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Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JAN 10 2013

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
NMSF078937  
6. Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well

Oil Well  Gas Well  Other

8. Well Name and No.  
Platero Navajo #2

2. Name of Operator  
Dugan Production Corp.

9. API Well No.  
30-045-05827

3a. Address  
P. O. Box 420, Farmington, NM 87499-0420

3b. Phone No. (include area code)  
505-325-1821

10. Field and Pool or Exploratory Area  
Basin Dakota

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec. 13, T26N, R11W, SW1/4 SW1/4 920 FSL & 790 FWL  
Lat. 36.483200 N Long. 107.961136 W

11. Country or Parish, State  
San Juan County, NM

12. CHECK THE APPROPRIATE BOX(ES) 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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Suspension of</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Operations</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Dugan Production Corp. respectfully requests a 30 day extension to the current suspension of operations. We have been unable to return it to production. This well last produced in August, 2012. The plunger had stopped running. Attached to this sundry is the well file detailing the work done on this well since it last produced. Our plan is to completely clean out this well and rig up a service company to acidize the well with ball sealers (this has worked in the past on this well) and see if we can get the well back on production. Also attached is a graph showing the sudden stop in production. Dugan Production Corp. believes that it will be worth the time it takes to get this well back on production, and to keep our lease. 1/3/13

RCVD JAN 15 '13  
OIL CONS. DIV.  
DIST. 3

Accepted for Record

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Martin D. Foutz

Title Production Qualist

Signature

*[Handwritten Signature]*

Date 1-10-13

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Original Signed: Stephen Mason

Title

Date

JAN 11 2013

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

NMOCDAV

## DUGAN PRODUCTION CORP.

Platero Navajo #2

- 08-14-12 Phoenix Services. Ran 2" JDC to 2869'. Recovered piston. Ran 2" JDC to 2877'. Recovered top half of stage lift. Ran 2" JDC to 2888'. Recovered bottom half of stage lift. Ran 2" JDC to 6278'. Recovered piston. Ran 2" JDC to 6279'. Recovered BHBS. Ran 1.906 GR to 6280'. Set down. SN. Ran 1.75 GR to 6284'. Set down. TD. Ran 1.75 DDSB to 6284'. No recovery. RU swab mandrel. Made 5 swab runs. Dropped 2 soap sticks. Made 5 swab runs. Dropped 1 soap stick. Made 1 swab run. Set new BHBS @ 6280'. Chased piston to bottom w/1.75 BB. Made 2 swab runs. Piston did not cycle up. Ran 2" JDC to 6278'. Recovered piston. Dropped 1 soap stick. Chased piston to bottom. Made 1 swab run. Piston did not cycle up. Dropped 2 soap sticks. Recovered 15 bbls fluid. Left stage lift & piston, BHBS w/Bob. Released from location.
- 09-20-12 MI&RU Rig #108. ND wellhead. Changed out ram rubbers. NU BOP's. Pick up on tbg string & release R-3 packer. Pull up 1 jt. Shut well in. Secure well.
- 09-21-12 Drive to location. Held safety meeting. TOH w/tbg. Packer dragging first 35 jts. Tallied out of hole, no hole found. 163 jts 2-3/8" to R3 packer, 36 jts 2-3/8" to SN, 1 jt tbg. Secure well. Shut down for night.
- 09-24-12 Drive to location. Held safety meeting. TIH w/18 jts, new SN, 1 jt. Test to 2000 psi. Did not hold. TOH w/tbg. Test 1 jt & SN. Standing valve leaked. Wait on new cups. Changed out cups. Test standing valve. Still leaked. Bull plug, bottom of tbg. TIH w/tbg, testing every 24 jts & rabbiting pins. 200 jts 2-3/8" tbg tested to 2000 psi, held. Found hole in jt #117, corrosion. Pull out of hole w/24 jts. Shut down for night. Secure well w/valve.
- 09-25-12 Drive to location. Held safety meeting. TOH w/tbg. Retrieved BP. TIH w/tbg: 163 jts 2-3/8" @ 5153.59', R3 packer @ 5160.59', 36 jts 2-3/8" to SN @ 6276.51', 1 jt 2-3/8" @ 6307.68' EOT. Land tbg. Set R3 packer w/10,000# compression. ND BOP's. NU wellhead. Shut down for night. Haul trailer to yard & unload.
- 09-26-12 Drive to location. Held safety meeting. RU to swab 2-3/8" tbg. Pour new rope socket. Made 4 swab runs. FL level @ 4100'. Ending FL level @ 5300'. Packer seemed to be holding. RD swab tools & hoses. RD Rig #108. Cleaned location. Move.
- 09-27-12 Road rig to location. Held safety meeting. Spot rig to well. RU Rig #105. Lay down 1½" tools. RU 2-3/8" tools. Pour rope socket. RU swab tee. RU bypass hose. Run in hole w/2-3/8" tools. Tag fluid @ 4600'. Made 3 swab runs. Recovered 5½ bbls. Tbg 0. Csg 0. Ending FL level @ 5900'. Shut well in. SD. Travel to yard. Beginning tank gauge 6½". Ending tank gauge 12".
- 09-28-12 Travel to location. Held safety meeting. Check well. Tbg – vacuum. Csg 0. Tank gauge 1'. RIH w/2-3/8" swab tools. Tag fluid @ 4800'. Made 15 swab runs, recovered 15.5 bbls. Tbg on vacuum after each run. Csg 0. Ending FL level @ 6150'. Shut well in. Shut down. Travel to yard. Ending tank gauge 2'3½". SN @ 6276'.
- 10-01-12 Travel to location. Held safety meeting. Check well. Tbg – vacuum. Csg 15. Blow csg down. Pit gauge @ 2'3½". RIH w/2-3/8" swab tools. Tag fluid @ 4600'. Made 10 swab runs. Recovered 15 bbls Pit gauge @ 4'. Stand by for pump truck to pump 35 bbls down tbg. Perfs plugged. Tank gauge @ 5". Made 8 runs, recovered 35 bbls. FL level @ 5900'. Tank gauge @ 1'8". Total of 50 bbls & 18 runs. Shut well in. SD. Travel to yard.

