

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**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.**

5. Lease Serial No.  
NMSF081087

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** - Other instructions on page 2

RECEIVED

MAY 19 2010

1. Type of Well

☐ Oil Well

☐ Gas Well

☒ Other

2. Name of Operator  
Dugan Production Corp.

3a. Address

P. O. Box 420, Farmington, NM 87499-0420

Bureau of Land Management  
360 Phone No. (include area code)  
Farmington Field Office  
505-325-1821

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SEC 34 T 27N R 12W SE/NW1/4  
10W

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

8. Well Name and No.  
MCADAMS 1

9. API Well No.  
30-045-06156-00-S1

10. Field and Pool or Exploratory Area  
Angels Peak

11. Country or Parish, State  
San Juan Co NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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 performed 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 recompleat 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 determined that the site is ready for final inspection.)

Plan to plug well as follows

Set CIBP 50' above Gallup top @ 5850'

Spot 160' type III cement inside 5-1/2" casing

Perforate 50' below Cliffhouse top @ 4020' 3359

Spot 250' type III cement inside & outside 7-5/8" casing

Perforate 50' below Picture Cliff top @ 2460'

Spot 350' type III cement inside & outside 7-5/8" casing to cover Fruitland top @ 2240' 2032'

Perforate 50' below Ojo Alamo top @ 1460' 1576'

Spot 300' type III cement inside & outside 7-5/8" casing

Perforate 50' below surface casing @ 263'

Pump type III cement to surface

Set Dry hole marker

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

Notify NMOCD 24 hrs  
prior to beginning  
operations

RCVD MAY 25 '10

OIL CONS. DIV.

DIST. 3

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

Mark S Brown

Title Drilling Superintendent

Signature

Date 05/18/2010

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Original Signed: Stephen Mason

Title

Date

MAY 25 2010

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)

NMOCD 6/7

**UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
FARMINGTON DISTRICT OFFICE  
1235 LA PLATA HIGHWAY  
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of  
Intention to Abandon:

Re: Permanent Abandonment  
Well: 1 McAdams

**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. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:
  - a) Place a cement plug from 5104' - 4820' to cover the 5 ½" Liner Top/7 5/8" Casing Shoe.
  - b) Place the Mesaverde plug from 3359' – 3259' inside and outside the 7 5/8" casing.
  - c) Place the Pictured Cliffs/Fruitland plug from 2460' – 2032' inside and outside the 7 5/8" casing.
  - d) Place the Kirtland/Ojo Alamo plug from 1596' – 1320' inside and outside the 7 5/8" casing.

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.