

Well Name: ABSOLUT	Well Location: T23N / R6W / SEC 23 / NENW / 36.216072 / -107.440578	County or Parish/State: SANDOVAL / NM
Well Number: 1	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM17009	Unit or CA Name:	Unit or CA Number:
US Well Number: 300432086400S1	Operator: DUGAN PRODUCTION CORPORATION	

Notice of Intent

Sundry ID: 2893059

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 01/27/2026	Time Sundry Submitted: 02:12
Date proposed operation will begin: 02/06/2026	

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

- Absolut_1_Rec_Plan_1_27_26_20260127140911.pdf
- Absolut_1_proposed_PA_formation_tops_20260127140900.pdf
- Absolut_1_proposed_PA_planned_wellbore_schematic_20260127140851.pdf
- Absolut_1_proposed_PA_current_wellbore_schematic_20260127140843.pdf
- Absolut_1_proposed_PA_planned_work_20260127140832.pdf

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Conditions of Approval

Additional

General_Requirement_PxA_20260130081608.pdf
2893059_1_3004320864_NOIA_KR_01302026_20260130081559.pdf

Authorized

Absolut_1_P_AGeoReport_20260130081726.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: JAN 27, 2026 02:11 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
Phone: (505)360-9192	Zip: 87499-0420
Email address: Aliph.Reena@duganproduction.com	

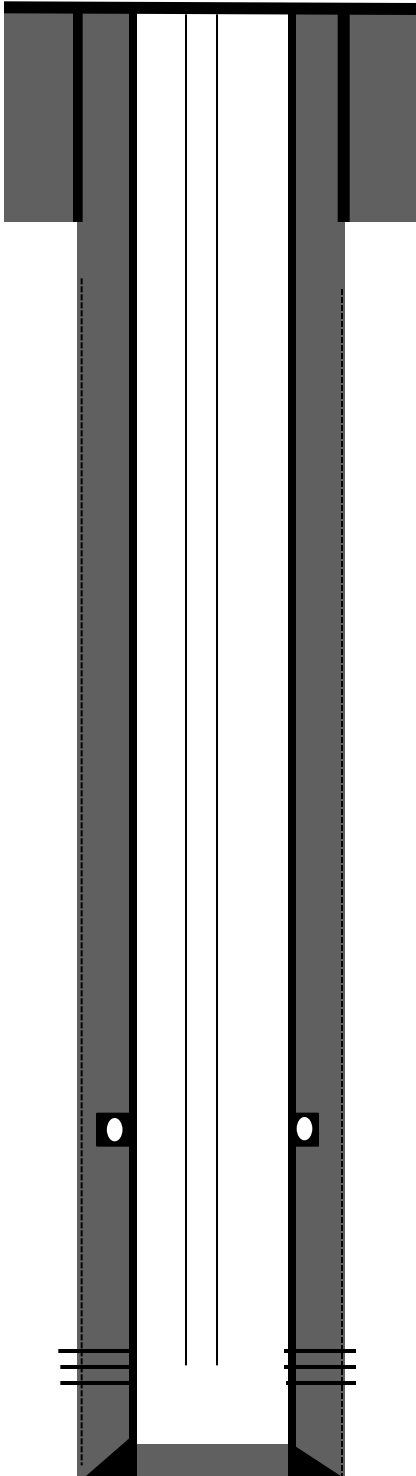
BLM Point of Contact

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: 01/30/2026
Signature: Kenneth Rennick	

