



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

August 9, 2001

Mr. John Roe
Dugan Production Corporation
PO Box 420
Farmington NM 87499

Re: Federal I #4, F-1-29N-14W, 30-045-20397

Dear John:

After the referenced well has been inactive for a year it must be either plugged and abandoned or temporarily abandoned in accordance with OCD rules and regulations.

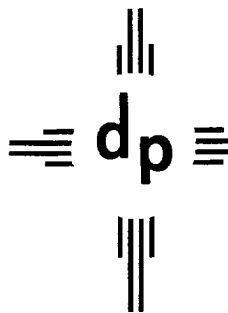
Sincerely,

Frank T. Chavez
District Supervisor
ftchavez@state.nm.us

FTC/mk

Cc: BLM – Farmington
Well file

Dugan Federal I No. 4



dugan production corp.

July 23, 2001



Mr. Frank Chavez
NM Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

Re: Dugan's Federal I No. 4R (API No. 30-045-30592)
Unit D, Section 1, T-29N, R-14W
Harper Hill Fruitland Sand Pictured Cliffs gas pool

Dear Mr. Chavez,

Attached is a copy of our sundry requesting permission to temporarily shut in the Federal I No. 4 (API No. 30-045-20397) which will allow Dugan's recently completed Federal I No. 4R to be the only producing well within the NW/4 spacing unit currently dedicated to Dugan's Federal I No. 4 well.

These two wells are part of Dugan Production's current consideration of options that will allow multiple Fruitland Sand/PC wells to be produced within a common spacing unit.

It is my understanding that the C-104 submitted for the Federal I No. 4R is being held pending submission of plans for the Federal I No. 4. Please accept this sundry as our immediate plans for the Federal I No. 4 well and as soon as we have a general plan, I will advise you.

Should you have questions, please let me know.

Sincerely,

John D. Roe

John D. Roe
Engineering Manager

JDR/tmf

enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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

☐ 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)

1100' FNL & 1600' FWL
Sec. 1, T29N, R14W, NMPM

5. Lease Designation and Serial No.

SF 078110

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Federal I #4

9. API Well No.

30 045 20397

10. Field and Pool, or Exploratory Area

Harper Hill FR 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

Temporary 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.)*

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 ±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.

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

Signed

John D. Roe
John D. Roe

Title

Engineering Manager

Date

7/23/2001

(This space for Federal or State office use)

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