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

Sundry Print Report

10/03/2024

Well Name: SHERMAN EDWARD

Well Location: T29N / R5W / SEC 3 / SWSW / 36.74925 / -107.35109

County or Parish/State: RIO ARRIBA / NM

Well Number: 2

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMNM23048

Unit or CA Name:

Unit or CA Number:

US Well Number: 300392124600C1

Operator: DUGAN PRODUCTION CORPORATION

Notice of Intent

Sundry ID: 2814609

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 10/01/2024

Time Sundry Submitted: 08:28

Date proposed operation will begin: 10/21/2024

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

Sherman_Edward_2_Rec_Plan_20241001082437.pdf

Sherman_Edward_2_proposed_PA_formation_tops_20241001082407.pdf

Sherman_Edward_2_proposed_PA_planned_wellbore_schematic_20241001082334.pdf

Sherman_Edward_2_proposed_PA_current_wellbore_schematic_20241001082304.pdf

Sherman_Edward_2_proposed_PA_planned_work_20241001082238.pdf

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Operator: DUGAN PRODUCTION CORPORATION

Conditions of Approval

Additional

2814609_NOIA_2_3003921246_KR_10022024_20241002183926.pdf

General_Requirement_PxA_20241002183913.pdf

ShermanEdward_2_P_A_GeoReport_20241002135059.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: OCT 01, 2024 08:13 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)360-9192

