

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

DEC 22 2010

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.		7. If Unit of CA/Agreement, Name and/or No.
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. Dunn Federal #1
2. Name of Operator DJ Simmons, Inc.		9. API Well No. 30-039-20018
3a. Address 1009 Ridgeway Place, Suite 200 Farmington, NM 87401	3b. Phone No. (include area code) (505) 326-3753	10. Field and Pool or Exploratory Area Lybrook Gallup
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1830' FSL & 1760' FEL, Section 4, T23N, R7W NMPM		11. Country or Parish, State Rio Arriba, 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recompleat 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 recompleat 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.)

Well Plugging and Abandonment Procedure:

1) Rig up and remove production string and tools; 2) Set cement retainer at 5150'; 3) Plug #1: Pump 65 sx type III cement through retainer to perforations and 10 sx type III cement above retainer as balanced spot to leave cement at 5050'; 4) Plug #2: Spot 20sx (200') type III cement across primary cement top from 5100' to 4900'; 5) Plug #3: Mesaverde top 2932'. Perforate squeeze holes at 2982'. Squeeze 50sx type III cement into holes and leave 20sx balanced spot of type III cement in casing; 6) Plug #4: Pictured Cliffs - 2084', Fruitland - 1777'. Perforate squeeze holes at 2134'. Squeeze 20sx type III cement into holes and leave 30 sx balanced spot of type III cement in casing; 7) Plug #5: Ojo Alamo - 1405', Kirtland - 1650'. Perforate squeeze holes at 1650'. Squeeze 70sx type III cement into holes and leave 30 sx balanced spot of type III cement in casing; 8) Plug #6: Spot balanced plug of 30 sx type III cement to surface; 9) Cut off casing 4' below grade. Weld in PXA marker; and 10) Reclaim location.

NOTIFY NMOC D 24 HOURS PRIOR TO BEGINNING OPERATIONS

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Rodney L. Seale		Title Operations Manager
Signature <i>Rodney L. Seale</i>		Date 12/21/2010

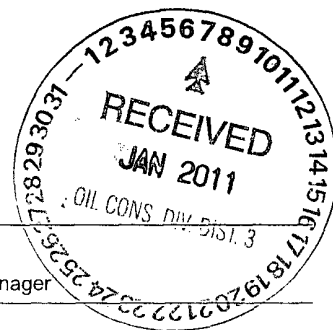
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason	Title	Date JAN 04 2011
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)

NMOC D



Directions: From Bloomfield, NM south on US 550 to Lybrook at mile marker 104. Turn left or north on the east side of the plant. Straight for 1.1 miles. Take left fork at compressor station. Trend NW for 4/10th miles down a grade. Turn left to SW at the bottom of the grade. Follow main road trending NW and curving around to SW over 2 1/2 miles. there are no turns to take, only curves. The wells is located by the road on the right near the head of a canyon.

Long.: -107.576833 deg Lat.: 36.253778 deg

Location: Surface: 1830' FSL, 1760' FEL, Sec 4, T23N, R7W, Rio Arriba County, New Mexico

Field: Lybrook

API #: 30-039-20018-00

Spud Date: April 21, 1967

Elevation: 7068'GR, 7081'KB

TD: TD: 5773'

Wellhead:

Tubulars:

Surface: 10 3/4" casing at 200' 40sx reg cmt, TOC unknown

Intermediate:

Production: 4 1/2" 5773' w/ 125sx reg cmt, TOC: 5008 by CBL

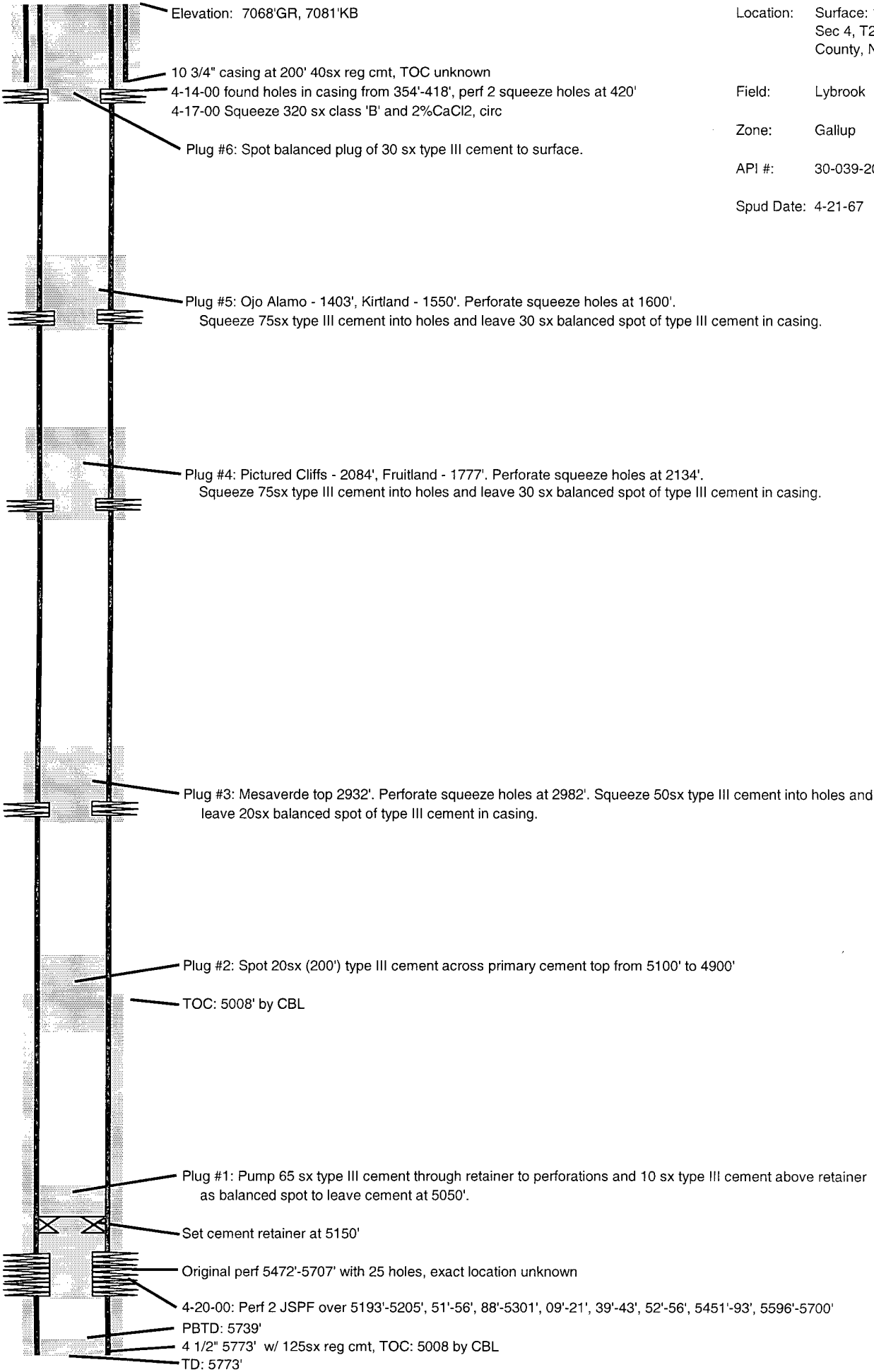
Liner:

Procedure:

- 1) Rig up and remove production string and tools.
- 2) Set cement retainer at ~~5150'~~ ^{5375'}
- 3) Plug #1: Pump 65 sx type III cement through retainer to perforations and 10 sx type III cement above retainer as balanced spot to leave cement at ~~5050'~~ ^{5275'}
- 4) Plug #2: Spot 20sx (200') type III cement across primary cement top from 5100' to 4900'
- 5) Plug #3: Mesaverde top 2932'. Perforate squeeze holes at 2982'. Squeeze 50sx type III cement into holes and leave 20sx balanced spot of type III cement in casing.
- 6) Plug #4: Pictured Cliffs - 2084', Fruitland - 1777'. Perforate squeeze holes at 2134'. Squeeze ~~75~~ ^{increase} sx type III cement into holes and leave 30 sx balanced spot of type III cement in casing.
- 7) Plug #5: Ojo Alamo - ~~1403'~~ ⁵², Kirtland - ~~1550'~~ ¹⁶⁰¹. Perforate squeeze holes at ~~1600'~~ ⁵¹. Squeeze ~~75~~ ^{increase} sx type III cement into holes and leave 30 sx balanced spot of type III cement in casing. ^{1651' - 1402' plug excess}
- 8) Plug #6: Spot balanced plug of 30 sx type III cement to surface. ^{250' - surface.}
- 9) Cut off casing 4' below grade. Weld in PXA marker.
- 10) Reclaim location.



Proposed Dunn Federal #1 P & A



Location: Surface: 1830' FSL, 1760' FEL,
Sec 4, T23N, R7W, Rio Arriba
County, New Mexico

Field: Lybrook

Zone: Gallup

API #: 30-039-20018-00

Spud Date: 4-21-67

**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 Dunn Federal

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:

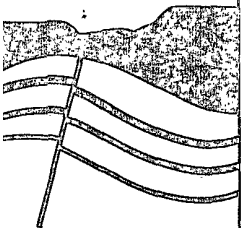
a) Place the cement retainer @ 5375' which is within 100' above the top perforation, cap retainer with 100' of cement to cover the Gallup top.

b) Place the Kirtland/Ojo Alamo plug from 1651' – 1402' inside and outside the 4 ½" casing.

c) Place the Surface plug from 250' to surface.

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.



DJ SIMMONS, INC.

1009 Ridgeway Place
Suite 200
Farmington,
New Mexico 87401

505-326-3753
505-327-4659 FAX
info@djsimmonsinc.com
www.djsimmonsinc.com

December 21, 2010

Mr. Stephen Mason, Petroleum Engineer
Petroleum Management Team
Farmington Field Office
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401



RE: Expiration of the Temporary Abandonment for the Dunn Federal #1 Well
API #30-039-20018
1830' FSL & 1760' FEL
Section 4, T23N, R7W
Rio Arriba County, New Mexico
Lease #NMSF-078272C

Dear Mr. Mason:

We received your letter dated November 19, 2010, on November 22, 2010, concerning the expiration of the temporary abandonment of the Dunn Federal #1 well. DJ Simmons, Inc. has decided to Plug and Abandon this well. Therefore, attached for your review is a Sundry Notice to Plug and Abandon the Dunn Federal #1 well. With the inclement weather setting in, and the scarcity of qualified contractors in this area that are able to perform this type of work, once the Plugging and Abandonment Procedure is approved by you, if at all possible, we would like to perform this procedure within a year's time.

Thank you for your time and consideration of this issue. Should you have any questions concerning this matter or need further information, please do not hesitate to call me at (505) 326-3753 Ext 127.

Sincerely

Robin J. Schiro, PE
Regulatory & Permitting Specialist
DJ Simmons, Inc.

NMOCD