1850' FSL & 1850' FWL (Unit K)

Sec. 12, T31N, R13W

DECEMBER

Form 3160-5 (June 1990)
Do not us
I. Type of Well Oil Well
2. Name of Ope

	11.		VEU	
UNITED STATES		BL	b ir Fis	
DEPARTMENT OF THE INTERIOR	•• ••			
BUREAU OF LAND MANAGEMEN®	JUL	25	All II:	28

FORM APPROVED			
Budget Bureau No.	1004-0135		
Expires: March			

San Juan, NM

BUREAU OF LAND MANAGEMENTS JUL 25 AM II: 28	NM 080280
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	6. If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE	7. If Unit or CA, Agreement Designation
Type of Well Oil Gas Well Well Other	8. Well Name and No. Mexico Federal M #1
Dugan Production Corp.	9. API Well No. 30 045 10897
P.O. Box 420, Farmington, NM 87499 (505) 325-1821	10. Field and Pool, or Exploratory Area Basin Dakota/Blanco MV
Location of Well (Footage, Sec., T., R., M., or Survey Description)	11 County or Parish, State

 TYPE OF SUBMISSION	TYPE OF ACTION	
 Notice of Intent DECE	() () () ()	Change of Plans New Construction Non-Routine Fracturing Water Shut-Off Conversion to Injection Dispose Water (Note: Report results of makiple 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.)*

In accordance with NMOCD Administrative Order DHC-1301, this well was downhole commingled as follows:

MI&RU. Kill well. Work seal assembly free. TOH with tubing. TIH and mill out Baker model "D" packer. TOH.

TIH and clean out to 6790'. TOH and lay down 2-3/8" tubing.

Pick up 207 joints 13" 2.9 J-55 EUE tubing set at 6684'. Nipple up wellhead and swab well in.

The production volumes will be allocated in accordance to DHC 1301 and the letter on the reverse side of this sundry.

(This space for Federal of State office use) Approved by Conditions of approval, if any:	Tribe	FARMINGTON DISTRICT OFFICE
4. I hereby certify that the folegoing is thue and correct Signed	Operations Manager	7/24/96 JUL 2.5 1996
		ACCEPTED FOR RECORD

N REPLY REPER TO: NM-080289 (WF) 91-00-7497 (CA) 3162.7-3 (07327)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office 201235 La Plata Highway Farmington, New Mexico 87401

OTO FARMINGTON, NIAJune 7, 1996

Mr. Gary W. Brink
Petroleum Engineer
Dugan Petroleum Company
P.O. Box 420
Farmington, NM 87499-0420

RE:

Downhole Commingling Application

Federal Lease NM-080280

Communitization Agreement 91-00-7497 (CRS# NM-73634)

No. 1 Mexico Pederal "M"

1850' FSL and 1850' FWL Section 12-T31N-R13W

San Juan County, New Mexico

Dear Mr. Brink:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated May 31, 1996, for downhole commingling of the Blanco Mesaverde and Basin Dakota Pools in the above referenced well.

Your application states that average daily production rates for the Mesaverde formation are 0 BOPD and 64 MCFPD and for the Dakota formation they are .5 BOPD and 37 MCFPD. Estimated bottom hole pressure are 616 PSI and 956 PSI for the Mesaverde and Dakota formations, respectively. The determined fixed percentage allocation factors for this well are shown below:

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6
- 6

Approval to downhole commingle is hereby granted.

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

Duane W. Spencer

Team Leader, Petroleum Management