

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
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.
NMSF078868

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
ADOBE A 12. Name of Operator
DUGAN PRODUCTION CORPContact: JOHN C ALEXANDER
E-Mail: johncalexander@duganproduction.com9. API Well No.
30-045-218723a. Address
P O BOX 420
FARMINGTON, NM 87499-04203b. Phone No. (include area code)
Ph: 505-325-182110. Field and Pool, or Exploratory
CUERVO GALLUP

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 29 T24N R8W SENW 1980FNL 1980FWL
36.28725 N Lat, 107.70656 W Lon

11. County or Parish, and State

SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

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 recompletable 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Plan to plug well as follows:

Set CIBP @ 5000'.

Spot 150' plug 15 sx Type 5 cement at 5000'.

Perforate @ 2700' 2510'

Spot 250' plug inside & outside casing. 65 sx Type 5 cement w/3% cacl2. (2520' - 2420')

Perforate @ 1722' 1678'

Spot 200' plug inside & outside casing. 50 sx Type 5 cement w/3% cacl2. (1678' - 1578')

Perforate @ 1050' 1402'

Spot 200' plug inside & outside casing. 65 sx Type 5 cement w/3% cacl2. (1402' - 1302')

Perforate @ 253'.

Pump type 5 cement w/3% calc2 down productin casing and circulate to surface.

- Perforate @ 1090' Plug from 1090' - 827'

RCVD OCT 16 '07

OIL CONS. DIV.

DIST. 3

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

**Electronic Submission #56637 verified by the BLM Well Information System
For DUGAN PRODUCTION CORP, sent to the Farmington**

Name (Printed/Typed) JOHN C ALEXANDER

Title VICE-PRESIDENT

Signature (Electronic Submission)

Date 10/04/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

OCT 4-5 2007

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

NMOC D 7

Additional data for EC transaction #56637 that would not fit on the form

32. Additional remarks, continued

Install dry hole marker & cut off anchors.

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 1 Adobe A

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Place the Mesaverde plug from 2520' – 2420' inside and outside the 5 ½" casing.
 - b) Place the Pictured Cliffs plug from 1678' - 1578' inside and outside the 5 ½" casing
 - c) Place the Fruitland plug from 1402' - 1302' inside and outside the 5 ½" casing.
 - d) Place the Kirtland/Ojo Alamo plug from 1090' – 827' inside and outside the 5 ½" casing.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.