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

Sundry Print Report

09/15/2023

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: Abandoned

Operator: M & M PRODUCTION & OPERATION

Subsequent Report

Sundry ID: 2751497

Type of Submission: Subsequent Report

Type of Action: Plug and Abandonment

Date Sundry Submitted: 09/15/2023

Time Sundry Submitted: 08:58

Date Operation Actually Began: 07/12/2023

Actual Procedure: Dugan Production Corp completed work as the record title owner of the lease.

SR Attachments

Actual Procedure

2751497_SR_ABD_1_3003923436_20230915085840.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: Accepted

Disposition Date: 09/15/2023

Signature: Kenneth Rennick

Received September 14, 2023
Kenneth Rennick, BLM Petroleum Engineer

Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

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.

SUBMIT IN TRIPLICATE *- Other instructions on page 2*

5. Lease Serial No. NM33001

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No. Magnum #1

2. Name of Operator M&M Production & Operation

9. API Well No. 30-039-23436

3a. Address c/o Dugan Production Corp. PO Box 420
Farmington NM 87499-0420

3b. Phone No. *(include area code)* (505) 325-1821

10. Field and Pool or Exploratory Area
Escrito Gallup

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1750' FSL & 800' FEL (NE/4 SE/4) (Unit I), Section 28, T24N, R7W

11. Country or Parish, State
Rio Arriba, NM

12. CHECK THE 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
	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☑ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☑ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ 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 perfonned or provide the Bond No. on file with BLM/BIA. Required subsequent reports must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

See attached plug & abandonment procedure.

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

Title Engineering Supervisor

Signature by Ingrid M. Deal

Date 09/14/2023

THE SPACE FOR FEDERAL OR STATE OFICE USE

Approved by

Title

Date

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)

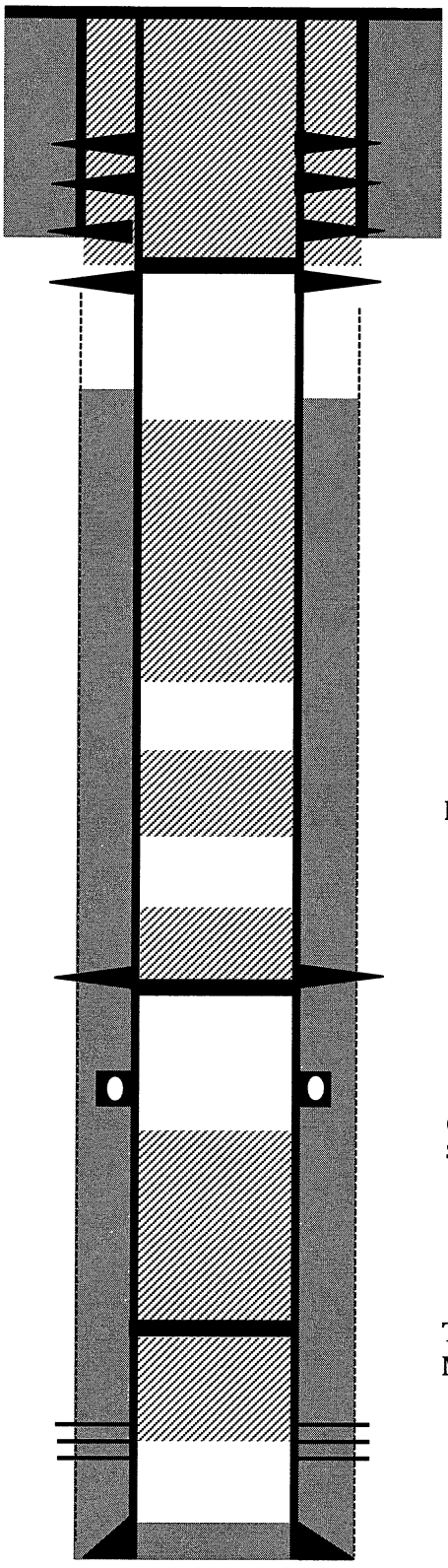
Dugan Production P&A'd the well per the following procedure from 07/12/2023-08/01/2023:

- MI RU Aztec rig 481 & cement equipment. Spot equipment. Start pulling tubing to LD production tubing. Tubing in bad shape due to corrosion and scale build-up. Tubing parted at 4292'. Tubing has been in bad shape to wash-over and use an outside cutter. Inside is plugged up to run an inside chemical or jet cut. Acidized w/15% HCl and let it sit over the weekend to get some of the scale dissolved. Tubing is very brittle and hold no tensile strength or body yield. Fished tubing for 10 days. Consulted with BLM/NMOCD. Recovered tubing till 4716'. Cannot recover more tubing out of the hole. Tubing parting 2'-5', body breaks. Been trying to drill the tubing out. Recovered tubing till 4716, TOF. Requested for variance from the original procedure to start P & A from TOF. Approved by BLM/OCD with condition that need to get a rate through the fish below and need to pump 100% excess volume to top perforations.
- PU & RIH w/4 ½" arrowset packer and set at 4700'. Try to establish rate below the packer. Can get injection rate @ 2 bpm / 550 psi pressure. Unset and TOOH w/packer. TIH w/4½" CR and set CR @ 4700'. Started P&A ops from 4700'.
- Load casing and attempt to pressure test casing. Casing wont test. TOOH w/tubing. RU wireline and run CBL from 4700' to surface. Sent revised proposal & copy of CBL to BLM/NMOCD.
- TIH w/2-3/8", 4.7# workstring and sting in the CR @ 4700'. Establish injection rate below the CR. Top of Gallup Perforations @ 5284'. Swap to cement. Pump 100 sks, 115 Cu.ft Class G neat cement under the cement retainer to cover from 4700' to top perfs @ 5284' w/100% excess and sting out. Spot 20 sks Class G cement (23 Cu.ft) on top of the CR. Displace w/18.1 bbls water. WOC 4 hrs. Tagged TOC @ 4471'. Good tag. **Plug I, Inside 4½" casing, Mancos-Gallup, 120 sks, 138 Cu.ft, 4471'-5284'**
- Shoot squeeze holes @ 3910'. TIH and set 4½" CR @ 3890'. Sting in and try to establish rate below the CR. Cannot get a rate @ 1300 psi. Sting out. Attempt to pressure test casing. Casing wont test. Spot plug II inside 4½" casing from 3910' on top of the retainer w/20 sks (23 Cu.ft) Class G cement to cover the Mesaverde top. Displaced w/14.1 bbls. WOC 4 hrs. Tagged TOC @ 3604'. Good tag. **Plug II, Inside 4½" casing, Mesaverde, 20 sks, 23 Cu.ft, 3604'-3910'**
- Spot Plug III inside 4½" casing from 2802' w/20 sks (23 Cu.ft) Class G cement to cover the Chacra top. Displaced w/9.8 bbls. WOC Overnight. Tagged TOC @ 2563'. Good tag. **Plug III, Inside 4½" casing, Chacra, 20 sks, 23 Cu.ft, 2563'-2802'**
- Attempt to pressure test casing. Casing wont test. Spot plug IV inside 4½" casing from 2373' to w/70 sks, 80.5 Cu.ft, Class G cement to cover the Pictured Cliffs, Fruitland, Kirtland & Ojo Alamo tops. Displace w/5.7 bbls. WOC 4 hrs. Tagged TOC @ 1451'. Good tag. **Plug IV, Inside 4½" casing, Pictured Cliffs, Fruitland, Kirtland, Ojo Alamo Tops, 70 sks, 80.5 Cu.ft, 1451'-2373'**
- Shoot squeeze holes @ 270'. Cannot get a rate through perfs @ 1250 psi. Shoot squeeze holes @ 215'. Set 4½" CR @ 195'. Sting in. Establish rate but no circulation to surface. Swap to cement. Pump Plug V-A w/24 sks, 27.6 Cu.ft, Class G cement behind 4½" casing, 1.5 sks below retainer, and spot 5 sks, 5.75 Cu.ft on top of the retainer. Reverse out @ 145'. WOC overnight. Tagged TOC @ 145'. Shoot squeeze holes @ 135'. Establish rate @ 1 bpm 500 psi. But no circulation to surface. Seems like BH been plugged at some depth. Spot Plug V-B w/30 sks, 34.5 Cu.ft, 24 sks behind 4½" casing, 1 sks below CR inside 4½" casing, 5 sks above the CR. Reverse out at 75'. WOC 4 hrs. Tagged TOC @ 75'. Perforate @ 75'. Spot Plug V-C w/35 sks, 40.25 Cu.ft to bring cement to surface. WOC overnight. Cut wellhead off. TOC at surface inside 4½" casing and inside BH. **Plug V, Inside/Outside 4½" casing, 105 sks, 120.75 Cu.ft, Surface, 0-215'**.
- Fill up cellar w/20 sks, 23 Cu.ft, Class G cement and install dryhole marker. Clean location. RD Aztec rig 481 and cement equipment. Monte Gomez w/Farmington BLM FO witnessed job. **Well P&A'd 08/01/2023.**