**DUGAN PRODUCTION CORP.**

Platero Navajo #2

- 10-02-12 Travel to location. Held safety meeting. Check well. Tbg vacuum. Csg 5. Blow csg down. Tank gauge @ 1'8". RIH w/2-3/8" swab toolst o tag fluid @ 4600'. Made 8 runs. Tank gauge @ 2'. Recovered 6.68 bbls. FL level @ 5900'. Tbg 0. Csg 0. Stand by for pump truck to pump acid & water down tbg. RU Biomass Acid Truck. Pumped 15% HCl down the tubing @ 20 gpm. Rate increased to 1 bpm (42 gpm) after 6 bbl acid pumped @ 100 psi. Pumped a total of 11.9 bbls 15 % HCl. Switched to water. Pumped 25 bbls water @ 1 bpm @ 100 psi. Waited for 30 mins after pumping a total of 25 bbls water. No pressure. Started pumping water down the tubing @ 3 bpm, pressure @ 100 psi. After 8 bbls, pressure went up to a 1000 psi. Lowered rate to 1.5 bpm. Rate established w/ 1.5 bpm @ 700 psi, pumped 13 more bbls. Tubing on vaccum. Noted backside during the job. No pressure/communication on the backside. Total fluid pumped 58 bbls. (12 bbls (500 gals) 15% HCl, and 46 bbl Produced water). RIH to tag fluid @ 3500'. Made 6 runs. Tank gauge @ 2'10". Recovered 16.7 bbls. FL level 2 5900'. Tbg 0. Csg 0. Made total of 14 runs, recovered 23.38 bbls. Shut well in. SD. Travel to yard.
- 10-04-12 Travel to location. Held safety meeting. Check well. Tbg – vacuum. Csg 5. Blow csg down. RIH w/2-3/8" swab tools. Tag fluid @ 4800'. Made 18 swab runs, recovered 34 bbls. Last FL level @ 5900'. Shut well in. SD. Travel to yard.
- 10-05-12 Travel to location. Held safety meeting. Check well. Tbg – vacuum. Csg 2. Blow well down. Tank gauge @ 10". RIH w/2-3/8" swab tools. Tag fluid @ 4800'. Made 15 runs, recovered 30.97 bbls. Last fluid level @ 5900'. Tank gauge @ 2'5". Shut well in. SD. Travel to yard.
- 10-08-12 Travel to location. Held safety meeting. Check well. Tbg – vacuum. Csg 2. Blow csg down. Tank gauge @ 2'5". RIH w/2-3/8" swab tools. Tag fluid @ 4800'. Made 18 runs, recovered 39.12 bbls. Tank gauge @ 4'5". Last FL level @ 6000'. Shut well in. SD. Travel to yard.
- 10-09-12 Safety meeting. Travel to location. Held safety meeting. Check well. Tbg – vacuum. Csg – 2. Blow csg down. Tank gauge @ 4'5". RIH w/2-3/8" swab tools. Tag fluid @ 5100'. Made 18 runs, recovered 34.23 bbls. Tank gauge @ 6'2". Last fluid level @ 6100'. Shut well in. Tbg – blow. Csg – 0. Shut down. Travel to yard.
- 10-10-12 Travel to location. Held safety meeting. Check well. Tbg 5. Csg 5. Blow well down. Tank gauge @ 6'2". RIH w/2-3/8" swab tools. Tag fluid @ 5500'. Made 14 runs, recovered 22.82 bbls. Tank gauge @ 7'4". FL level @ 6200'. Well blowing for 5-10 mins after the 5<sup>th</sup> run. Shut well in. SD. Travel to yard.
- 10-11-12 Travel to location. Held safety meeting. Check well. Tbg 2. CSg 5. Blow well down. Tank gauge @ 7'4". RIH w/2-3/8" swab tools. Tag fluid @ 5100'. Made 20 runs, recovered 30.97 bbls. Tank gauge @ 8'11". FL level @ 6200'. Tbg 0. Csg 0. Shut well in. SD. Travel to yard.
- 10-12-12 Travel to location. Held safety meeting. Check well. Tbg – vacuum. Csg 5. Blow well down. Made 1 swab run. Instructed to rig down. RD Rig #105. RD bypass hoses. Move rig to next well.
- 10-26-12 MI&RU Rig #103. ND wellhead. NU BOP. Release packer. Lower tbg for tag. Tag @ 6374'. TOH w/tbg. Tally tbg. Secure well.
- 10-29-12 TIH w/scrapper & tbg. Could not get past 6320'. TOH w/tbg & scrapper. TIH slowly w/packer (R3) and tbg. Could not get packer to set. TOH w/tbg & packer. Secure well.

