

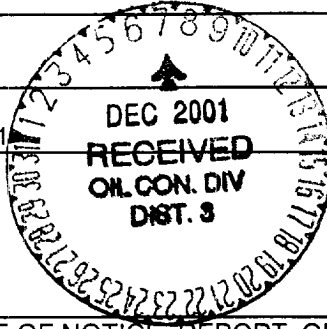
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA, Agreement Designation
2. Name of Operator Dugan Production Corp.		8. Well Name and No. Turk's Toast #6
3. Address and Telephone No. P.O. Box 420, Farmington, NM 87499 (505) 325 - 1821		9. API Well No. 30 045 30586
Location of Well (Footage, Sec., T., R., M., or Survey Description) 400' FSL & 330' FWL (SW/4 SW/4) Unit M, Sec. 18, T30N, R14W, NMPM		10. Field and Pool, or Exploratory Area Gamblers Mesa Gallup
		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 type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" 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>Cement top</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 cement top for the 7" intermediate casing is between 870' and 200'. A cement bond log was run from PBTD to 870' at which point the logging operation was inadvertently stopped. At the point the log stopped, cement was still present. While preparing to run the cement bond log, free pipe was found at 200' where the logging tool was calibrated. At 870' the Fruitland Coal formation is covered. During the 7" cement operation, celloflake material from the cement was observed in the returning fluid. This observation plus the volume of cement being 27% over the gauge hole volume and full returns while pumping cement indicates that cement is near the surface.

SEE ATTACHED

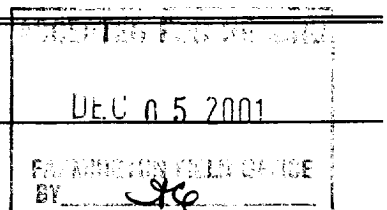
14. I hereby certify that the foregoing is true and correct

Signed John Alexander Title Vice-President Date 12/3/2001

(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

NMOCD

NMNM 191163
Turk's Toast #6
sec. 18, T30N, R14W

1. Please provide a copy of the cement bond log (CBL) referenced in the attached sundry notice.
2. Insufficient information was provided by the initial CBL, an additional CBL will be required to determine the top of cement (TOC).

The attached letter is still valid for the remedial cementing required.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO
NM NM-19163 (WC)
3162.3-1 (07100)

DEC 4 2001

CERTIFIED-RETURN RECEIPT REQUESTED **7106 4575 1292 2684 1484**

Ms. Tyra Feil
Dugan Production Corporation
P. O. Box 420
Farmington, NM 87499

Dear Ms. Feil:

Reference is made to your well No. 6 Turk's Toast located 400' FSL and 330' FWL sec. 18, T. 30 N., R. 14 W., San Juan County, New Mexico, Lease NM NM-19163 and our conversation on November 30, 2001, which established that the cement top behind the 7" casing is at 1300', found by temperature survey. When the primary cement jobs fail to accomplish required objectives concerning protection of certain subsurface zones, it is the policy of this office to require remedial action according to the following:

1) Perforate the casing below the zone of concern (1175'), establish circulation and place cement by normal techniques. In the event that circulation is not established, cement squeezes are required above and below the zones (1020' - 1175' and 680' - 1020').

In this case, the gas zone in the Pictured Cliffs formation present from 1020' - 1175' and the coal in the Fruitland formation present from 680' - 1020' require remedial cementing action.

You are required to submit a remedial plan to this office by Sundry Notice (3160-5, 4 copies).

You have 30 days to comply with this order. The 30 days commences upon receipt of this letter or seven days from the date it is mailed, whichever is less. Failure to comply within the 30 days will result in strict enforcement of 43 CFR 3163.1.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice with the State Director, Bureau of Land Management (NM-93000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the orders unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have any questions please contact Adrienne Garcia with this office at (505) 599-6358.

Sincerely,

/s/ Jim Lovato

Jim Lovato
Team Leader, Petroleum Management Team

bcc:

NMOCD, Aztec, NM

NMOCD, Santa Fe, NM

Well File

DOMR

Suspense (A. GARCIA)

07100:AGarcia\jc:12/4/01:x6358:turk'stoast#6.wpd