

Submit 3 Copies To Appropriate District
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-045-26460

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

V-1509

7. Lease Name or Unit Agreement Name

Mary Lou

8. Well Number

1

9. OGRID Number

006515

10. Pool name or Wildcat

SWD; Mesaverde

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 ☐ SWD

2. Name of Operator

Dugan Production Corp.

3. Address of Operator

P. O. Box 420, Farmington, NM 87499-0420

4. Well Location

Unit Letter A 800 feet from the North line and 800 feet from the East line
Section 32 Township 24N Range 10W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6592'

12. 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 COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: Step Rate Test

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER:

☐

13. 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 recompletion.

Intend to conduct a step-rate-test on this injection well. A procedure for running the test in compliance with OCD rules has already been submitted.

RCVD DEC 10 '08

OIL CONS. DIV.

DIST. 3

CONDUCT BRADEN HEAD TEST PRIOR TO STARTING TEST.

Spud Date:

Rig Release Date:

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

SIGNATURE

John C. Alexander

TITLE Vice-President

DATE December 8, 2008

Type or print name John C. Alexander

E-mail address: johncalexander@duganproduction.com

PHONE: 505-325-1821

For State Use Only

APPROVED BY:

Felix G. Rodriguez

TITLE

Deputy Oil & Gas Inspector,
District #3

DATE

DEC 10 2008

Conditions of Approval (if any):

10/10



dugan production corp.



12/2/2008

Engineering Bureau
New Mexico Oil Conservation Division
1220 South St. Frances Drive
Santa Fe, NM 87505

RCVD DEC 5 '08

OIL CONS. DIV.

DIST. 3

Mary Lou 1 - Step-Rate-Test Request

Gentlemen:

Dugan Production Corp. proposes to conduct a step-rate-test at the Mary Lou 1 SWD well. The well is located in Sec. 32, Twn. 24N, Rng 10W, 800' FNL & 800' FEL. Injection is authorized by ADMINISTRATIVE ORDER SWD-884.

A wellbore schematic is attached.

Injection history is attached. The months of June, July, and September 2008 show that we reported pressures in excess of our permitted maximum injection pressure of 692 psi. A review of the original record for these months indicates that the excessive pressures occurred for two days in July and September and for one day in June. The remainder of the time this well has operated has been below permitted pressure. The kill switch is set correctly.

The well has been fracture treated. The ISIP was 1,000 psi. This makes the frac gradient 0.722 psi/ft.

A bottom hole pressure recording device will be installed on slick line at the top perforation.

The well will be shut-in for 24 hrs. prior to commencement of the test.

Starting pump rate will be 0.5 bpm and increased at 0.5 bpm each 15 minutes.

Pumping equipment will be able to pump at the rates and pressures needed for the test.

Adequate water will be available to complete the test.

Casing and bradenhead pressures will be monitored during the test.

The wellhead equipment will be rated for the anticipated pressures.

The Aztec NMOCD office will be notified at least 24 hours before starting the test.

Sincerely

John Alexander
Vice President
Dugan Production Corp.

Attachments

cc: Mr. Charlie Perrin - NM Oil Conservation Division, 1000 Rio Brazos, Aztec, NM 87410

Mary Lou SWD 1
Rate-Volume

12/2/2008

total time	min/step	Rate bpm	bbls/step	Cum Wtr
0.25	15	0.5	7.5	7.5
0.5	15	1	15	22.5
0.75	15	1.5	22.5	45
1	15	2	30	75
1.25	15	2.5	37.5	112.5
1.5	15	3	45	157.5
1.75	15	3.5	52.5	210
2	15	4	60	270
2.25	15	4.5	67.5	337.5
2.5	15	5	75	412.5
2.75	15	5.5	82.5	495
3	15	6	90	585
3.25	15	6.5	97.5	682.5
3.5	15	7	105	787.5
3.75	15	7.5	112.5	900
4	15	8	120	1020
4.25	15	8.5	127.5	1147.5
4.5	15	9	135	1282.5
4.75	15	9.5	142.5	1425
5	15	10	150	1575
5.25	15	10.5	157.5	1732.5
5.5	15	11	165	1897.5
5.75	15	11.5	172.5	2070
6	15	12	180	2250
6.25	15	12.5	187.5	2437.5
6.5	15	13	195	2632.5
6.75	15	13.5	202.5	2835
7	15	14	210	3045
7.25	15	14.5	217.5	3262.5
7.5	15	15	225	3487.5
7.75	15	15.5	232.5	3720
8	15	16	240	3960
8.25	15	16.5	247.5	4207.5
8.5	15	17	255	4462.5
8.75	15	17.5	262.5	4725
9	15	18	270	4995
9.25	15	18.5	277.5	5272.5
9.5	15	19	285	5557.5
9.75	15	19.5	292.5	5850
10	15	20	300	6150
10.25	15	20.5	307.5	6457.5
10.5	15	21	315	6772.5
10.75	15	21.5	322.5	7095
11	15	22	330	7425

