

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLSDo 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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Designation and Serial No. NM 12028
2. Name of Operator Dugan Production Corp.		6. If Indian, Allotted or Tribe Name
3. Address and Telephone No. P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821		7. If Unit or CA, Agreement Designation
Location of Well (Footage, Sec., T., R., M., or Survey Description) 1105' FNL & 2250' FEL (NW/4 NE/4) Unit B, Sec. 20, T26N, R12W		8. Well Name and No. Waterford #90
		9. API Well No. 30 045 29453
		10. Field and Pool, or Exploratory Area Basin Fruitland Coal
		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	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other _____	<input checked="" type="checkbox"/> 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.)*

Dugan Production requests BLM approval to dispose of produced water at an off-lease site. Onshore Order No. 7 data form is attached.

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

Signed John D. Roe Title Engineering Manager Date 11/5/01

(This space for Federal or State signature)

Approved by _____ Title _____ Date _____

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

NMOOD

DUGAN PRODUCTION CORP.
Federal Lease No. NM-12028
Waterford No. 90 (API No. 30-045-29453)
Onshore Order No. 7 and Title 43 CFR 3162.5-1

Onshore Order No. 7 and Title 43 CFR 3162.5-1, requires the following information be submitted in order to process water disposal requests.

1. Name of formations producing water on the lease. Basin Fruitland Coal
2. Amount of water produced from all formations in barrels per day. ±.04
3. **Attach a current** water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates. *(See Note Below)*
4. How water is stored on the lease. 55 bbl fiberglass tank
5. How water is moved to the disposal facility. Dugan owned water transport truck
6. Identify the **Disposal Facility** by:
 - a. Facility operators name. Dugan Production Corp.
 - b. Name of facility or well name & number. Sanchez O'Brien #1 Water Disposal Well *(See Note Below)*
 - c. Type of facility or well (WDW)(WIW) etc. WDW
 - d. Location by 1/4 1/4 NWSW section 6 township 24N range 9W
7. **Attach a copy of the State issued permit for the Disposal Facility.** *(See Note Below)*

Submit to this office, the above required information on a Sundry Notice 3160-5. Submit 1 original and 2 copies. (You may also complete this form and attach it to the Sundry Notice.)

Notes:

Item No. 3 - The attached water analysis from Dugan's George Washington No. 90 located in the SWNE of Section 35, T-26N, R-12W is believed to be representative of water produced from the Basin Fruitland Coal for this area, and since all water produced from the Waterford Com No. 90 is disposed of by underground injection, it is our understanding that a representative sample, in lieu of a sample from each well, is acceptable.

Item No. 6b - Under normal operating conditions, most of the produced water will be disposed of in Dugan's Sanchez O'Brien No. 1 WDW. However, depending upon the routing of Dugan's water transport truck, some produced water will be disposed of in Dugan's Stella Needs A Com No. 1 WDW, located in the NESW of Section 36, T-30N, R-14W. Should it be necessary to use alternate disposal facilities, water will be transported by truck to Dugan's Stella Needs A Com No. 1E WDW, located in the NWNW of Section 36, T-30N, R-14W (NMOCD Administrative Order SWD-595, dated 6-7-95) or other Dugan Production operated water disposal wells that may be authorized in the future. Should it ever become necessary to use disposal facilities other than those operated by Dugan Production, water will be trucked to a NMOCD authorized commercial disposal facility.

Item No. 7 - Water disposal into Dugan's Sanchez O'Brien No. 1 was authorized by New Mexico Oil Conservation Division Administrative Order SWD-694, dated 2-23-98, and disposal into Dugan's Stella Needs A Com No. 1 was authorized by NMOCD Order R-11371A, dated 5-17-00. Copies of both SWD orders have been submitted to the BLM.

2227;6a45L

BJ SERVICES COMPANY

WATER ANALYSIS #WA000027

Water Sample from Dugan's
George Washington No. 90 located
SWNE Section 35, T-26N, R-12W
is believed to be representative
of Water from the Basin
Fruitland Coal in Southern
Portion of T-26N, R-12W

FARMINGTON LAB

GENERAL INFORMATION

OPERATOR:	DUGAN PRODUCTION	DEPTH:	
WELL:	GEORGE WASHINGTON 90	DATE SAMPLED:	06/29/99
FIELD:		DATE RECEIVED:	07/01/99
SUBMITTED BY:	NA	COUNTY:	SAN JUAN STATE: NM
WORKED BY:	LOGAN	FORMATION:	FRUITLAND COAL
PHONE NUMBER:	3276222		

SAMPLE DESCRIPTION

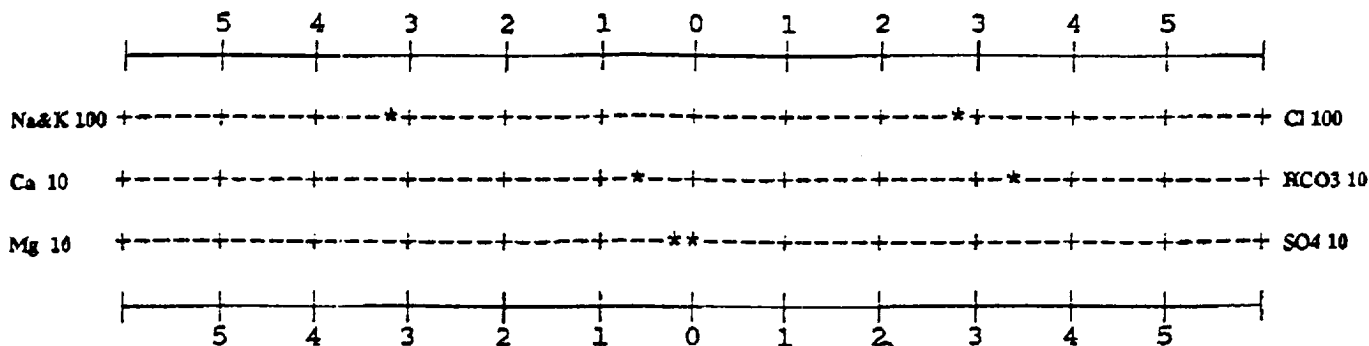
PHYSICAL AND CHEMICAL DETERMINATIONS

SPECIFIC GRAVITY:	1.010	@ 78°F	PH:	7.39
RESISTIVITY (MEASURED):	0.340	ohms @ 78°F		
IRON (FE++) :	3	ppm	SULFATE:	0
CALCIUM:	103	ppm	TOTAL HARDNESS	376
MAGNESIUM:	29	ppm	BICARBONATE:	2,114
CHLORIDE:	10,180	ppm	SODIUM CHLORIDE(Calc)	16,745
SODIUM+POTASS:	9,755	ppm	TOT. DISSOLVED SOLIDS:	22,425
IODINE:			POTASSIUM CHLORIDE: K2+@	64PPM

REMARKS

sample 6/29/1999 -
DUMPING Tee.

STIFF TYPE PLOT (IN MEQ/L)



ANALYST

LOGAN