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

- PU & tally 2-3/8" work string. Run 4½" string mill to scrape casing to 5150'.
- **RIH & set 4½" CICR @ 5140'.** Gallup perforations are from 5183'-5559'.
- Run CBL from 5140' to surface. All plugs are designed assuming good cement behind 4½" casing for this NOI. Will make necessary changes to the plugs after reviewing the CBL.
- Attempt to pressure test casing to 650 psi for 30 minutes.
- **Plug I, Gallup Perforations-Gallup top:** tag CICR at 5140' sting in, squeeze Plug I w/20 sks, 23 cu ft class G cement to cover the Gallup top under the retainer at 5140' until top perforation at 5183'. Sting out. Spot Plug I inside 4½" casing above the CICR from 5140' to 4900' w/22 sks, 25.3 cu ft Class G neat cement to cover the Gallup perforations, Gallup top (5 gal/sk, 15.8 #/gal, 1.15 cu ft/sk). Total cement 42 sks, 48.3 cu ft. Tag and verify. **Plug I, Inside 4½" casing, cement retainer at 5140', 42 sks, 48.3 cu ft, Gallup Perforations-Gallup top, 4900' - 5183'.**
- **Plug II, DV Tool- Mancos:** Spot Plug II inside 4½" casing from 4600' to 4380' w/20 sks (23 cu ft) Class G cement to cover the DV Tool - Mancos top. **Plug II, Inside 4½" casing, 20 sks, 23 cu ft, DV Tool - Mancos top, 4380'- 4600'.**
- **Plug III, Mesaverde- Lower Chacra- Upper Chacra:** Spot Plug III inside 4½" casing from 3575' to 2742' w/68 sks (78.2 cu ft) Class G cement to cover the Mesaverde - Lower Chacra - Upper Chacra tops. **Plug III, Inside 4½" casing, 68 sks, 78.2 cu ft, Mesaverde - Lower Chacra - Upper Chacra tops, 2742'-3575'.**
- **Plug IV, Pictured Cliffs-Fruitland-Kirtland-Ojo Alamo tops:** Spot Plug IV inside 4½" casing from 2050' to 1366' w/56 sks, 64.4 cu ft Class G neat cement to cover the Pictured Cliffs-Fruitland-Kirtland-Ojo Alamo tops. **Plug IV, Inside 4½" casing, 56 sks, 64.4 cu ft, Pictured Cliff-Fruitland-Kirtland-Ojo Alamo tops, 1366'-2050'.**
- **Plug V, Surface Casing Shoe-Surface:** Spot Plug V inside 4½" casing from 270' to 0' w/25 sks, 28.75 cu ft Class G cement to cover the surface casing shoe to surface. **Plug V, Inside 4½" casing, 25 sks, 28.75 cu ft, surface casing shoe-Surface, 0'- 270'.**
- Cut wellhead off. Fill casing w/cement in case needed. Install dry hole marker.
- Clean location. Rig down and move.
- Take pictures of the dry hole marker. Show API number clearly on the dry hole marker.
- Attach GPS Coordinates of the dry hole marker to the final sundry.

Sandoval County, NM



Cemented w/ 135 sks Class B w/ 2% CaCl. Cement Circulated.
(total 159 cu ft.)

4 ½" 10.5# ST&C casing @ 5649'. Hole 7-7/8" Cemented 1st stage
w/ 220 sx 50-50 pos plus 2% gel & 1/4# cellophane flake/sk. (total
cement slurry 268 Cu ft) Stage tool: 4549' Cemented second stage with
800 sx 65-35 plus 12% gel and ¼# celloflake per sk. Followed with 50
sks, 50-50 pos plus 2% gel and ¼# celloflake per sack. (Total cement
slurry 2nd stage 1829 cu ft) Circulated good cement to surface.
Approx.. 35 bbls.

2-3/8" Tubing to 4905'

Gallup Perforations: 5183' – 5559'

TD: 5654'

