

Well Name: KUTZ GOVERNMENT	Well Location: T28N / R10W / SEC 27 / NWSW / 36.631102 / -107.889305	County or Parish/State: SAN JUAN / NM
Well Number: 3J	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF077383	Unit or CA Name:	Unit or CA Number:
US Well Number: 300453018600S1	Operator: DUGAN PRODUCTION CORPORATION	

Notice of Intent

Sundry ID: 2843498

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 03/25/2025	Time Sundry Submitted: 04:33
Date proposed operation will begin: 04/20/2025	

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

- Kutz_Govt_3J_Rec_Plan_3_25_25_20250325163310.pdf
- Kutz_3J_proposed_PA_formation_tops_20250325163256.pdf
- Kutz_3J_proposed_PA_planned_wellbore_schematic_20250325163234.pdf
- Kutz_3J_proposed_PA_current_wellbore_schematic_20250325163222.pdf
- Kutz_3J_proposed_PA_planned_work_20250325163200.pdf

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Conditions of Approval

Additional

Kutz_Government_No_3J_Geo_Rpt_20250403130543.pdf

Authorized

General_Requirement_PxA_20250403141200.pdf

2843498_3J_3004530186_NOIA_KR_04032025_20250403141122.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: MAR 25, 2025 04:31 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

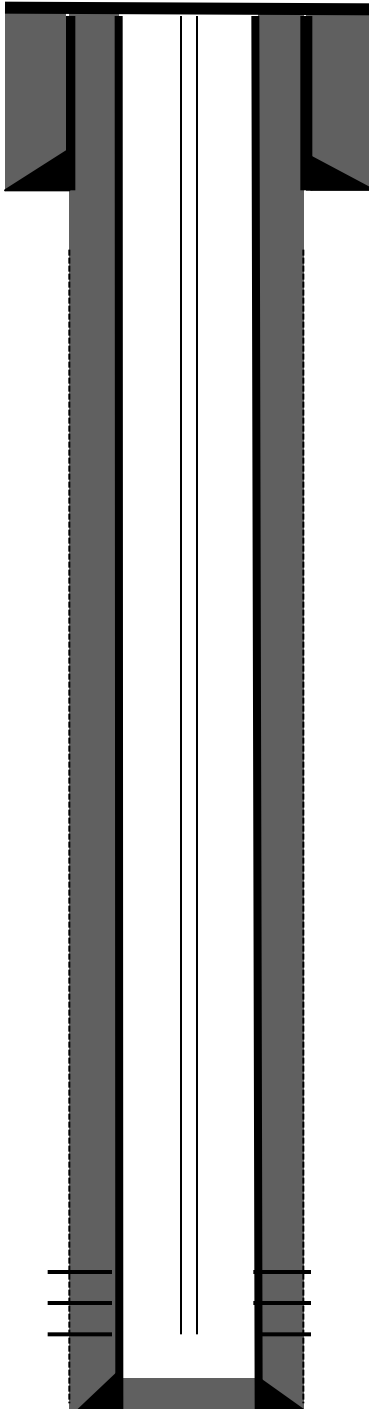
BLM POC Name: KENNETH G RENNICK	BLM POC Title: Petroleum Engineer
BLM POC Phone: 5055647742	BLM POC Email Address: krennick@blm.gov
Disposition: Approved	Disposition Date: 04/03/2025
Signature: Kenneth Rennick	

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

- Run 4½" casing scraper to 1870'. RIH & set 4½" cement retainer @ 1844'. Pictured Cliffs perforations @ 1894'-1930'. Load and circulate hole.
- Attempt to pressure test casing to 600 psi for 30 mins.
- RU Wireline and run CBL from 1844' to surface. All plugs are designed by assuming cement behind casing to surface. Will make necessary changes to the plugs after the CBL.
- **Plug I:** Spot inside Plug I above cement retainer @ 1844' to 1243' w/48 sks, 55.2 cu ft Class G neat cement to cover the Pictured Cliffs & Fruitland tops. **Plug I, Inside 4 ½" casing, Cement Retainer at 1844', 48 sks, 55.2 cu ft, Pictured Cliffs-Fruitland, 1243'-1844'.**
- **Plug II:** Spot inside Plug II from 1040' to 830' w/18 sks, 20.7 cu ft Class G neat cement to cover the Kirtland & Ojo Alamo tops. **Plug II, Inside 4½" casing, 18 sks, 20.7 cu ft, Kirtland-Ojo Alamo, 830'-1040'.**
- **Plug III:** Spot Inside Plug III from 171' to surface w/18 sks, 20.7 cu ft Class G neat cement to cover the surface casing shoe. **Plug III, Inside 4½" casing, 18 sks, 20.7 cu ft, Surface, 0-171'.**
- Cut wellhead off. Fill casing w/cement in case needed.
- Fill up cellar and install dry hole marker.
- Clean location. Rig down and move.

Current Wellbore Schematic

Kutz Govt #3J
30-045-30186
Fulcher Kutz Pictured Cliffs
1850' FSL & 790' FWL
S27 T28N R10W
San Juan County, NM
Lat: 36.631052, Long: -107.889272



7" 23# casing @ 121'. Cemented with 50 sks, 57.5 Cu.ft Class B cement.
Hole size: 8-3/4". Circulated 4 bbls cement to surface.

4 1/2" 9.5#, 10.5# casing @ 2057'. Hole size: 6-1/4"

Cement production casing w/ 250 sks Cement, 428 Cu.ft.
Circulated 0.5 bbls cement to surface.