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: 10/02/2024

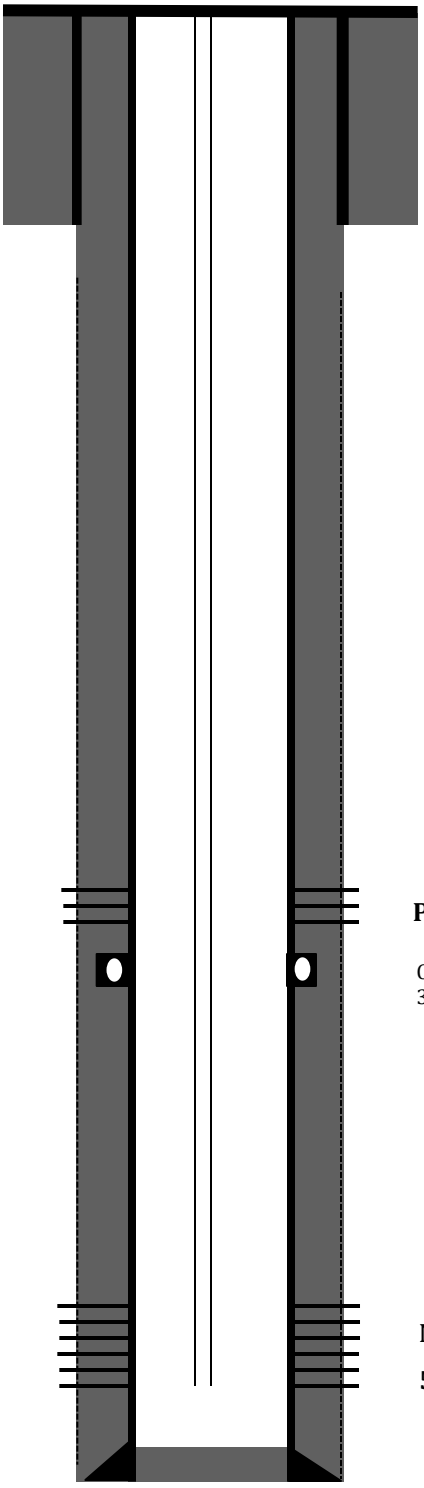
Signature: Kenneth Rennick

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

- PU & tally 2-3/8" workstring. Run 5½" casing scraper to 5570'. **RIH & set 5½" CIBP @ 5535**'. Mesaverde perforations @ 5585'-6032'.
- Attempt to fill and circulate 5½" casing. Run CBL from 5535' to 3720'. Pictured Cliffs perforations are at 3528'-3720'. Will do CBL in two stages if not possible to keep the hole full. Will WOC all plugs until we are above the Pictured Cliffs perforations. All plugs are designed assuming good cement behind 5½" casing. Will make necessary changes to the plugs after reviewing the CBL.
- Spot Plug I inside 5½" casing from 5535' to 5385' w/18 sks, 20.7 cu ft Class G cement to cover the Mesaverde perforations. **Plug I, inside 5½" casing, 18 sks, 20.7 cu ft, Mesaverde, 5385'-5535'.**
- Spot Plug II inside 5½" casing from 4470' to 4320' w/18 sks, 20.7 cu ft Class G cement to cover the Chacra top. **Plug II, inside 5½" casing, 18 sks, 20.7 cu ft, Chacra, 4320'-4470'.**
- Spot Plug III inside 5½" casing from 3915' to 3765' w/18 sks, 20.7 cu ft Class G cement to cover the DV top. **Plug III, inside 5½" casing, 18 sks, 20.7 cu ft, DV tool, 3765'-3915'.**
- Set 5½" CR at 3472'. Load and circulate hole. Run CBL from 3472' to surface. Attempt to pressure test casing from 3472'.
- Sting inside the CR and squeeze Plug IV inside/outside 5½" casing from 3472' w/20 sks Class G neat cement below retainer to cover the Pictured Cliffs perforations (Pictured Cliffs perforations are at 3528'-3720'). Sting out. Spot 25 sks, 28.8 cu ft Class G neat cement from 3472' to 3260' to cover the Pictured Cliffs and Fruitland tops. **Plug IV, inside/outside 5½" casing, 45 sks, 51.8 cu ft, Fruitland-Pictured Cliffs, 3260'-3472'.**
- Spot Plug V inside 5½" casing from 3058' to 2663' w/46 sks (52.9 cu ft) Class G cement to cover the Kirtland-Ojo Alamo tops. **Plug V, inside 5½" casing, 46 sks, 52.9 cu ft, Ojo Alamo-Kirtland, 2663'-3058'.**
- Spot Plug VI inside 5½" casing from 920' to 770' w/18 sks, 20.7 cu ft Class G neat cement to cover the Nacimiento top. **Plug VI, inside 5½" casing, 18 sks, 20.7 cu ft, Nacimiento, 770'-920'.**
- Spot Plug VII inside 5½" casing from 343' to surface w/40 sks, 46 cu ft to cover the surface casing shoe to surface. **Plug VII, inside 5½" casing, 40 sks, 46 cu ft, surface casing shoe, 0-343'.**
- Cut wellhead. Tag TOC at surface. Fill cement in case needed.
- Install dry hole marker. Clean location.

Current Wellbore Schematic

Sherman Edward #2
API: 30-039-21246
Unit M Sec 3 T29N R05W
730' FSL & 580' FWL
Blanco Mesaverde & Gobernador PC
Rio Arriba, NM
Lat:36.7493057 Long:-107.3518372



8-5/8" J-55 24# casing @ 293'. Cemented with 175 sks Cement. Circulated to surface

Pictured Cliffs perforations are at 3528'-3720'

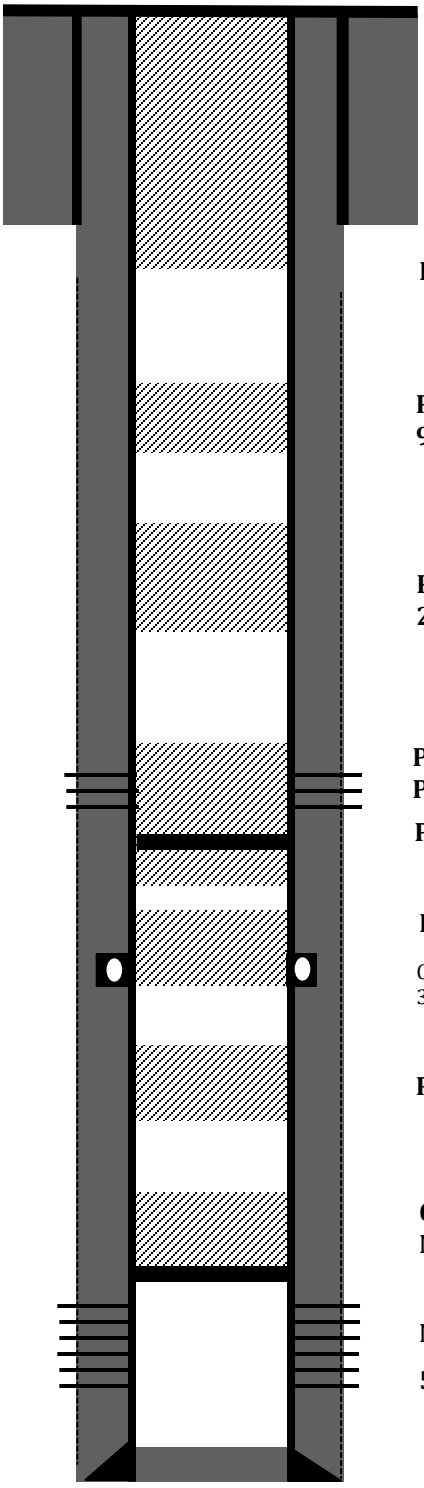
Cemented Stage I w/ 225 sks, 414 Cu.ft, Haliburton Lite. **DV tool @ 3864**'. Stage II w/ 375 sks Lite, 904. Will run CBL to determine TOC behind casing & DV tool depth.

