submitted in lieu of Form 3160-5

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

2004 88 15

Sundry Notices and Re	ports on Wells 2001 JUL 1	5 1711 4 23
1. Type of Well Oil		C Eease Number M NM-10758 M If Indian, All. or Tribe Name
2. Name of Operator	7.	Unit Agreement Name
Dugan Production Corporation in c/o San Juan Coal Company	2004	
3. Address & Phone No. of Operator PO Box 561, Waterflow, NM 87421 (505) 598-2000	8.	Well Name & Number Pittam Pond #5 API Well No. 30-045-29599
Location of Well, Footage, Sec., T, R, M	10.	Field and Pool
1990' FNL and 1860' FEL, Section 35 , T-30-N, R-15-W,	11.	Meadows Gallup County & State San Juan County, NM
12. CHECK APPROPRIATE BOX TO INDICATE NATURE O	F NOTICE, REPORT, OTHER D	ATA
Type of Submission _X Notice of Intent _X Abandonment Recompletion	Change of Plans New Construction	
Subsequent Report Plugging Back Casing Repair	Non-Routine Fracturing Water Shut off	
Final Abandonment Altering Casing Other -	Conversion to Injection	
13. Describe Proposed or Completed Operations		
Dugan Production Corporation in care of Sai abandon this well per the attach	• • • • • • • • • • • • • • • • • • • •	s to plug and
14. I hereby certify that the foregoing is true and correct. Signed TitleSenior TitleSenior TitleSenior TitleSenior TitleSenior TitleSenior Title	r Mine Geologist	Date7/13/04
(This space for Federal or State Office use) APPROVED BY Original Signed: Stephen Mason CONDITION OF APPROVAL, if any:		JUL 1 9 2004

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979 Farmington, New Mexico 87499 505-325-2627 * fax: 505-325-1211

WELL ABANDONMENT PROCEDURE

July 13, 2004

Pittam Pond #5

Meadows Gallup 1990' FNL and 1860' FEL, Section 35, T-30-N, R-15-W San Juan Co., New Mexico

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Note: The stabilizing wellbore fluid will be: below 650' - corrosion inhibited water; and above 650' - drilling mud with sufficient weight to balance all exposed formation pressures.

Cement below 650' is ASTM Type III mixed at 14.8 ppg with a 1.3 cf/sx yield; cement above 650' will be ASTM Type II with 10% salt (for expansion) mixed at 15.6 ppg with a 1.18 cf/sx yield. Excess cement volumes are specified per each plug below.

- > All personnel entering the BHP coalmine property must take the Mine Hazards class at the well site at commencement of the project. (Everyone)
- ➤ A-Plus employees or sub-contractors working on the project will attend field safety training class and receive a 5023 certificate. (Rig hands, wireline operators, fisherman and Supervisors)
- > All vehicles will be safety inspected daily upon entering the mine.

PROCEDURE:

- 1. Prepare a lined earthen pit, 10' x 20' x 6' for cementing waste fluid. Set a water storage tank on location and fill from the mine's water pit. Set a mud pit and power swivel on location for milling operations. Test location rig anchors. Have a portable toilet set on location.
- Comply with all applicable MSHA, NMOCD, BLM, and BHP Billition safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Lay relief line to the pit and blow the well down. Kill with water if necessary.
- 3. If rods are present, then POH and LD on float (haul to Dugan's yard). If tubing is present, then POH and LD. Note: there may be a tubing anchor catcher (TAC) present.
- 4. ND wellhead and NU a 7-1/16" 3M BOP. Function test BOP. Tally and prepare a 2-3/8" 4.7#, N-80 rental tubing workstring. PU a 4-1/2" casing scraper and round trip it to 4400' (if TAC was not recovered).