1-1/2" Tubing at 1913'

Pictured Cliffs Perforated @ 1894' – 1930'

PBTD @ 2035', TD 2057'

Planned P & A Wellbore Schematic

Kutz Govt #3J

30-045-30186

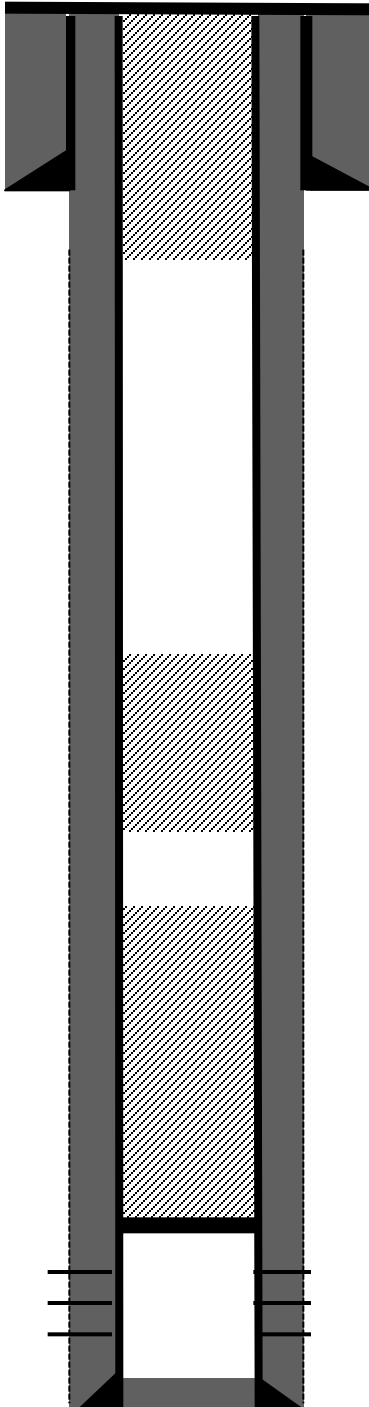
Fulcher Kutz Pictured Cliffs

1850' FSL & 790' FWL

S27 T28N R10W

San Juan County, NM

Lat: 36.631052, Long: -107.889272



7" 23# casing @ 121'. Cemented with 50 sks, 57.5 Cu.ft Class B cement.
Hole size: 8-3/4". Circulated 4 bbls cement to surface.

Plug III, Inside 4 1/2" casing, 18 sks, 20.7 Cu.ft, Surface, 0-171'

Plug II, Inside 4 1/2" casing, 18 sks, 20.7 Cu.ft, Kirtland-Ojo Alamo, 830'-1040'

4 1/2" 9.5#, 10.5# casing @ 2057'. Hole size: 6-1/4"

Cement production casing w/ 250 sks Cement, 428 Cu.ft.
Circulated 0.5 bbls cement to surface.

Set 4 1/2" CR @ 1844'. Plug I, Inside 4 1/2" casing, Cement Retainer at 1844', 48 sks, 55.2 Cu.ft, Pictured Cliffs-Fruitland, 1243'-1844'

Pictured Cliffs Perforated @ 1894' – 1930'

PBTD @ 2035', TD 2057'

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30-045-30186
Fulcher Kutz Pictured Cliffs
1850' FSL & 790' FWL
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Formation Tops

- Surface Casing – 121'
- Ojo Alamo – 930'
- Kirtland – 990'
- Fruitland – 1343'
- Pictured Cliffs – 1894'
- Perforations : 1892'-1930'



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

April 3, 2025

Notice of Intent – Plug and Abandonment

Operator: Dugan Production Corporation
Lease: NMSF077383
Well(s): Kutz Government 3J, US Well # 30-045-30186
Location: NWSW Sec 27 T28N R10W (San Juan County, NM)
Sundry Notice ID #: 2843498

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 to be made:
 - a. Modify the Plug 2 TOC to 730' to account for the BLM geologist's pick for the Fruitland at 830'.
3. **Notification:** 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 4/3/2025

**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). 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 4/3/2025

Well No.	Kutz Government No. 3J	Surf. Loc.	1850	FSL	790	FWL
Lease No.	NMSF077383		Sec	27	T28N	R10W
Operator	Dugan Production Corp	County	San Juan		State	New Mexico
TVD	2057	PBTD	2035	Formation	Fulcher Kutz Pictured Cliffs	
Elevation	GL		5893	Elevation	Est. KB	5897

Geologic Formations	Est. tops	Subsea Elev.	Remarks
Nacimiento Fm.	Surface		Surface /fresh water sands
Ojo Alamo Ss	830	5067	Fresh water aquifer
Kirtland Fm.	990	4907	
Fruitland Fm.	1343	4554	Coal/gas/possible water
Pictured Cliffs	1870	4027	Possible gas/water

Remarks:

Reference Well:

-Vertical wellbore, all formation depths are TVD from KB at the wellhead.
-Modify the Plug 2 TOC to 730' to account for the BLM geologist's pick for the Ojo Alamo.

Dugan Production Corp
Same

Prepared by: Walter Gage

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 448589

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 448589
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
mkuehling	NMOCD agrees with BLM formation tops except PC=1882 Ojo=836 - Extend plug 1 to 50 feet below PC - adjust ojo to accommodate BLM and OCD - Notify NMOCD 24 hours prior to moving on - Monitor string pressures daily report on subsequent - submit all logs prior to subsequent	4/3/2025