Absolut 1

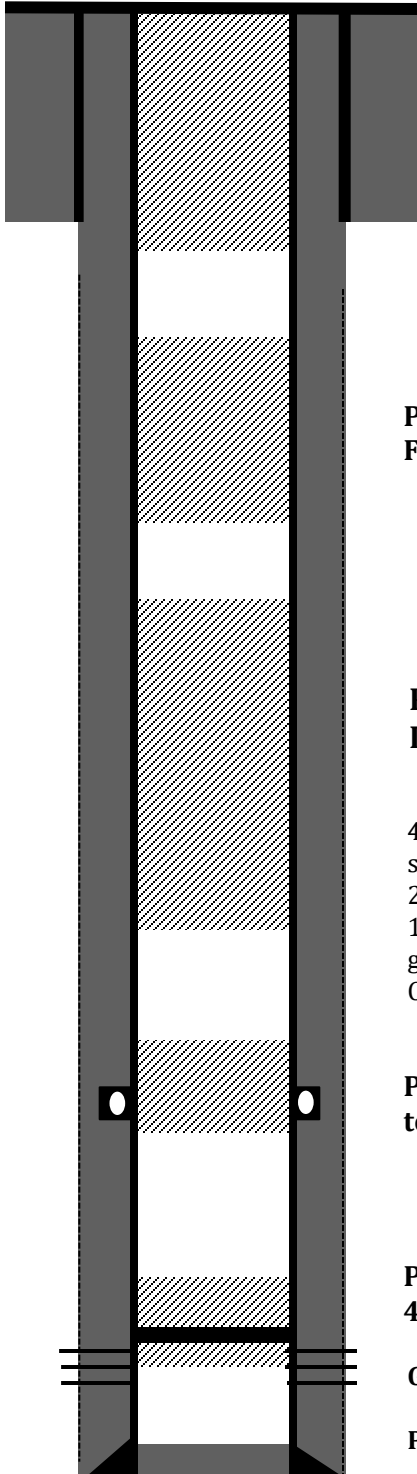
30-043-20864

Counselors Gallup Dakota

670' FNL & 1830' FWL

C S23-T23N-R06W

Sandoval County, NM

**Hole 12 1/4", Casing 8-5/8" 24# ST&C Casing @ 212'**Cemented w/ 135 sks Class B w/ 2% CaCl. Cement Circulated.
(total 159 cu ft.)**Plug V, Inside 4 1/2" casing, 25 sks, 28.75 Cu. ft, Surface Casing
Shoe-Surface, 0'- 270'****Plug IV, Inside 4 1/2" casing, 56 sks, 64.4 Cu. ft, Pictured Cliff-
Fruitland-Kirtland-Ojo Alamo tops, 1366'-2050'.****Plug III, Inside 4 1/2" casing, 68 sks, 78.2 Cu. ft, Mesaverde -
Lower Chacra - Upper Chacra tops, 2742'-3575'****4 1/2" 10.5# ST&C casing @ 5649'. Hole 7-7/8" Cemented 1st stage w/ 220
sx 50-50 pos plus 2% gel & 1/4# cellophane flake/sk. (total cement slurry
268 Cu ft) Stage tool: 4549' Cemented second stage with 800 sx 65-35 plus
12% gel and 1/4# celloflake per sk. Followed with 50 sks, 50-50 pos plus 2%
gel and 1/4# celloflake per sack. (Total cement slurry 2nd stage 1829 cu ft)
Circulated good cement to surface. Approx.. 35 bbls.****Plug II, Inside 4 1/2" casing, 20 sks, 23 Cu. ft, DV Tool - Mancos
top, 4380'- 4600'****Plug I, Inside 4 1/2" casing, Cement Retainer at 5140', 42 sks,
48.3 Cu. ft, Gallup Perforations-Gallup top, 4900' - 5183'.****Gallup Perforations: 5183' - 5559'****PBTD: 5303'****TD: 5654'**

Absolut 1
30-043-20864
Counselors Gallup Dakota
670' FNL & 1830' FWL
C S23-T23N-R06W
Sandoval County, NM

Elevation ASL : 6885' GL

Formation Tops (Operator Submitted)

- **Surface Casing - 218'**
- **Ojo Alamo - 1466'**
- **Kirtland - 1647'**
- **Fruitland - 1812'**
- **Pictured Cliffs - 2000'**
- **Lewis - 2118'**
- **Upper Chacra - 2842'**
- **Lower Chacra 2942'**
- **Mesaverde - 3525'**
- **Mancos - 4480'**
- **DV tool - 4549'**
- **Gallup - 5154'**
- **Gallup perforations from 5183'-5559'**



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

January 30, 2026

Notice of Intent – Plug and Abandonment

Operator: Dugan Production Corporation
Lease: NMNM 017009
Well(s): Absolut 1, US Well # 30-043-20864
Sundry Notice ID #: 2893059

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 Plug 4 bottom of cement to 2060' to cover BLM geologist picked for Pictured Cliffs top at 2010'.
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.

K. Rennick 1/30/2026

**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:** 1/29/2026

Well No.	Absolut #1	Surf. Loc.	670	FNL	1830	FEL
API	30-043-20864		T. 23 N	R. 06 W	Section	23
Operator	Dugan production Corp	County	Sandoval		State	NM
Elevation (GF)	6885					
Lease #	NMNM 017009					

Geologic Formations	Tops (TVD)	Remarks
Ojo Alamo	1466	F/W Sands
Kirtland	1579	
Fruitland	1881	Coal, Gas
Pic. Cliffs	2010	Gas
Lewis	2131	
U.Chacra	2842	
L. Chacra	3010	Gas
Cliffhouse	3525	Gas
Menefee	3659	Coal
Pt. Lookout	4271	Gas
Mancos	4472	Gas
Gallup	5079	Oil, Gas

Completed by Alek K.

Remarks: Plug IV needs to cover BLM-picked Pictured Cliffs top, approximately 10' lower than proposed.

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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/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 549098

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 549098
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
loren.diede	Notify the OCD inspection supervisor via email 24 hours prior to beginning Plug & Abandon (P&A) operations.	2/2/2026
loren.diede	Submit photo and GPS coordinates of the P&A marker with the C-103P subsequent P&A report. The API# on the marker must be clearly legible.	2/2/2026