Well ID	Name	Date	Type	No.	Pump Size	Pump Eff.	Stroke Length	Amp	Hz	Pump Depth	Injection Vol	Injection Pressure	Annulus Pressure	Choke Size
1	MARYLOU 1 SWD	3/1/2004	0	0	0.00	0.00	0.00	0.00	0.00	15700.00	0	650	0.00	
2		4/1/2004	0	0	0.00	0.00	0.00	0.00	0.00	14322.00	0	650	0.00	
3		5/1/2004	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00	
4		2/1/2005	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00	
5		4/1/2005	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00	
6		5/1/2005	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00	
7		8/1/2005	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00	
8		9/1/2005	0	0	0.00	0.00	0.00	0.00	0.00	1228.00	0	0	0.00	
9		10/1/2005	0	0	0.00	0.00	0.00	0.00	0.00	6371.00	0	0	0.00	
10		11/1/2005	0	0	0.00	0.00	0.00	0.00	0.00	12251.00	0	0	0.00	
11		12/1/2005	0	0	0.00	0.00	0.00	0.00	0.00	8942.00	0	0	0.00	
12		1/1/2006	0	0	0.00	0.00	0.00	0.00	0.00	4739.00	0	0	0.00	
13		2/1/2006	0	0	0.00	0.00	0.00	0.00	0.00	17961.00	0	0	0.00	
14		3/1/2006	0	0	0.00	0.00	0.00	0.00	0.00	22878.00	0	0	0.00	
15		4/1/2006	0	0	0.00	0.00	0.00	0.00	0.00	10163.00	0	0	0.00	
16		5/1/2006	0	0	0.00	0.00	0.00	0.00	0.00	23319.00	0	0	0.00	
17		6/1/2006	0	0	0.00	0.00	0.00	0.00	0.00	15590.00	0	0	0.00	
18		7/1/2006	0	0	0.00	0.00	0.00	0.00	0.00	13622.00	0	0	0.00	
19		8/1/2006	0	0	0.00	0.00	0.00	0.00	0.00	13675.00	0	0	0.00	
20		9/1/2006	0	0	0.00	0.00	0.00	0.00	0.00	14502.00	0	0	0.00	
21		10/1/2006	0	0	0.00	0.00	0.00	0.00	0.00	6470.00	0	0	0.00	
22		11/1/2006	0	0	0.00	0.00	0.00	0.00	0.00	21287.00	0	0	0.00	
23		12/1/2006	0	0	0.00	0.00	0.00	0.00	0.00	23521.00	0	0	0.00	
24		1/1/2007	0	0	0.00	0.00	0.00	0.00	0.00	13514.00	0	0	0.00	
25		2/1/2007	0	0	0.00	0.00	0.00	0.00	0.00	15777.00	0	0	0.00	
26		3/1/2007	0	0	0.00	0.00	0.00	0.00	0.00	16362.00	0	0	0.00	
27		4/1/2007	0	0	0.00	0.00	0.00	0.00	0.00	3339.00	0	0	0.00	
28		5/1/2007	0	0	0.00	0.00	0.00	0.00	0.00	580.00	0	0	0.00	
29		6/1/2007	0	0	0.00	0.00	0.00	0.00	0.00	17369.00	0	0	0.00	
30		7/1/2007	0	0	0.00	0.00	0.00	0.00	0.00	19391.00	0	0	0.00	
31		8/1/2007	0	0	0.00	0.00	0.00	0.00	0.00	14526.00	0	0	0.00	

