

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 reservoir.
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

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

2255' FSL & 1170' FWL (Unit L)
NW/4 SW/4, Sec. 35, T24N, R10W

5. Lease Designation and Serial No.

NM 43443

6. If Indian, Allotted or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

August #90

9. API Well No.

30 045 29174

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

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 Continue Long-Term Shut In
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water
(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.)*

Request that this well continue long term shut-in status. Production testing reveals that potential for commercial production from the Fruitland Coal exists, but is associated with formation water. We are in the process of evaluating other Fruitland Coal wells in the area. When this evaluation is complete, we will permit a disposal facility and gas collection facility. These facilities will allow economic production of gas and disposal of produced water. While cement was not circulated to surface on the primary cement job, the casing pressure indicates that no casing problems exist. We do not plan on conducting a mechanical integrity test of the casing unless ordered to do so by you.

THIS APPROVAL EXPIRES DEC 31 2003

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

Signed

John Alexander
John Alexander (ph)

Vice-president

Date

9/13/2002

(This space for Federal or State office use)

Approved by

Original Signed: Stephen Mason

Title

Date

9/18/02

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side