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- 5. Plug #1 (Gallup perforations and top, 4665' to 4100'): TIH with tubing workstring and set a 4-1/2" cement retainer at 4400'. Pressure test the tubing to 1000#. Load the casing with water and pressure test the casing to 1000# for 15 minutes. Rig up hot oil truck. Pump hot water down the casing (1.5 times the casing volume, 100 bbls) to remove Gallup paraffin. Pump 75 bbls cool water down the tubing or let the well sit overnight. Sting into the CR. Mix and pump 55 sxs Type III cement, squeeze 35 sxs (100% excess) below the cement retainer at 4400' to fill then Gallup perforations and then spot 15 sxs above. Pull up hole to 3041'.
- 6. Plug #2 (Mesaverde Point Lookout top, 3041' to 2941'): Mix 10 sxs Type III cement (50' excess) and spot a balanced plug inside the casing to cover the Point Lookout top. Pull up hole to 2068'.
- 7. Plug #3 (Mesaverde Cliffhouse top, 2068' to 1968'): Mix 10 sxs Type III cement (50' excess) and spot a balanced plug inside the casing to cover the Cliffhouse top. Pull up hole to 700'. Circulate well clean. TOH and LD tubing.
- 8. Rig up wireline unit and run these logs: enhanced CCL-CBL, Gyro Survey and GR-Neutron from 1500' to surface. Set a 4-1/2" Cast Iron Bridge Plug (CIBP) at 650'. Pressure test the casing and CIBP to 1000#. While logging, mix a pit of low solids mud with a 45 sec viscosity.
- 9. Nipple up a 3" steel mud return line to the mud pit. Pick up a 3-7/8" section mill, bit sub and 6 3-1/8" drill collars and 2-3/8" drill pipe (this is the under-reaming bottom hole assembly (BHA)). TIH with BHA and drill pipe to 600'. Circulate the well with 45 sec viscosity mud.
- 10. Mill out a one foot section of the 4-1/2" casing at 600'.
- 11. Mill out a one foot section of the 4-1/2" casing at 550'.
- 12. **Mill out a one foot section of the 4-1/2" casing at 500'**. Trip out of hole with milling BHA and drill collars.

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WELL ABANDONMENT PROCEDURE

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Pittam Pond #5

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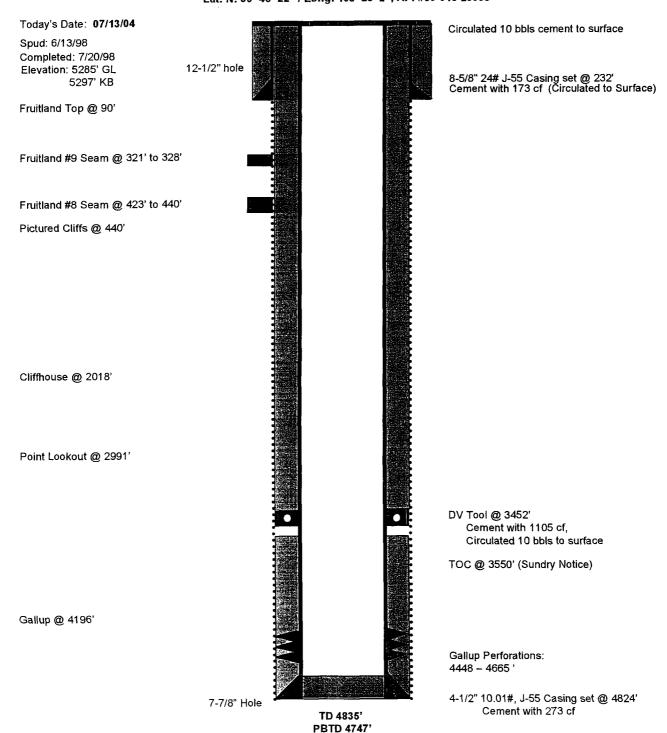
- 13. Plug #4 (650' to 450'): TIH with open ended drill pipe to CIBP at 650'. Circulate well clean with mud. Pump a 5 bbls water spacer. Then mix 25 sxs Type II cement with 18% salt (60% excess) and spot a balanced plug inside the casing to cover the Pictured Cliffs top and the milled casing sections at 600', 550' and 500', displace cement with mud. Trip out of hole with drill pipe. Load the casing with mud and then pressure up on the cement to 500#, attempt to squeeze 10 sxs (2.0 bbls) of cement outside the casing. Shut in and WOC. TIH with 3-7/8" mill tooth bit and 6 drill collars and 2-3/8" drill pipe (drilling BHA) and tag cement. Dress cement off down to 450'. TOH with drilling BHA.
- 14. Pick up the milling BHA. TIH with BHA and circulate well with 45 sec viscosity mud.
- 15. Mill out a 30' section of the 4-1/2" casing from 415' to 445'.
- 16. Mill out a one foot section of the 4-1/2" casing at 360'. Circulate well clean. TOH with BHA.
- 17. Plug #5 (450' to 340'): TIH with open ended drill pipe and wash down to 450'. Circulate well clean with mud. Pump a 5 bbls water spacer. Then mix 17 sxs Type II cement with 18% salt (100% excess) and spot a balanced plug inside the casing to cover the milled out sections from 415' to 445' and at 360', displace cement with mud. TOH with drill pipe. Load the casing with mud and then shut in the well. Shut in and WOC. TIH with drilling BHA and tag cement. Re-set plug as if necessary. If top of cement is above 350', then dress off approximately one foot (till hard cement). TOH with drilling BHA.
- 18. If the CBL indicates the 4-1/2" X 8-5/8" casing annulus cement top lower than at the surface, then modify the following cement plug as appropriate. Attempt to pressure test the bradenhead annulus to 500# if the TOC is above 232'.
- 19. Plug #6 (350' to Surface): TIH with open ended tubing to top of cement. Circulate well clean with water. Mix approximately 30 sxs Type II cement with or without salt and spot a balanced plug inside the casing to cover surface casing shoe and Fruitland top. Shut in well and WOC. Tag cement.
- 20. ND the BOP and wellhead. Cut off the 8-5/8" casing below ground level. Fill the annulus as necessary. Install the P&A marker. RD and MOL. Cut off anchors and clean up the location.

