

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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 formation.
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)

1515' FNL & 1395' FWL (SE/4 NW/4)
Unit F, Sec. 24, T30N, R15W, NMPM

5. Lease Designation and Serial No.

NM-21465

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Centennial Com #91S

9. API Well No.

30 045 30721

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal &
Twin Mounds 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
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

Application to downhole
commingle

(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.)

Dugan Production proposes to downhole commingle production from the Twin Mounds Fruitland Sand-PC and the Basin Fruitland Coal gas pools in the Centennial Com #91S. The spacing units for both pools encompass the same federal leases and all royalty interest is federal. Federal lease NM-21465 comprises S/2 N/2 of Section 24 and Federal lease NM-10875 comprises N/2 N/2 of Section 24. Specifics for downhole commingling are presented in the attached application (NMOCD form C-103).

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

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

Signed

John D. Roe
John D. Roe

Title

Engineering Manager

Date

8/1/2003

(This space for Federal or State office use)

Approved by

/s/ Jim Lovato

Title

Date

AUG 11 2003

Conditions of approval, if any:

Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
 Santa Fe, NM 87505

2003 AUG -4 PM 1:13

WELL API NO.

30-045-30721

 5. Indicate Type of Lease FEDERAL LEASE
 STATE ☐ FEE ☐

 6. State Oil & Gas Lease No.
 Federal Lease #NM-21465 & NM-10875

7. Lease Name or Unit Agreement Name:

Centennial Com

 8. Well No.
 91S

 9. Pool name or Wildcat
 Basin Fruitland Coal &
 Twin Mounds FR Sand PC

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
 DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
 PROPOSALS.)

1. Type of Well:

 Oil Well ☐ Gas Well ☒ Other ☐

 2. Name of Operator
 DUGAN PRODUCTION CORP.

 3. Address of Operator
 P.O. Box 420 Farmington, NM 87499

4. Well Location

 Unit Letter F : 1515 feet from the North line and 1395 feet from the West line

 Section 24 Township 30N Range 15W NMPM San Juan County

 10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 5326' GL

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE
 COMPLETION ☐
OTHER: Downhole Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ PLUG AND
 ABANDONMENT ☐

 CASING TEST AND
 CEMENT JOB ☐
OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

1&2. NMOCD Order R-11363 established the Basin Fruitland Coal (71629) and Twin Mounds Fruitland Sand-Pictured Cliffs (86620) as pre-approved pools for downhole commingling.

3. Perforated intervals to be commingled: Fruitland Coal 530'-535' & 657'-674'. Pictured Cliffs 674'-678'

4. Allocation method: Fixed factors based upon an analysis of production from both pools in adjacent sections. Com 91S is on western edge of production with no established production in either pool to north, west or south. Thus production analysis prepared for Dugan's Turk's Toast wells in Section 17, T-30N, R-14W (2 miles to NE) was used & believed to be representative (Ref. Attachment No. 1)

Proposed Allocation	Fruitland Coal	Pictured Cliffs
Gas	55%	45%
Water	50%	50%

5. Both pools are anticipated to produce high volumes of water & the proposed downhole commingling is necessary to economically produce both pools. The value of production from either pool, will not be reduced, but will be maximized as a result of this downhole commingling.

6. The ownership (working, royalty and overriding) is identical for both pools. Dugan Production holds 100% of the working interest and all royalty is Federal. Federal Lease NM-21465 = S/2 N/2 & Federal Lease NM-10875 = N/2 N/2. Spacing units = NW/4 & N/2

7. A copy of this sundry is being sent to the Bureau of Land Management.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

 SIGNATURE John D. Roe TITLE Engineering Manager DATE August 1, 2003

 Type or print name John D. Roe Telephone No. (505) 325-1821

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

Attachment No. 1
Offset Well Production
Dugan's Turk's Toast No. 90S & 91S
Section 17, T-30N, R-14W
San Juan County, New Mexico

Operator ①	Well	Location UL-S-T-R	# Months Produced	Average Production - mcf/mo & (# of mo. If less than 12) @					
				Fruitland Coal			Fruitland Sand-PC		
				1st 12 months	2nd 12 months	3rd 12 months	1st 12 months	2nd 12 months	3rd 12 months
ROC	WF State 16 #1	M-16-30N-14W	36	1034	2717	2701	333	401	375
ROC	WF State 16 #2	B-16-30N-14W	19	1597	2889	3511 (8)	77	16 (7)	
ROC	WF State 16 #3	O-16-30N-14W	30				2234	3584	4007 (6)
ROC	WF State 16 #4	C-16-30N-14W	9				226 (9)		
DPC	Riviera Com #2	E-18-30N-14W	10				849 (10)		
DPC	Turk's Toast #9	P-18-30N-14W	10				249 (10)		
DPC	Turk's Toast Com #92	N-18-30N-14W	11	601 (11)					
DPC	Turk's Toast #10	C-19-30N-14W	9				294 (9)		
ROC	WF Federal 20 #1	N-20-30N-14W	34	1957	2498	1518 (10)	320	306	217 (10)
ROC	WF Federal 20 #2	A-20-30N-14W	21	517	218 (9)		369	342 (9)	
ROC	WF Federal 20 #3	O-20-30N-14W	21				1310	864 (9)	
ROC	WF Federal 21 #1Y	M-21-30N-14W	32	683	489	121 (7)	1568	640	161 (8)
ROC	WF Federal 21 #2	F-21-30N-14W	21				3494	4045 (9)	
ROC	WF Federal 21 #3	O-21-30N-14W	20				3403	3756 (8)	
Total all wells				6389	8811	7851	14726	13954	4760
# wells				6	5	4	13	9	4
Average/well				1065	1762	1963	1133	1550	1190
% of FC & PC				48	53	62	52	47	38
Avg life in yrs				55				45	

① - ROC - Richardson Operating Co., DPC - Dugan Production Corp.

② - Production data from Dwigths/PI and ONGARD thru October, 2002. All data normalized to 1st month of production. Fruitland Coal production from the Basin Fruitland Coal pool (71629) and Fruitland Sand-PC production from the Harper Hill (78160) and Twin Mounds (86620) Fruitland Sand-Pictured Cliffs pools.

* - Offsetting well common to Dugan's Turk's Toast 90S & 91S in Section 17 (T30N, R14W) and Dugan's Centennial Com 91S in Section 24 (T30N, R15W)