

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

Well Name: AZTEC COM

Well Location: T27N / R9W / SEC 8 /
SEW / 36.591751 / -107.81366

County or Parish/State: SAN
JUAN / NM

Well Number: 1

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:

Lease Number: NMNM05941A

Unit or CA Name:

Unit or CA Number:
NMNM73492

US Well Number: 300450669100S1

Operator: DUGAN PRODUCTION
CORPORATION

Notice of Intent

Sundry ID: 2808139

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 08/22/2024

Time Sundry Submitted: 03:06

Date proposed operation will begin: 08/28/2024

Procedure Description: Dugan Production plans to plug and abandon the well per the attached procedure.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Aztec_Com_1_Rec_Plan_20240822150317.pdf

Aztec_Com_1_proposed_PA_formation_tops_20240822150151.pdf

Aztec_Com_1_proposed_PA_planned_wellbore_schematic_20240822150133.pdf

Aztec_Com_1_proposed_PA_current_wellbore_schematic_20240822150116.pdf

Aztec_Com_1_proposed_PA_planned_work_20240822150102.pdf

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Conditions of Approval

Additional

2808139_NOI_PnA_Aztec_Com_1_3004506691_MHK_8.28.2024_20240828134142.pdf

General_Requirement_PxA_20240828130550.pdf

Aztec_Com_No_1_Geo_Rpt_20240828120307.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: AUG 22, 2024 03:04 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)360-9192