Pittam Pond #5

Current

Meadows Gallup

1990' FNL & 1860' FEL, Section 35, T-30-N, R-15-W, San Juan County, NM Lat: N: 36° 46' 22" / Long: 108° 23' 2", API #30-045-29599



Pittam Pond #5

Proposed P & A

Meadows Gallup

1990' FNL & 1860' FEL, Section 35, T-30-N, R-15-W, San Juan County, NM Lat: N: 36° 46' 22" / Long: 108° 23' 2", API #30-045-29599

Today's Date: 07/13/04

Spud: 6/13/98 Completed: 7/20/98 Elevation: 5285' GL

5297' KB

12-1/2" hole

Fruitland Top @ 90'

Fruitland #9 Seam @ 321' to 328'

Fruitland #8 Seam @ 423' to 440'

Pictured Cliffs @ 440'

Cliffhouse @ 2018'

Point Lookout @ 2991'

Gallup @ 4196'

TD 4835'

PBTD 4747'

7-7/8" Hole

Circulated 10 bbls cement to surface

8-5/8" 24# J-55 Casing set @ 232' Cement with 173 cf (Circulated to Surface)

Plug #6 - 340' to Surface 30 sxs Type II cement

Mill 1' Casing @ 360'

Mill Casing from 415' to 445'

Plug #5 - 450' to 340' 17 sxs Type II cement with 18% salt

Plug #4 - 650' to 450'

Mill 1' Casing @ 500'

Mill 1' Casing @ 550'

25 sxs Type II cement Mill 1' Casing @ 600'

with 18% salt

Set CIBP @ 650'

Plug #3 - 2068' to 1968' 10 sxs Type III cement

Plug #2 - 3041' to 2941' 10 sxs Type III cement

DV Tool @ 3452' Cement with 1105 cf, Circulated 10 bbls to surface

TOC @ 3550' (Sundry Notice)

Set Cement Retainer @ 4400'

Plug #1 - 4665' to 4100' 55 sxs Type III cement,

Gallup Perforations: 4448 - 4665 '

35 sxs below CR and 20 sxs above CR.

4-1/2" 10.01#, J-55 Casing set @ 4824' Cement with 273 cf