Mesaverde Perforations @ 5585'-6032'

5 ½" 17#, 15.5 # casing @ 6111', Hole size 7-7/8"

Planned P & A Schematic

Sherman Edward #2
API: 30-039-21246
Unit M Sec 3 T29N R05W
730' FSL & 580' FWL
Rio Arriba, NM
Lat:36.7493057 Long:-107.3518372



8-5/8" J-55 24# casing @ 293'. Cemented with 175 sks Cement. Circulated to surface

Plug VII, Inside 5 ½" casing, 40 sks, 46 Cu.ft, Surface casing shoe, 0-343'

Plug VI, Inside 5 ½" casing, 18 sks, 20.7 Cu.ft, Nacimiento, 770'-920'

Plug V, Inside 5 ½" casing, 46 sks, 52.9 Cu.ft, Ojo Alamo-Kirtland, 2663'-3058'

Plug IV, Inside/outside 5 ½" casing, 45 sks, 51.8 Cu.ft, Fruitland-Pictured Cliffs, 3260'-3472'

Pictured Cliffs perforations are at 3528'-3720'

Plug III, Inside 5 ½" casing, 18 sks, 20.7 Cu.ft, DV tool, 3765'-3915'

Cemented Stage I w/ 225 sks, 414 Cu.ft, Haliburton Lite. **DV tool @ 3864**'. Stage II w/ 375 sks Lite, 904. Will run CBL to determine TOC behind casing & DV tool depth.

Plug II, Inside 5 ½" casing, 18 sks, 20.7 Cu.ft, Chacra, 4320'-4470'

CIBP @ 5385'. Plug I, Inside 5 ½" casing, 18 sks, 20.7 Cu.ft, Mesaverde, 5385'-5535'

Mesaverde Perforations @ 5585'-6032'

5 ½" 17#, 15.5 # casing @ 6111', Hole size 7-7/8"

Sherman Edward #2
API: 30-039-21246
Unit M Sec 3 T29N R05W
730' FSL & 580' FWL
Rio Arriba, NM
Lat:36.7493057 Long:-107.3518372

Elevation ASL : 6752'

Formation Tops

- **Surface Casing – 293'**
- **Nacimiento – 870'**
- **Ojo Alamo – 2763'**
- **Kirtland – 3008'**
- **Fruitland – 3360'**
- **Pictured Cliffs – 3522'**
- **Pictured Cliffs perforations – 3528'-3720'**
- **DV tool – 3865'**
- **Chacra – 4420'**
- **Mesaverde – 5565'**
- **Mesaverde Perforations – 5585'-6032'**

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

AFMSS 2 Sundry ID 2814609

Attachment to notice of Intention to Abandon

Well: Sherman Edward 2

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. Modify Plug 2 bottom of cement to 4489' to account for the BLM geologist's pick for the Chacra at 4439'.
   b. Modify Plug 4 top of cement to 3110' to account for the BLM geologist's pick for the Fruitland at 3210'.
   c. Modify Plug 6 top of cement to 730' to account for the BLM geologist's pick for the Nacimiento at 730'.

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 10/02/2024

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 - Geologic Report

Date Completed: Oct 2nd 2024

Well No.	Sherman Edward #2	Surf. Loc.	**730**	FSL	**580**	FWL	
API	30-039-21246		**T. 29 N**	**R. 05 W**	Sectio		3
Operator	Dugan	County	Rio Arriba		State	NM	
Elevation	6752						
Lease #							

Geologic Formations	Tops	Remarks
Nacimiento	**830**	Gas
Ojo Alamo	**2820**	F/W Sands
Kirtland	**3008**	Gas
Fruitland	**3210**	Coal, Gas
Pic Cliffs	**3520**	Gas
Chacra	4439	Gas
Cliffhouse	5578	Gas

Remarks: Please adjust plugs to cover BLM-picked formation tops.

Completed by Alek Knapowski

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 389499

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 389499
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	NMOCD concurs with BLM call on formation tops - Notify NMOCD 24 hours prior to moving on - Monitor string pressures report on subsequent - Submit all logs prior to subsequent	10/3/2024