Email address: Aliph.Reena@duganproduction.com

BLM Point of Contact

BLM POC Name: MATTHEW H KADE

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647736

BLM POC Email Address: MKADE@BLM.GOV

Disposition: Approved

Disposition Date: 08/28/2024

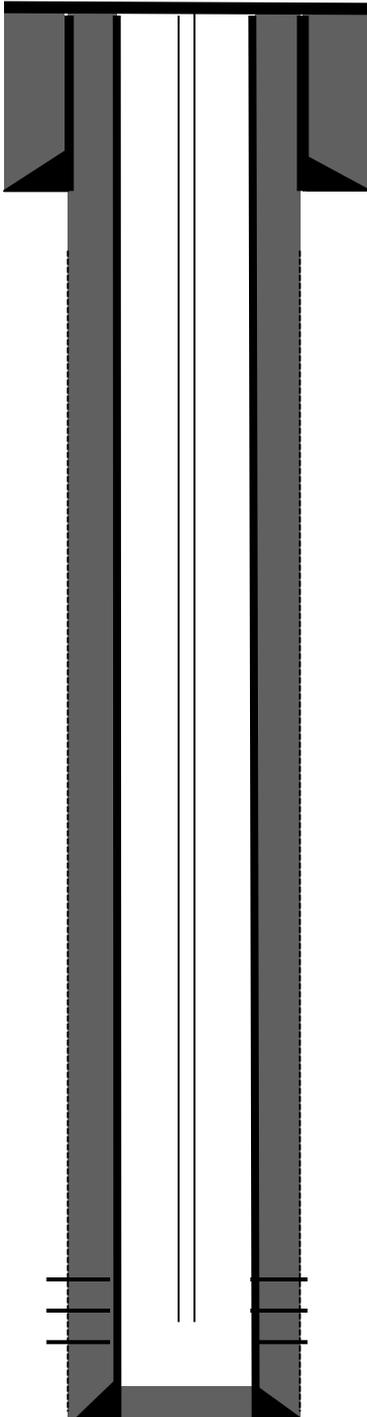
Signature: Matthew Kade

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

- Run 5½" casing scraper to 2400'. Pictured Cliffs perforations @ 2412'-2441'.
- RIH and set 5½" CIBP at 2362'. Load and circulate hole.
- Attempt to pressure test casing to 600 psi for 30 mins.
- Run CBL from 2362' to surface.
- Spot inside Plug I above CIBP @ 2362' w/54 sks (62.1 cu ft) Class G neat cement to 1900' to cover the Fruitland & Pictured Cliffs top (5 gal/sk, 15.8 #/gal, 1.15 cuft/sk). **Plug I, inside 5½" casing, 1900'-2362', Fruitland-Pictured Cliffs, 54 sks, 62.1 cu ft.**
- Spot inside Plug II from 1637' w/32 sks Class G neat cement (36.8 cu ft) to 1367' to cover the Kirtland-Ojo Alamo tops. **Plug II, inside 5½" casing, 1367-1637', Kirtland-Ojo Alamo, 32 sks, 36.8 cu ft.**
- Spot Plug III inside 5½" casing from 200' to surface to cover the surface casing shoe to surface (Operator would like to plug from 200' instead of minimum 160' in this case) w 24 sks 27.6 cu ft. **Plug III, inside 5½" casing, 0-200', surface casing shoe, 24 sks, 27.6 cu ft.**
- Cut wellhead off. Fill casing w/cement in case needed. Install dry hole marker.
- Clean location. Rig down and move.

Current Wellbore Schematic

Aztec Com #1
30-045-06691
Blanco PC
1640' FNL & 1760' FWL
S8 T27N R9W
San Juan County, NM
Lat: 36.592011, Long: -107.814334



8-5/8" 24# casing @ 110'. Cemented with 70 sks, Class B cement.
Circulated cement to surface.

1 1/4" tubing to 2409'

5 1/2" 15.5# casing @ 2516'

Cement production casing w/ 125 sks Cement

Pictured Cliffs Perforated @ 2412' - 2441'

Planned P & A Wellbore Schematic

Aztec Com #1

30-045-06691

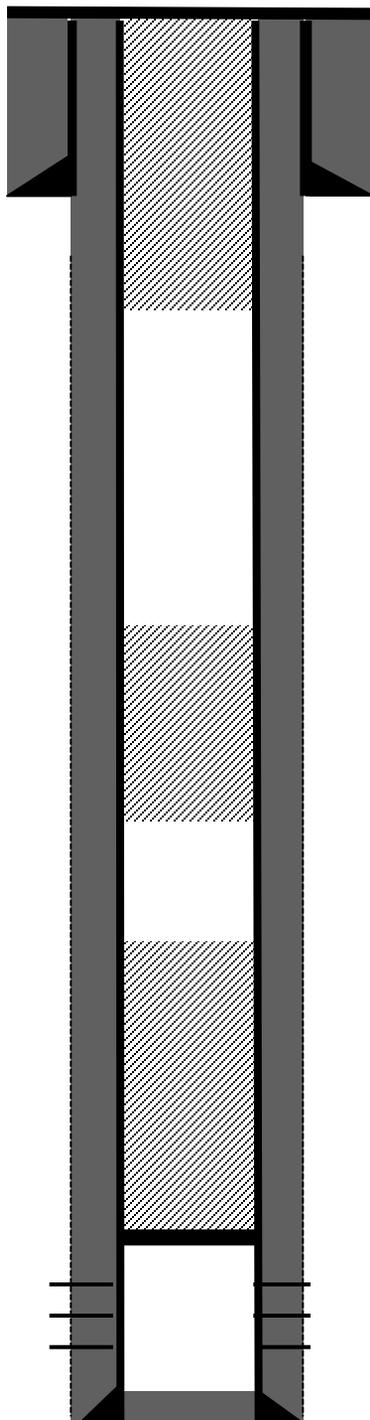
Blanco PC

1640' FNL & 1760' FWL

S8 T27N R9W

San Juan County, NM

Lat: 36.592011, Long: -107.814334



8-5/8" 24# casing @ 110'. Cemented with 70 sks, Class B cement.
Circulated cement to surface.

