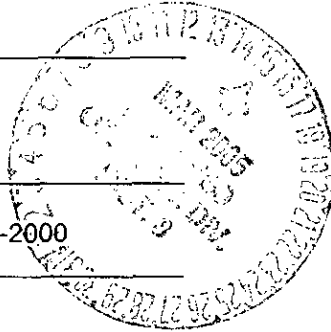


submitted in lieu of Form 3160-5

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Sundry Notices and Reports on Wells

<p>1. Type of Well Oil</p> <hr/> <p>2. Name of Operator Dugan Production Corporation in c/o San Juan Coal Company</p> <hr/> <p>3. Address & Phone No. of Operator PO Box 561, Waterflow, NM 87421 (505) 598-2000</p> <hr/> <p>Location of Well, Footage, Sec., T, R, M 805' FSL and 1490' FWL, Section 31, T-30-N, R-14-W,</p>	<p>5. Lease Number NM-4465</p> <p>6. If Indian, All. or Tribe Name</p> <p>7. Unit Agreement Name</p> <p>8. Well Name & Number Mayre 90</p> <p>9. API Well No. 30-045-28291</p> <p>10. Field and Pool Twin Mounds, Pictured Cliffs</p> <p>11. County & State San Juan County, NM</p>
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12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action	
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other -	

13. Describe Proposed or Completed Operations

Dugan Production Corporation in care of San Juan Coal Company plans to plug and abandon this well per the attached procedure.

RECEIVED
2005 MAR 8 AM 10 31
OTO FARMINGTON NM

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

Signed John Mercier Title Senior Mine Geologist Date 3/7/05
 John M. Mercier, San Juan Coal Co.

(This space for Federal or State Office use)
 APPROVED BY Original Signed: Stephen Mason Title _____ Date MAR 14 2005
 CONDITION OF APPROVAL, if any:

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979

Farmington, New Mexico 87499

505325-2627 * fax: 505-325-1211

WELL ABANDONMENT PROCEDURE

March 1, 2005

Mayre #90

Basin Fruitland Coal

805' FSL and 1490' FWL, Section 31, T-30-N, R-14-W

San Juan Co., New Mexico

Page 1 of 2

Note: The stabilizing wellbore fluid will be drilling mud with sufficient weight to balance all exposed formation pressures.

All cement used will be Cement Class B neat mixed at 15.6 ppg with a 1.18 cf/sx yield.

- **All personnel entering the BHP coalmine property must take the Mine Hazards class at the well site at commencement of the project.** (Everyone)
- **A-Plus employees or sub-contractors working on the project will attend field safety training class and receive a 5023 certificate.** (Rig hands, wireline operators, fisherman and Supervisors)
- **All vehicles will be safety inspected daily upon entering the mine.**

PROCEDURE:

1. Prepare a lined earthen pit, 10' x 20' x 6' for cementing waste fluid. Set a water storage tank on location and fill from the mine's water pit. Set a mud pit and power swivel on location for milling operations. Test location rig anchors. Have a portable toilet set on location.
 2. Comply with all applicable **MSHA**, **NMOCD**, **BLM**, and **BHP** Billition safety regulations. **MOL** and **RU** daylight pulling unit. Conduct safety meeting for all personnel on location. Lay relief line to the pit and blow the well down. Kill with water if necessary.
 3. If there are rods or tubing in the well, then **POH** and **LD** on float (haul to Dugan's yard).
 4. **ND** wellhead and **NU** a 7-1/16" 3M BOP. Test BOP. Tally and prepare a 2.875" rental drill pipe as the workstring. **PU** a 4-1/2" casing scraper and round trip it to 699' or as deep as possible. Load the casing with water and circulate the well clean. **TOH** and **LD** the scraper.
 5. Rig up wireline unit and run these logs: **CCL-CBL**, **Gyro Survey** and **GR-Neutron** from 699' to surface.
 6. **Plug #1 (699' to 660')**: **TIH** with open ended drill pipe to 699'. Mix 10 sxs **Class B cement with 18% salt** (100% excess) and spot a balanced plug inside the casing to cover the Pictured Cliffs top. **PUH** to 665' and reverse circulate well clean. **TOH** with drill pipe.
-

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WELL ABANDONMENT PROCEDURE

March 1, 2005

Mayre #90

Basin Fruitland Coal

805' FSL and 1490' FWL, Section 31, T-30-N, R-14-W

San Juan Co., New Mexico

Page 2 of 2

7. Nipple up a 3" steel mud return line to the mud pit. Mix up a pit of low solids mud with a 45 sec viscosity. Pick up a 3.875" section mill, bit sub and 6 - 3.125" drill collars and 2.875" drill pipe (this is the under-reaming bottom hole assembly (BHA)). TIH with BHA and drill pipe to 634'. Circulate the well with 45 sec viscosity mud.
8. **Mill out a 27' section of the 4.5" casing from 634' to 661'.**
9. **Plug #2 (661' to 500')**: TIH with drill pipe and set a 4.5" cement retainer at 500'. Sting out of the CR and circulate well clean with water. Sting into the CR and establish a rate into the coal zones. Mix and pump 50 sxs **Class B cement with 18% salt** (200% excess); squeeze all the cement under the CR to fill the coal zones with cement. Sting out of the CR and reverse circulate the well clean.
10. If the CBL indicates the 4.5" X 7" casing annulus cement top lower than at the surface, then modify the following cement plug as appropriate. Attempt to pressure test the bradenhead annulus to 500# if the TOC is below 94'. It may be necessary to perforate and squeeze cement into the BH annulus.
11. **Plug #3 (500' to Surface)**: With the open ended drill pipe just above the CR, establish circulation to surface. Mix 40 sxs **Class B cement with 18% salt** (25% excess) and spot a balanced plug inside the casing above CR to surface, circulate good cement out the casing vale. TOH and LD drill pipe. Shut in well and WOC. Tag cement.
12. ND the BOP and wellhead. Cut off the 7" casing below ground level. Fill the annulus as necessary. Install the P&A marker. RD and MOL. Cut off anchors and clean up the location.