**DUGAN PRODUCTION CORP.**

Platero Navajo #2

- 10-30-12      TIH slowly w/packer (R3) and tbg: 160 jts 2-3/8" eue to packer (right hand set R3), 38 jts 2-3/8" eue to SN. Set packer w/14,000# compression. Packer @ 5035', SN @ 6261'. Perfs @ 6250'-6322', TD @ 6393'. ND BOP. NU wellhead. 2" pipe broke going into ground. Take out nipple. Secure well. Haul trailer & bad drill line to Moonlight Mesa yard.
- 10-31-12      Repair flowline. RU swab. Flag sandline. Made 4 runs. First FL level @ 4100'. Down to 5900'. Made 17 runs. FL level staying around 6000'. Shut in well.
- 11-01-12      FL level @ 4800'. Made 11 runs. Last FL level @ 6200'. Let set 30 mins. Made 1 run. FL level @ 6100'. RD swab. NU wellhead. Shut in well. RD Rig #103. Clean location. Move.
- 11-02-12      Road rig to location. Held safety meeting. MI & spot Rig #105. SD. Travel to yard.
- 11-07-12      Travel to location. Held safety meeting. RU Rig #105. Spool off drill line. RU sand line. Pour rope socket. RU 2-3/8" swab tools. Hook up swab tee. Hook up bypass hose to tank. Stand by for truck to pump soap down. RU BioMass truck. Pump soap @ 1 bpm (10 gal soap/1000 gal water). Pressure @ 60 psi (20 bbls). Increased rate to 2 bpm. Pressured up to 1200 psi (5 bbls). Decreased rate 1.5 bpm (21 bbls). Was able to pump into formation w/pressure @ 700 psi. Pumped a total of 46 bbls. ISIP @ 500 psi. Tbg went on vacuum in 20 seconds. RIH. Tag fluid @ 1800'. Tank gauge @ 8'10". Made 10 swab runs, recovered 42 bbls. Tank gauge @ 10'11". Last fluid level @ 5900'. Shut well in. SD. Travel to yard.
- 11-08-12      Travel to location. Held safety meeting. Check well. Tbg 0. Csg 5. Blow well down. Tank gauge @ 10'11". RIH. Tag fluid @ 5000'. Made 16 runs, recovered 33 bbls. Tank gauge @ 12'7". Last fluid level @ 6000'. Well went on vacuum after every run. Shut well in. SD. Travel to yard.
- 11-09-12      Travel to location. Held safety meeting. Check well. Tbg 0. Csg 5. RD swab tee & bypass hoses. RD Rig #105. Clean location. Move rig to next location.
- 11-15-12      MI&RU Rig #103.
- 11-16-12      ND wellhead. Release packer. NU BOP. TOH w/tbg & packer. Service tongs. TIH w/bailer & 170 jts tbg. Secure well.
- 11-19-12      Finish TIH w/tbg. Gravity feed water off water truck down csg. Clean out 6380'. Release 550 Water Service. TOH w/tbg & bailer. Recoverd 14 frac balls & sand. TIH w/Arrowset packer (right hand set) & tbg: 160 jts 2-3/8" eue to Arrowset packer, 39 jts 2-3/8" eue to SN. ND BOP. Set packer @ 5035', SN @ 6294'. Land on donut w/8,000# tension. NU wellhead. RU to swab. Secure well. Haul BOP to yard.
- 11-20-12      FL level @ 4200'. Made 6 runs. No fluid last run. Made 3 runs, milking. No fluid last 2 runs. Shut in 1 hr. FL level @ 5700'. Made 2 runs, no fluid last run. Shut in 30 mins. FL level @ 5700'. Made 2 runs. Shut in 30 mins. FL level @ 5700'. Made 2 runs. Shut in 30 mins. FL level @ 5700'. Made 2 runs. Shut in 30 mins. FL level @ 5800'. Made 2 runs. Shut in well. Packer holding.
- 11-21-12      FL level @ 4700'. Made 6 runs. No fluid last 2 runs. RD swab. NU wellhead. RD Rig #103. Clean location. Move.

