

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

001 SEP 24 PM 3:38 SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Dugan Production Corp.

3. Address and Telephone No.

P.O. Box 420, Farmington, NM 87499 (505) 325-1821

Location of Well (Footage, Sec., T., R., M., or Survey Description)

790' FNL & 1000' FWL

Sec. 3, T25N, R12W, NMPM

5. Lease Designation and Serial No.

NM 25443

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Red Mac #3

9. API Well No.

30 045 21850

10. Field and Pool, or Exploratory Area

WAW Fruitland Sand PC

11. County or Parish, State

San Juan, NM

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
- ☐ Subsequent Report
- ☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
- ☐ Recompletion
- ☐ Plugging Back
- ☐ Casing Repair
- ☐ Altering Casing
- ☒ Other Extend Long Term Shut-in
- ☐ Change of Plans
- ☐ New Construction
- ☐ Non-Routine Fracturing
- ☐ Water Shut-Off
- ☐ Conversion to Injection
- ☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

A wellhead compressor was installed on this well. It was unable to produce in sufficient quantities to support continued compression. The 2-7/8" casing does not allow water removal to the extent that gas can be economically produced. Normally the well would be re-drilled with larger casing run so that water could be removed by rod pumping. This well is within the NAPI project area. Drilling applications are very difficult to have approved. We have proposed that the offsetting Red Mac No. 1 be side-tracked to run larger casing without having to go through the permitting process. We ask that long term shut-in of this well be continued until the Red Mac No. 3 procedure can be tested. If that experiment is not successful, this well will be plugged and a new well will be permitted.

THIS APPROVAL EXPIRES OCT 01 2002

14. I hereby certify that the foregoing is true and correct

Signed John Alexander Vice-presidentDate 9/20/2001

(This space for Federal or State office use)

Approved by _____ Title _____

Date 9/26/01

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

NMOCD