Received September 14, 2023
Kenneth Rennick, BLM Petroleum Engineer

Completed P & A Schematic

Magnum # 1
API: 30-039-23436
Unit I Sec 28 T24N R7W
1750' FSL & 800' FEL
Rio Arriba County, NM
Lease # NM - 33001
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 V, Inside/Outside 4 ½" casing, 105 sks, 120.75 Cu.ft, Surface, 0-215'. (Squeeze holes at 270, 215, 135, 75. Cement retainers @ 195 & 115)

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

Plug IV, Inside 4 ½" casing, Pictured Cliffs, Fruitland, Kirtland, Ojo Alamo Tops, 70 sks, 80.5 Cu.ft, 1451'-2373'

Plug III, Inside 4 ½" casing, Chacra, 20 sks, 23 Cu.ft, 2563'-2802'

Plug II, Inside 4 ½" casing, Mesaverde, 20 sks, 23 Cu.ft, 3604'-3910'

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

TOF @ 4716'. Cement retainer @ 4700'. **Plug I, Inside 4 ½" casing, Mancos-Gallup, 120 sks, 138 Cu.ft, 4471'-5284'**

Gallup Perforated @ 5284'-6072'

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

Tyra Feil

From: Harrison, John, EMNRD <John.Harrison@emnrd.nm.gov>
Sent: Thursday, July 27, 2023 10:21 AM
To: Aliph Reena; Rennick, Kenneth G; Lucero, Virgil S; Gomez, Monty J; Kuehling, Monica, EMNRD; Kuehling, Monica, EMNRD; Dean Mestas; Tyra Feil; John Alexander; Marty Foutz; Jordan Manning; Chris Harmon; Kade, Matthew H
Subject: RE: [EXTERNAL] Re – M & M Production & Operation's well Magnum # 1 P & A Ops

Aliph,

These changes are acceptable. Please include said changes on your subsequent reports, and include email communications indicating approval.

Regards,

John Harrison

Oil Conservation Division
1625 N. French Dr.
Hobbs, New Mexico 88240

From: Aliph Reena <Aliph.Reena@duganproduction.com>
Sent: Wednesday, July 26, 2023 3:11 PM
To: Rennick, Kenneth G <krennick@blm.gov>; Lucero, Virgil S <vlucero@blm.gov>; Gomez, Monty J <mgomez@blm.gov>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Dean Mestas <dmestas@aztecwell.com>; Tyra Feil <Tyra.Feil@duganproduction.com>; John Alexander <John.Alexander@duganproduction.com>; Marty Foutz <Marty.Foutz@duganproduction.com>; Jordan Manning <Jordan.Manning@duganproduction.com>; Chris Harmon <Chris.Harmon@duganproduction.com>; Kade, Matthew H <mkade@blm.gov>
Cc: Harrison, John, EMNRD <John.Harrison@emnrd.nm.gov>
Subject: RE: [EXTERNAL] Re – M & M Production & Operation's well Magnum # 1 P & A Ops

Hi John,

Please see the proposed changes to the Magnum # 1 P & A procedure. Received an automated msg from Monica regarding her out of the office status.

