*Főrm 3160-5 (June 1990)

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



MAY **0 9** 2008

FORM APPROVED

Bureau of Land Management Farmington Field Office

Budget Bureau No. 1004-0135 Expires: March 31,1993

5. Lease Designation and Serial No

NM-36952

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. 6. If Indian, Allotted or Tribe Name Use "APPLICATION FOR PERMIT -" for such proposals SUBMIT IN TRIPLICATE 1. Type of Well 7. If Unit or CA, Agreement Designation Gas 8. Well Name and No. 2 Name of Operator Flo Jo #93 Dugan Production Corp. 3. Address and Telephone No. 9, API Well No (505) 325 - 1821 30 045 P.O. Box 420 . Farmington, NM 87499 Location of Well (Footage, Sec., T , R., M., or Survey Description) 10. Field and Pool, or Exploratory Area **Basin Fruitland Coal** 990' FNL & 990' FWL (NW/4 NW/4) Unit D, Sec. 1, T23N, R11W, NMPM 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 TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion **New Construction Plugging Back** Non-Routine Fracturing Subsequent Report Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection \square Other Dispose Water Additional APD info (Note Report results of multiple completion on Well Completion or Recompletion Report and Log form)

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,

Blow-out Preventor Equipment (BOPE) tests will be performed without using a test plug.

give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

Will test the BOPE and surface casing together. The test will include a low pressure test to 250 psig held for five minutes and a high pressure test to 800 psig held for thirty minutes (with no more than a 10 percent pressure drop during the duration of the tests). If a 10 percent or greater pressure drop occurs, a packer will be run to isolate the surface casing and BOPE to locate the source of the leak.

> RCVD MAY 28 '08 OIL CONS. DIV.

> > DICT 3

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14 I hereby ce	rtify that the foregoing is true and correct			
Signed	Must Fegre him Kurt Fagreliu	Title	Vice-President, Exploration Date	5/6/2008
(This space for F	ederal or State office use)			
Approved by	Made No kaps	Title	Southering trak Date	5-27-08
Conditions of ap				

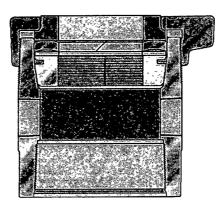
Dugan Production Corp. is asking for consent to pressure test the Blow-out Preventor Equipment (BOPE) without using a test plug because of the following reason:

Dugan uses a Gardner Denver 2000 drilling rig to drill shallow coal wells. The largest BOP that will fit under this rig is a Schafer 6" 2000 series that has an internal diameter of 7.0625". This BOP is screwed on to a Hercules LM85 casing head (1500 psi working pressure, 3000 psi test pressure, bottom thread 8-5/8" 8rd, cap thread 9-5/8" 8rd) that has an internal minimum bore of 7.920". The casing head is screwed onto 8-5/8" surface casing (24#, J-55 and 8rd thread) that has an internal diameter of 8.097".

Currently Dugan is unable to get a test plug for the casing head (7.920" ID) or surface casing (8.097" ID) that will pass through the BOP (7.0625").

Dugan will test the BOPE and surface casing together. The test will include a low pressure test to 250 psig held for five minutes and a high pressure test to 800 psig held for thirty minutes (with no more than a 10 percent pressure drop during the duration of the tests). If a 10 percent or greater pressure drop occurs, a packer will be run to isolate the surface casing and BOPE to locate the source of the leak.





Patented Positive Mechanical Stop Slip Design

- · Limits slip travel.
- · Reduces hoop stress in wellhead body.
- Slip load capacity equals thread joint capacity.
- · Will not crush pipe ID below API drift.
- . Non-restrictive to side outlet flow.

Contoured Packing Design

· For improved seal.

Improved Top Metal Ring Design

· Prevents packing extrusion.

Interchangeable Parts

 All internal parts on 1500, 2000 & 3000 PSI WP LM85 models are interchangeable.

SPECIFICATIONS			
Bottom Thread	8-5/8" 8rd API*	8-5/8" 8rd API*	8-5/8" 8rd API*
Bottom Connection	Male Short or Fem. Short	Male Short, Fem. Short or Fem. Slip Joint	Fem. Short or Fem. Slip Joint
Working Pressure	1500 PSI	2000 PSI	3000 PSI
Test Pressure	3000 PSI	4000 PSI	6000 PSI
Max. Body Load (2:1 SF)	90,000 lbs.	180,000 lbs.	180,000 lbs.
Cap Thread	9-5/8" 8rd API mod.**	10-3/4" 8rd API mod.**	10-3/4" 8rd API mod.*
Cap Material	Ductile Iron	Ductile Iron	Carbon Steel
Inner String	2", 2-1/2", 3", 4-1/2", 5-1/2", 7"	2", 2-1/2", 3", 4-1/2", 5-1/2", 7"	2", 2-1/2", 3", 4-1/2", 5-1/2", 7"
Suspension	Slip or Mandrel	Slip or Mandrel	Slip or Mandrel
Side Outlet	2" LP	2" LP & 3" LP***	2" LP & 3" LP***
Minimum Bore	7.920"	7.920"	7.920"
Body Material	Ductile Iron	Carbon Steel	Carbon Steel
Height	12-1/2"	11-3/4"	11-3/4"
Weight	142 lbs.	200 lbs.	220 lbs.

Other thread styles available.

Caution: R&M Energy Systems recommends using only API modified threaded Hercules flanges. See pg. 22.

*** 3" LP special order only. Contact Customer Service.



R&M Energy Systems P.O. Box 2871 Borger, Texas, U.S.A. 79008-2871 (800) 858-4158 (806) 274-5293 • Fax (806) 274-3418 R&M Energy Systems Canada 9830 - 45th Avenue Edmonton, Alberta, Canada T6E 5C5 (800) 661-5659 (780) 437-6316 • Fax (780) 435-3074