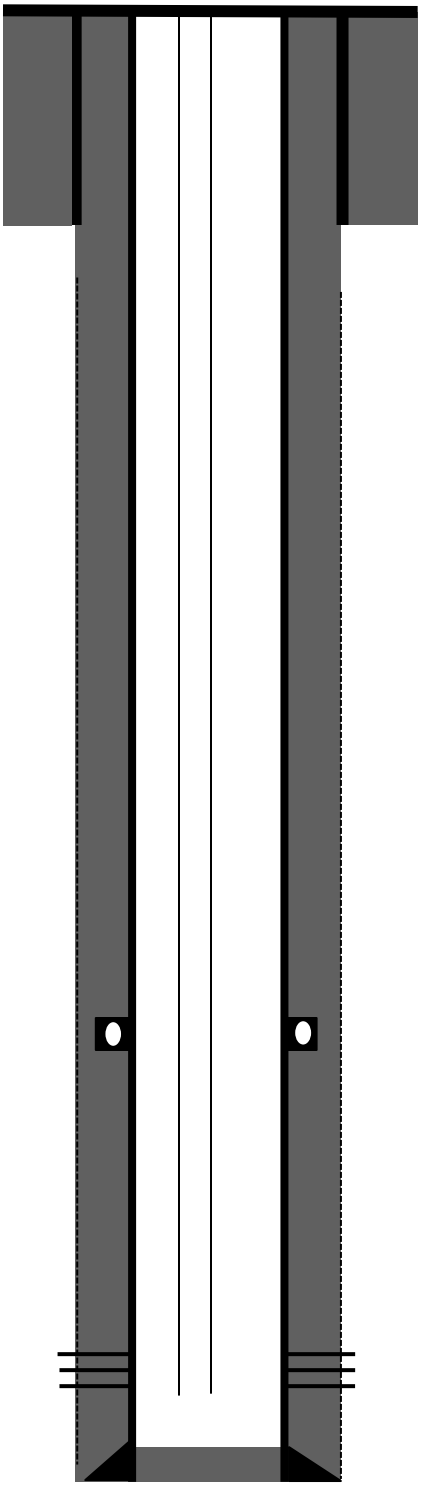
Signature: Kenneth Rennick

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 4740'. RIH & Set 4½" CIBP @ 4704'. Gallup perforations @ 4754'-4829'.
- Load & circulate hole. Pressure test casing to 600 psi for 30 minutes. Run CBL from 4704' to surface. Will make necessary changes to the plugs after reviewing the CBL.
- Spot Plug I inside 4½" casing from 4704' to 4360' w/28 sks (32.2 cu ft) Class G cement to cover the Gallup top. **Plug I, inside 4½" casing, 28 sks, 32.2 cu ft, Gallup, 4360'-4704'.**
- Spot Plug II inside 4½" casing from 3870' to 3720' w/12 sks (13.8 cu ft) Class G cement to cover the Mancos top. **Plug II, inside 4½" casing, 12 sks, 13.8 cu ft, Mancos, 3720'-3870'.**
- Spot Plug III inside 4½" casing from 1982' to 1832' w/12 sks (13.8 cu ft) Class G cement to cover the Mesaverde top**. Plug III, inside 4½" casing, 12 sks, 13.8 cu ft, Mesaverde, 1832'-1982'.**
- Spot Plug IV inside 4½" casing from 1576' to 1426' w/12 sks (13.8 cu ft) Class G cement to cover the Chacra top. **Plug IV, inside 4½" casing, 12 sks, 13.8 cu ft, Chacra, 1426'-1576'.**
- Spot Plug V inside 4½" casing from 1250' to 797' w/ 36 sks (41.4 cu ft) Class G cement to cover the Pictured Cliffs & Fruitland tops. **Plug V, inside 4½" casing, 36 sks, 41.4 cu ft, Pictured Cliffs – Fruitland, 797'-1250'.**
- Spot Plug VI inside 4½" casing from 515' to surface w/44 sks (50.6 cu ft) Class G cement to cover the Kirtland-Ojo Alamo tops and surface casing shoe. **Plug VI, Kirtland-Ojo Alamo-Surface, inside 4½" casing, 44 sks, 50.6 cu ft, 0'-515'.**
- Cut wellhead. Tag TOC at surface. Fill cement incase needed.
- Install dryhole marker. Clean location.

Current Wellbore Schematic

Target # 1
API: 30-045-28537
Unit F Sec 20 T24N R10W
1980' FNL & 1980' FWL
San Juan County, NM
Lat:36.3005333 Long:-107.9212494



8-5/8" J-55 24# casing @ 209'. Cemented with 135 sks Class B. Circulated 4 bbls cement to surface. Hole size: 12-1/4

2-3/8", 4.7 #, J-55 @ 4831'