SYSA04HIN 11/24/2008

DPC

【圖】

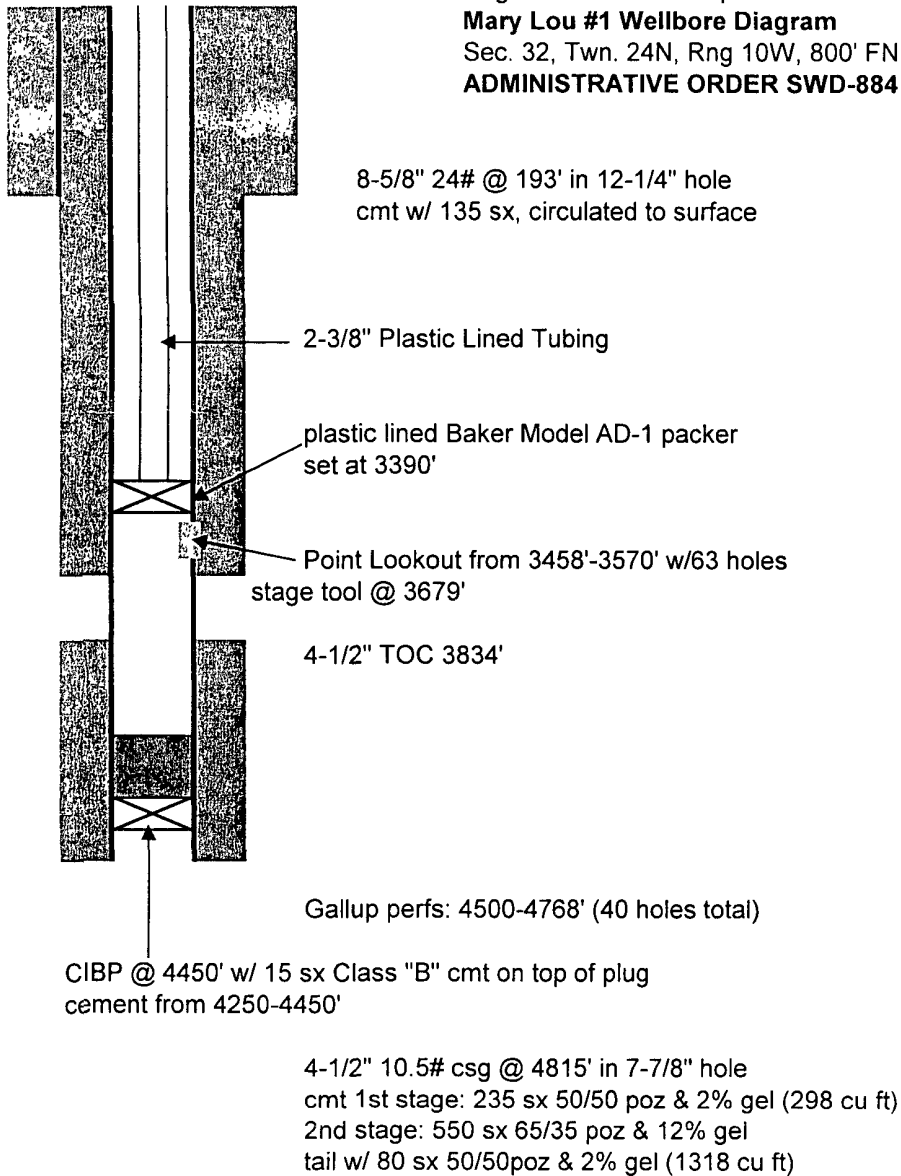



Dugan Production Corp.

Mary Lou #1 Wellbore Diagram

Sec. 32, Twn. 24N, Rng 10W, 800' FNL & 800' FEL

ADMINISTRATIVE ORDER SWD-884



Dugan Production Corp

Mary Lou SWD 1
800' int & 800' fel
32 - T.24N - R.10W
San Juan Co., NM

Step Rate Test, Rig Up Diagram