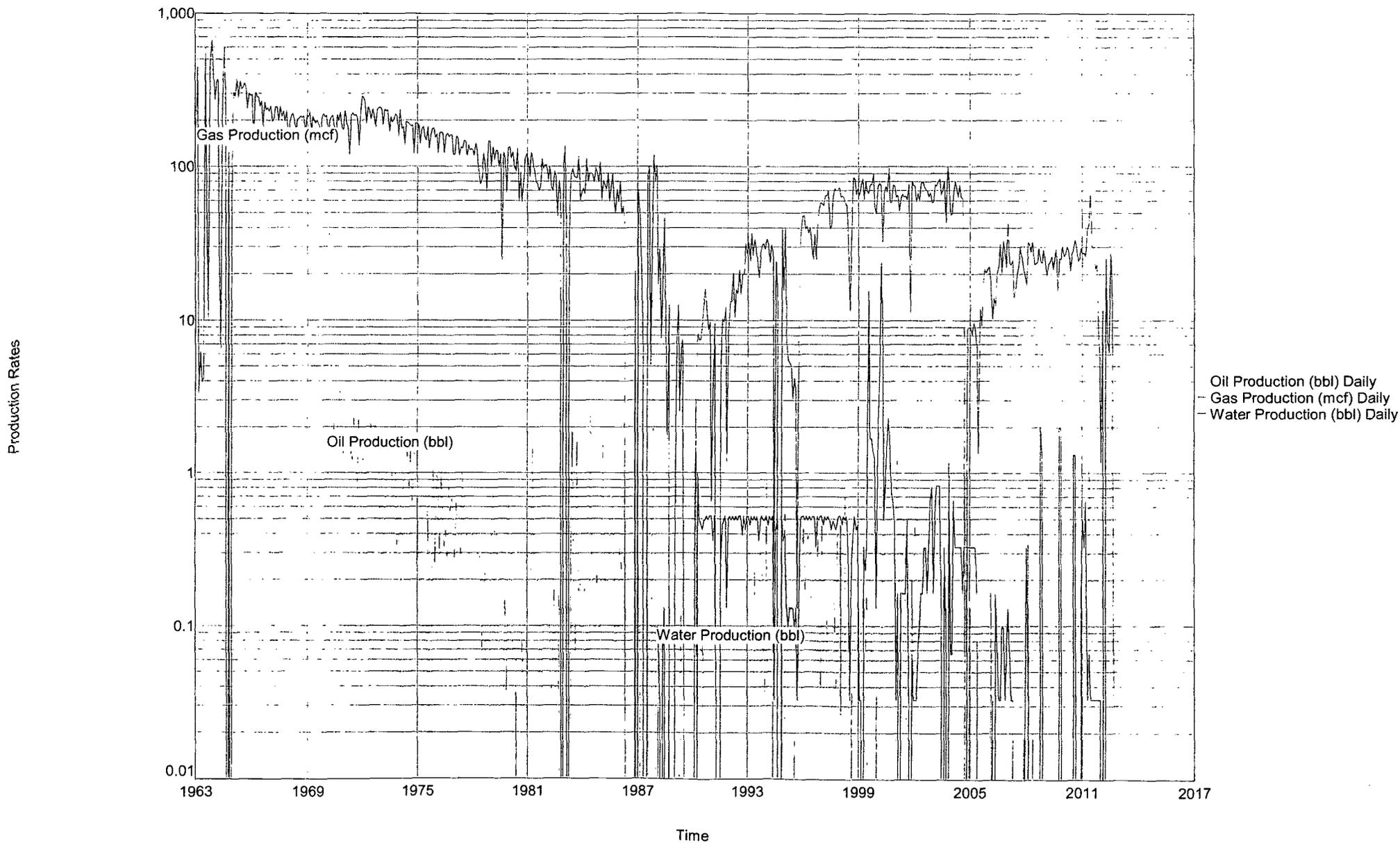
**DUGAN PRODUCTION CORP.**

Platero Navajo #2

- 11-26-12 Road rig to location. Held safety meeting. MI&RU Rig #105. Spool off drill line. RU sand line. Pour rope socket. RU 2-3/8" swab tools. Hook up bypass hose. RIH to tag fluid @ 5000'. Tbg 0. Csg 5. Made 15 swab runs, recovered 23.38 bbls. Last fluid level @ 6000'. Tbg – vacuum. Csg 0. Shut well in. SD. Travel to yard. Beginning tank gauge @ 11", ending tank gauge @ 2'1".
- 11-27-12 Travel to location. Held safety meeting. Check well. Tbg – vacuum. Csg – vacuum. Tank gauge @ 2'1". RIH. Tag fluid @ 5200'. Made 16 runs, recovered 24 bbls. Tank gauge @ 3'3". Lat FL level @ 6000'. Tbg – vacuum. Csg 0. Shut well in. SD. Travel to yard.
- 11-28-12 Travel to location. Held safety meeting. Check well. Tbg – vacuum. Csg – blow. RD sand line. Spool up drill line. RD Rig #105. Tear down swab tee & bypass hose. Clean location. Move to next location.