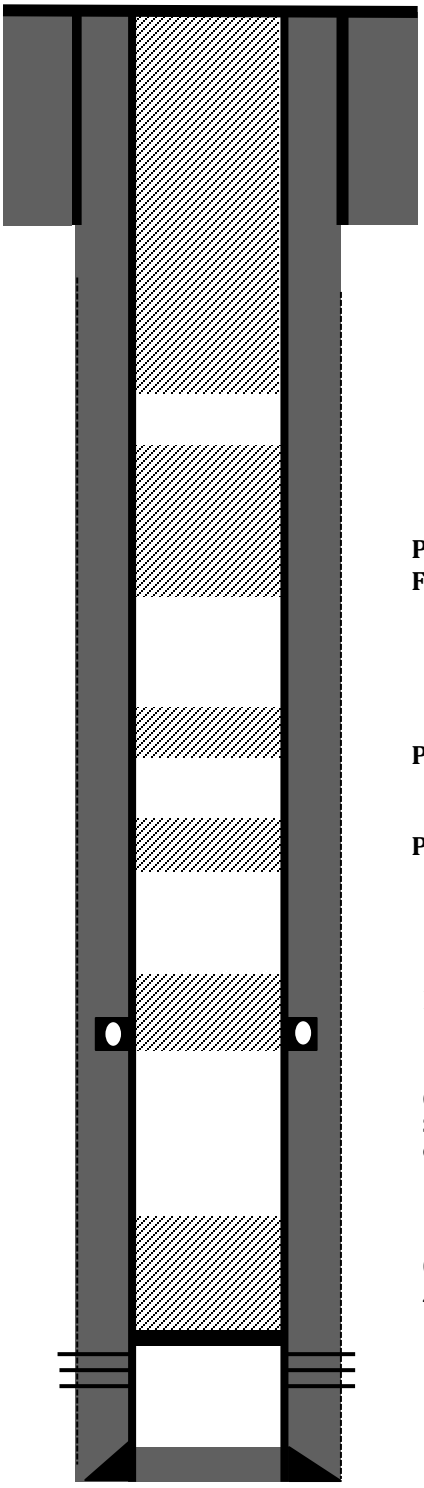
Cemented Stage I w/ 250 sks 50-50 poz, 305 Cu.ft cement. DV @ 3861'. Stage II w/ 750 sks 65-35 w/ 12% followed w/ 50 sks 50-50 poz, 1718 Cu.ft. Total cement 2023 Cu.ft. Circulated 4 bbls cement to surface.

4 ½" 10.5 # casing @ 4930'. PBTD @ 4896'. Hole size: 7-7/8"

Gallup Perforated @ 4754'-4829'

Planned P & A Schematic

Target # 1
API: 30-045-28537
Unit F Sec 20 T24N R10W
1980' FNL & 1980' FWL
San Juan County, NM
Lat:36.3005333 Long:-107.9212494



8-5/8" J-55 24# casing @ 209'. Cemented with 135 sks Class B. Circulated 4 bbls cement to surface. Hole size: 12-1/4

Plug VI, Kirtland-Ojo Alamo-Surface, Inside 4 ½" casing, 44 sks, 50.6 Cu.ft, 0'-515'

Plug V, Inside 4 ½" casing, 36 sks, 41.4 Cu.ft, Pictured Cliffs – Fruitland, 797'-1250'

Plug IV, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, Chacra, 1426'-1576'

Plug III, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, Mesaverde, 1832'-1982'

Plug II, Inside 4 ½" casing, 12 sks, 13.8 Cu.ft, Mancos, 3720'-3870'

Cemented Stage I w/ 250 sks 50-50 poz, 305 Cu.ft cement. DV @ 3861'.
Stage II w/ 750 sks 65-35 w/ 12% followed w/ 50 sks 50-50 poz, 1718 Cu.ft. Total cement 2023 Cu.ft. Circulated 4 bbls cement to surface.

CIBP @ 4704'. Plug I, Inside 4 ½" casing, 28 sks, 32.2 Cu.ft, Gallup, 4360'-4704

Gallup Perforated @ 4754'-4829'

4 ½" 10.5 # casing @ 4930'. PBTD @ 4896'. Hole size: 7-7/8"

Target # 1
API: 30-045-28537
Unit F Sec 20 T24N R10W
1980' FNL & 1980' FWL
San Juan County, NM
Lat:36.3005333 Long:-107.9212494

Elevation ASL : 6617

Formation Tops

- **Ojo Alamo – 320**
- **Kirtland – 465**
- **Fruitland – 897**
- **Pictured Cliffs – 1200**
- **Lewis - 1345**
- **Chacra – 1526**
- **Mesaverde – 1932**
- **Mancos – 3820**
- **Gallup – 4460**

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

AFMSS 2 Sundry ID 2739660

Attachment to notice of Intention to Abandon

Well: Target 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. 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 07/07/2023

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: 2739660 **Date Completed:** 7/7/2023

Well No.	Target #001	SHL	1980	FNL	1980	FWL
API No.	3004528537		SENW	Sec. 20	T24N	R10W
Lease No.	NMNM43442	BHL	Same			
Operator	Dugan Production Corporation					
Elev. (KB)	6629	County	San Juan		State	NM
Total Depth	4930 PBTD 4896	Formation	Gallup			

Formation Top	TVD (ft KB)	Remarks
San Jose Fm.		
Nacimiento Fm.	Surface	Surface/freshwater sands
Ojo Alamo Ss	320	Aquifer (possible freshwater)
Kirtland Fm.	465	Possible gas/water
Fruitland Fm.	897	Coal/gas/water
Pictured Cliffs Ss	1200	Gas/water
Lewis Shale	1345	
Chacra	1526	Possible gas
Cliff House Ss	1932	Probable gas/water
Menefee Fm.	2100	Coal/probable gas/water
Point Lookout Fm.	3615	Possible gas/water
Mancos Shale	3820	Oil & gas
Gallup	4460	Oil & gas
Greenhorn Ls		
Graneros Shale		
Dakota Ss		
Morrison Fm.		

Remarks:

- Gallup perfs 4754' - 4829'.

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 237505

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 237505
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
john.harrison	Accepted for record - NMOCD JRH 7/10/23. BLM approved P&A 7/7/23	7/10/2023