Please let us know if we are okay to proceed

Aliph Reena
505-360-9192

From: Rennick, Kenneth G <krennick@blm.gov>
Sent: Wednesday, July 26, 2023 2:47 PM

To: Aliph Reena <Aliph.Reena@duganproduction.com>; Lucero, Virgil S <vlucero@blm.gov>; Gomez, Monty J <mgomez@blm.gov>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Kuehling, Monica, EMNRD <monica.kuehling@state.nm.us>; Dean Mestas <dmestas@aztecwell.com>; Tyra Feil <Tyra.Feil@duganproduction.com>; John Alexander <John.Alexander@duganproduction.com>; Marty Foutz <Marty.Foutz@duganproduction.com>; Jordan Manning <Jordan.Manning@duganproduction.com>; Chris Harmon <Chris.Harmon@duganproduction.com>; Kade, Matthew H <mkade@blm.gov>
Subject: Re: [EXTERNAL] Re – M & M Production & Operation's well Magnum # 1 P & A Ops

The BLM finds the proposed procedure appropriate.

Kenny Rennick

Kenneth (Kenny) Rennick

Petroleum Engineer

Bureau of Land Management
Farmington Field Office
6251 College Blvd
Farmington, NM 87402

Email: krennick@blm.gov
Mobile & Text: 505.497.0019

From: Aliph Reena <Aliph.Reena@duganproduction.com>
Sent: Wednesday, July 26, 2023 2:37 PM
To: Rennick, Kenneth G <krennick@blm.gov>; Lucero, Virgil S <vlucero@blm.gov>; Gomez, Monty J <mgomez@blm.gov>; Kuehling, Monica, EMNRD <monica.kuehling@emnrd.nm.gov>; Kuehling, Monica, EMNRD <monica.kuehling@state.nm.us>; Dean Mestas <dmestas@aztecwell.com>; Tyra Feil <Tyra.Feil@duganproduction.com>; John Alexander <John.Alexander@duganproduction.com>; Marty Foutz <Marty.Foutz@duganproduction.com>; Jordan Manning <Jordan.Manning@duganproduction.com>; Chris Harmon <Chris.Harmon@duganproduction.com>
Subject: [EXTERNAL] Re – M & M Production & Operation's well Magnum # 1 P & A Ops

Magnum # 1
API: 30-039-23436

When the P & A operations on this well was started, the tubing on the well appeared to be in bad shape due to pitting corrosion and heavy scale build up. Tubing parted while pulling out of the hole and a fishing operation was required. After the 10th day, OCD/BLM was consulted with the practical difficulty in recovering the corroded tubing from the well. It was becoming

impossible as tubing was breaking up 6' at a time and to pick up the tubing buried in scale and fill at the bottom of the well. NMOCD & BLM gave verbal approval to set a 4 ½" cement retainer as close as possible to the top of the fish @ 4704'. Established rate @ 0.5 bpm @ 500 psi below the top of the fish w/ a 4 ½" packer. Set a 4 ½" cement retainer @ 4700'. Load hole and ran CBL. Please see a copy of the CBL attached. Per my reading, the TOC behind casing from the CBL on the first stage is is 320'.

From the CBL we request the following changes to the approved original procedure.

1. Set Cement Retainer @ 4700' on top of the fish. Establish injection rates below. Once rate is established, pump enough volume of cement to cover from 4700' to top perfs @ 5284' w/ 100% excess inside 4 ½" casing.
2. Perforate at 3910. Set CR 3890. Do **inside/outside plug** for Plug II, 3760-3910, Mesaverde (As BLM required)
3. Do **inside plug** for Plug III, 2652-2802, Chacra
4. Do **inside plug** for Plug IV, 1570-2372, Ojo Alamo-Kirtland-Fruitland-Pictured Cliffs
5. Perforate at 270 (50' below casing shoe). Do **inside outside** plug from 320 to surface

Please let us know if these proposed changes are acceptable to BLM/NMOCD.

Aliph Reena P.E
Cell: 505-360-9192

Engineering Supervisor
Dugan Production Corp.

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 266181

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 266181
	Action Type: [C-103] Sub. Plugging (C-103P)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	well plugged 8/1/2023	10/26/2023