

BLM UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE
(Other instructions on reverse side)

Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT ASSIGNMENT NAME	
2. NAME OF OPERATOR DUGAN PRODUCTION CORP.		8. FARM OR LEASE NAME Western Federal	
3. ADDRESS OF OPERATOR P.O. Box 208, Farmington, NM 87499		9. WELL NO. 3	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1980' FSL & 660' FWL		10. FIELD AND POOL, OR WILDCAT Gallegos Gallup	
14. PERMIT NO.		11. SEC., T., R., N., OR BLK. AND SUBST. OR AREA Sec. 7, T26N, R11W, NMPM	
15. ELEVATIONS (Show whether DV, ST, CR, etc.)		12. COUNTY OR PARISH San Juan	13. STATE NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF
FRACTURE TREAT
SHOOT OR ACIDIZE
REPAIR WELL
(Other)

PULL OR ALTER CASING
MULTIPLE COMPLETE
ABANDON*
CHANGE PLANS

WATER SHUT-OFF
FRACTURE TREATMENT
SHOOTING OR ACIDIZING
(Other)

REPAIRING WELL
ALTERING CASING
ABANDONMENT*

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

17. 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.)

Plan to plug and abandon well as follows:

1. Spot 100' plug across top of Gallup perms 5000'-4900'.
2. Spot 100' cement plug 4370'-4270' across Gallup formation top.
3. Spot 100' cement plug 2950'-2850' across Mesaverde top.
4. Perf @ 2230' and place 100' plug inside and outside casing 2230'-2130'.
5. Perf @ 1388' and place 100' plug inside and outside casing 1388'-1288'.
6. Perf @ 1100' and place 100' plug inside and outside casing.
7. Perf @ 458' and place plug inside and outside casing to 200'. plug 0'-50'
8. Cut off wellhead and casing 3' below ground level and put steel plate on casing.

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

SIGNED Jim L. Jacobs
Jim L. Jacobs

TITLE Geologist

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____
JUN 29 1988

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED

DATE 6-23-88
JUN 23 1988

RECEIVED

DATE JUN 23 1988
AREA MANAGER
FARMINGTON REGIONAL OFFICE

NMOCC OIL CON. DIV.

DIST. 3

*See Instructions on Reverse Side

BUREAU OF LAND MANAGEMENT
1235 La Plata Highway
Farmington, New Mexico 87401
Phone (505) 327-5344

Attachment to Notice of
Intention to Abandon

Re: Permanent Abandonment

Well: 3 Western Federal

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."
2. Bill Blackard with the Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 327-5344.
3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made (when applicable): See Sundry Notice

Office Hours: 7:45 a.m. to 4:30 p.m.

GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON RESOURCE AREA

1. Secure prior approval either on a Sundry Notice (Form 3160-5) or verbally from the Fluids Drilling & Production Section at this office before changing the approved plugging program.
2. Plugging equipment used shall have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs. The Operator is responsible for providing all measuring devices needed to assure proper measurement of materials being used.
3. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations. Unattended pits are to be fenced.
4. All cement plugs are to be placed through tubing (or drillpipe) and shall be a minimum of 100 feet in length with 50% excess inside casing or 100% excess when plug is set in open hole or squeezed into perforations. 15.6#/gal slurry weight is to be used when using class B neat cement or when CaCl₂ is used. Use the recommended slurry weight of other type cements when they are used (Class C, Pozzolan etc.).
5. Any cement plugs placed when well is not full of fluid, or when well may be taking fluid, (i.e. across perms-unless bridge plug or retainer is used, across bad csg., or fresh water formations) will be tagged (touched) after cement has set to verify proper location.
 - 5a. Testing The first plug below the surface plug shall generally be tested by either tagging the plug with the working pipe string, or pressuring to a minimum pump (surface) pressure of 1000 psig, with no more than a 10 percent drop during a 15-minute period (cased hole only). If the integrity of any other plug is questioned, it must be tested in the same manner. Also, any cement plug which is the only isolating medium for a fresh water interval or a zone containing a valuable mineral deposit should be tested by tagging with the drill string.
6. Mud must be placed between plugs. Plugging mud is to be made up with a minimum of 15 lbs/bbl of sodium bentonite, and a nonfermenting polymer. Minimum consistency of plugging mud must be 9 lbs/gal and with a minimum viscosity of 50 sec/qt. Fresh water is to be utilized for mixing mud.
7. Following the placement of a cement plug, the withdrawal rate for at least the length of the cement plug shall not exceed 30 ft/min, in order to minimize the contamination of the plug.

8. Within 30 days after plugging work is completed, file a Sundry Notice (Subsequent Report of Abandonment, Form 3160-5), in quintuplicate with Area Manager, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

9. All permanently abandoned wells are to be marked with a regulation marker (4" pipe extending 4' above the ground line) containing the information as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10. After plugging work is completed the surface is to be rehabilitated in accord with instructions from the Fluids Surface Management Section of the Farmington Resource Area Office.

All above are minimum requirements. The period of liability under the bond of record will not be terminated until the lease is inspected and surface work approved.

Please advise this office when the well location is ready for final inspection.

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.