Mayre #90

Current

Basin Fruitland Coal

805' FSL & 1490' FWL, Section 31, T-30-N, R-14-W, San Juan County, NM

API #30-045-28291

Today's Date: 3/1/05

Spud: 12/10/90

Completed: 7/7/93

Elevation: 5325' GL

9.875" hole

Circulated 1/2 bbl Cement to Surface

7" 20#, J-55 Casing set @ 97'
Cement with 47 cf, Circulated to Surface

Fruitland Top @ 304'

Fruitland #9 Seam @ 560' to 570'

Fruitland Coal Perforations:

561, 562, 563, 564, 565,

604, 605, 606, 607, 608,

Fruitland #8 Seam @ 643' to 657'

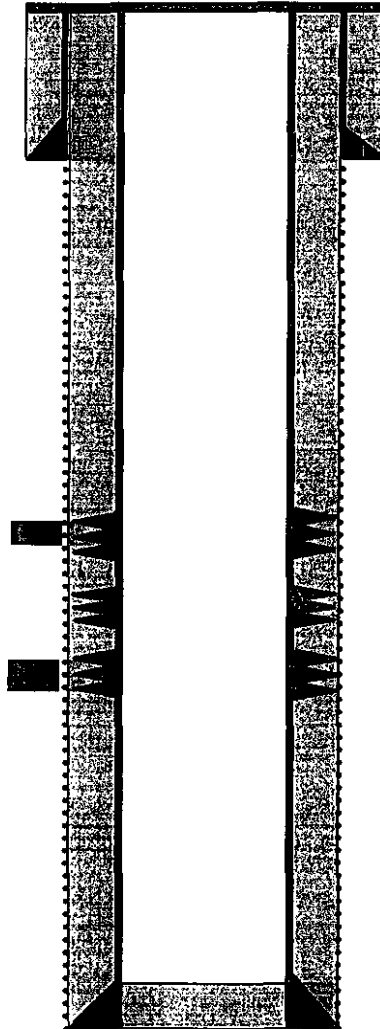
644, 645, 646, 647, 648, 649,
650, 651, 652, 653, 654, 655'

Pictured Cliffs @ 670'

6.25" Hole

4.5" 11.6#, J-55 Casing set @ 748'
Cement with 94 cf,
Reported that 1/2 bbl cement
circulated to surface.

TD 760'
PBTD 699'



Mayre #90
Proposed P & A
 Basin Fruitland Coal

805' FSL & 1490' FWL, Section 31, T-30-N, R-14-W, San Juan County, NM
 API #30-045-28291

Today's Date: 3/1/05
 Spud: 12/10/90
 Completed: 7/7/93
 Elevation: 5325' GL

Fruitland Top @ 304'

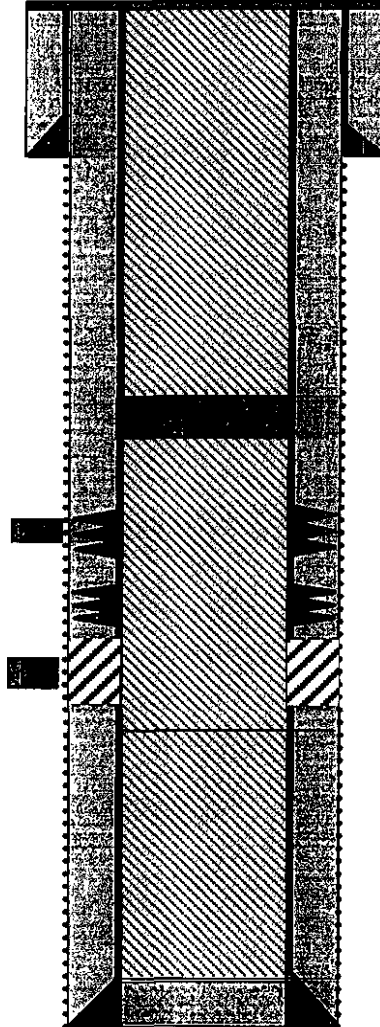
Fruitland #9 Seam @ 560' to 570'

Fruitland #8 Seam @ 643' to 657'

Pictured Cliffs @ 670'

9.875" hole

6.25" Hole



TD 760'
 PBTD 699'

Circulated 1/2 bbl Cement to Surface

7" 20#, J-55 Casing set @ 97'
 Cement with 47 cf, Circulated to Surface

Plug #3: 500' - Surface
 Cement with 40 sxs
 Class B with 18% salt.

Set Cmt Ret @ 500'

Plug #2: 661' - 500'
 Cement with 50 sxs
 Class B with 18% salt.

Fruitland Coal Perforations:

561, 562, 563, 564, 565',

604, 605, 606, 607, 608',

644, 645, 646, 647, 648, 649',
 650, 651, 652, 653, 654, 655'

Mill Casing
From 634' to 661'

Plug #1: 699' - 660'
 Cement with 10 sxs
 Class B with 18% salt.

4.5" 11.6#, J-55 Casing set @ 748'
 Cement with 94 cf,
 Reported that 1/2 bbl cement
 circulated to surface.