**Plug III, Inside 5 1/2" casing, 0-200', Surface casing shoe, 24 sks,
27.6 Cu.ft**

**Plug II, inside 5 1/2" casing, 1367-1637', Kirtland-Ojo Alamo, 32
sks, 36.8 Cu.ft.**

**Set 5 1/2" CIBP @ 2362'. Plug I, Inside 5 1/2" casing, 1900'-2362',
Fruitland-Pictured Cliffs, 54 sks, 62.1 Cu.ft.**

5 1/2" 15.5# casing @ 2516'

Cement production casing w/ 125 sks Cement

Pictured Cliffs Perforated @ 2412' - 2441'

Aztec Com #1
30-045-06691
Blanco PC
1640' FNL & 1760' FWL
S8 T27N R9W
San Juan County, NM
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Formation Tops

- ***Surface Casing - 110'***
- ***Ojo Alamo - 1467'***
- ***Kirtland - 1587'***
- ***Fruitland - 2000'***
- ***Pictured Cliffs - 2412'***
- ***Perforations : 2412'-2441'***



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Farmington District Office
6251 College Boulevard, Suite A
Farmington, New Mexico 87402
<http://www.blm.gov/nm>

CONDITIONS OF APPROVAL

August 28, 2024

Notice of Intent - Plug and Abandonment

Operator: Dugan Production Corporation
Lease: NMNM05941A
Unit: NMNM73492
Well(s): Aztec Com 1, API # 30-045-06691
Location: SENW Sec 8 T27N R9W (San Juan County, NM)
Sundry Notice ID#: 2808139

The Notice of Intent to Plug and Abandon is accepted with the following Conditions of Approval (COA):

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 made:
 - a. Adjust Plug #2 (Kirtland/Ojo Alamo) length to cover below BLM Kirtland formation top pick @ 1611' to above BLM Ojo Alamo formation top pick @ 1431'. Estimated minimum 40 Sx Cement (1661' – 1331').
3. **NOTIFICATION:** Farmington Office is to be notified at least 24 hours before the plugging operations commence at (505) 564-7750.
4. **Deadline of Completion of Operations:** Complete the plugging operation before August 28, 2025. If unable to meet deadline, notify the Bureau of Land Management's Farmington Field Office prior to the deadline via Sundry Notice (Form 3160-5) Notice of Intent detailing the reason for the delay and the date the well is to be plugged.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements. Estimated minimum sacks provided here include the necessary excesses.

Office Hours: 7:45 a.m. to 4:30 p.m. / M. Kade (mkade@blm.gov / 505-564-7736)

**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), 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) and 43 CFR 3172.12(a)(10). 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 - Geologic Report

Date Completed 8/28/2024

Well No.	Aztec Com No 1	Surf. Loc.	1640	FNL	1760	FWL
Lease No.	NMNM05941A	Sec	8		T27N	9W
Agrmt No:	NMNM73492		County:	San Juan	State	New Mexico
Operator	Dugan Production Corp		Formation:	Blanco PC		
TVD:	2697	PBTD:	2441	Elevation:	Est. KB	6460
Elevation	GL		6446			

Geologic Formations	Est. tops	Subsea Elev.	Remarks
Nacimiento Fm.	Surface		Surface /fresh water sands
Ojo Alamo Ss	1431	5029	Fresh water aquifer
Kirtland Fm.	1611	4849	
Fruitland Fm.	1981	4479	Coal/gas/possible water
Pictured Cliffs	2436	4024	Possible gas/water

Remarks:

-Vertical wellbore, all formation depths are TVD from KB at the wellhead.

-Modify the Plug 2 BOC to 1661' and the TOC to 1331' to account for the BLM Geologist's pick for the Kirtland and Ojo Alamo formation tops.

Reference Well:

Hilcorp Energy Co.
 Whitley No 5
 1790 FNL, 1670 FEL
 8G-27N-9W
 GL= 6317', KB= 6329'

Prepared by: Walter Gage

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 378867

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 378867
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	Well file shows water sands above the Ojo - bring ojo plug up to 950 feet - Notify NMOCD 24 hours prior to moving on - Monitor string pressures daily report on subsequent - submit all logs prior to subsequent	8/29/2024