- 12-10-12 Road rig to location. Held safety meeting. MI&RU Rig #105. Spool off drill line. RU sand line. Pour rope socket. RU swab tools for 2-3/8". Hook up swab tee & bypass hose. Tank gauge @ 3'1". RIH. Tag fluid @ 5300'. Swabbed tbg down. RU pump truck. Pumped 8 bbls down csg. Pressured up to 500 psi, bleed off 100 psi in 1½ minutes. RIH. Tag fluid @ 6000'. Recovered 17 bbls. Tank gauge @ 3'11". Shut well in. SD. Travel to yard. Beginning Tbg pressure 0. Beginning Csg pressure 5. Ending Tbg pressure – vacuum. Ending Csg pressure 0.
- 12-11-12 Travel to location. Held safety meeting. Check well. RD swab tee & bypass hose. RD Rig #105. Put well down line. Move to next location.

Lease Name: PLATERO NAVAJO  
County, State: SAN JUAN, NM  
Operator: DUGAN PRODUCTION CORPORATION  
Field: BASIN  
Reservoir: DAKOTA  
Location: 13 26N 11W SW SW

PLATERO NAVAJO 2



Lease Name: PLATERO NAVAJO  
County, State: SAN JUAN, NM  
Operator: DUGAN PRODUCTION CORPORATION  
Field: BASIN  
Reservoir: DAKOTA  
Location: 13 26N 11W SW SW

PLATERO NAVAJO 2

