

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

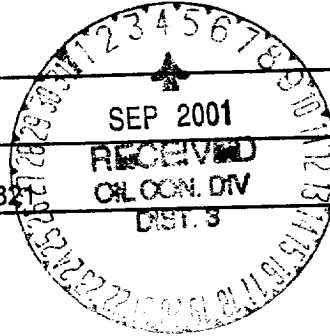
FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON 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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. <b>SF 078110</b>
2. Name of Operator <b>Dugan Production Corp.</b>	6. If Indian, Allotted or Tribe Name
3. Address and Telephone No. <b>P.O. Box 420, Farmington, NM 87499 (505) 325-1821</b>	7. If Unit or CA, Agreement Designation
Location of Well (Footage, Sec., T., R., M., or Survey Description)  <b>1100' FNL &amp; 1600' FWL Sec. 1, T29N, R14W, NMPM</b>	8. Well Name and No. <b>Federal I #4</b>
	9. API Well No. <b>30 045 20397</b>
	10. Field and Pool, or Exploratory Area <b>Harper Hill FR Sand PC</b>
	11. County or Parish, State <b>San Juan, NM</b>

**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 checked="" type="checkbox"/> Other <u>Temporary shut-in</u>	<input 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.)\*

The Federal I No. 4 currently produces 45-50 mcf/d from the Harper Hill Fruitland Sand Pictured Cliffs gas pool and a 160 acre spacing unit comprising the NW/4. This well was completed using 2-7/8" casing. The Federal I No. 4R was completed 7-5-01 using 4 1/2" casing and testing  $\pm 360$  mcf/d from the Harper Hill Fruitland Sand Pictured Cliffs gas pool within the same NW/4 spacing unit. Dugan Production Corp. is currently considering options that will allow more than one well to be produced within a common spacing unit in the Harper Hill Fruitland Sand Pictured Cliffs gas pool.

To test the Federal I No. 4R into the pipeline, it is proposed to temporarily shut in the Federal I No. 4. Upon testing the Federal I No. 4R, we will submit plans to bring these two wells into compliance with the pool rules.

**THIS APPROVAL EXPIRES MAR 01 2002**

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

Signed John D. Roe Title Engineering Manager Date 7/23/2001  
John D. Roe

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date 8/31/01  
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  
**NMOC**