

AUG 2 1964

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DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Nos. III, VII, VIII, IX, XI, XIV on Form C-108

Dugan Production Corp.
P.O. Box 420
Farmington, New Mexico 87499-0420

III. A. Injection Well Information:

1. West Bisti Unit No. 127 (30-045-05684)
1980' FNL & 1980' FEL
28-26N-13W
2. 9-5/8" 25.4 lb. set @ 214' in 13-3/4" hole. Cemented with 175 sks.
"Regular" + 2% CaCl₂. Circulated to surface.

5-1/2" 14 and 15.5 lb. set @ 5201' in 7-7/8" hole. Cemented with 100
sks. + 3% gel. Cement top @ 4400' by temperature survey.
3. Tubing will be 2-3/8" 4.7 lb. EUE 8rd., plastic lined. Setting depth will
be +-4975'.
4. Packer will be a Baker Model AD-1, plastic coated internally and externally.
Setting depth will be +-4975'

III. B. Formation Information:

1. Gallup Sandstone. Bisti Lower Gallup Field.
2. Injection interval perforated 5028-5048.
3. Originally drilled as a production well.
4. There are no other zones perforated in this well.
5. Next highest production zone: Pictured Cliffs - 1343'
Next lower production zone: Dakota - 5700' (estimate).

VII. Data on Proposed Operation:

1. Average daily injection rate is expected to be 400 bwpd,
with a maximum rate expected to be 1,000 bwpd.
2. The system is closed.

3. The average injection pressure will be 650 psi, with a maximum of 1006 psi.
4. Injected water will be produced from the Gallup and Fruitland Coal formations and re-injected into the Gallup formation. An analysis of the water to be injected is included as Attachment VII – 1. This water is compatible with the Gallup formation.
5. This is not a disposal well.

VIII Geological Information:

Injection will be into the Gallup sandstone. Top of the Gallup is at 4938' with a total thickness of 240'. The Ojo Alamo is a possible source of drinking water. It is near the surface and is located behind the surface casing.

IX Stimulation:

No stimulation is proposed.

XI Fresh Water Analysis:

There are no active water wells in the area.

XIV Proof in Notice:

Attached are copies of the certified mail receipts notifying The Navajo Tribe as surface owner and offset lease owners. A copy of the letter provided is attached.

A certified copy of the legal notice published in The Farmington Daily Times is attached.

DUGAN PRODUCTION CORP.

DATA ON WELLS OFFSET TO WEST BIST1 UNIT NO. 127
No. VI on Form C-108

WELL	LOCATION	TYPE	DRILLED	DEPTH	DATA
WBU 124	660' FML & 660' FEL 28-26N-13W	PRODUCER	6-57	5176	<p>9-5/8" 25.4 LB. CASING @ 214' - CEMENTED W/ 200 SKS. - CIRCULATED TO SURFACE.</p> <p>5 1/2" 14 LB. CASING @ 5176' - CEMENTED W/ 100 SKS. + 3% GEL. CEMENT TOP @ 4600' BY TEMPERATURE SURVEY</p> <p>GALLUP PERFORATED 5020-30; 5070-86 SAND-OIL FRAC W/ 25,000 GAL. OIL & 30,000 LB. SAND. RE-FRAC 76,250 GAL. WATER & 131,000 LB. SAND</p>
WBU 123	660' FML & 1980' FML 28-26N-13W	PRODUCER	4-57	5229	<p>9-5/8" 25.4 LB. CASING @ 214' - CEMENTED W/ 175 SKS. - CIRCULATED TO SURFACE.</p> <p>5 1/2" 14 LB. CASING @ 5229' - CEMENTED W/ 100 SKS. + 3% GEL. CEMENT TOP @ 4600' BY TEMPERATURE SURVEY</p> <p>GALLUP PERFORATED 5080-99. SAND-OIL FRAC W/ 50,000 GAL. OIL & 50,000 LB. SAND</p>
WBU 141	660' FSL & 1980' FEL 28-26N-13W	PRODUCER	4-57	5122	<p>9-5/8" 25.4 LB. CASING @ 214' - CEMENTED W/ 200 SKS. - CIRCULATED TO SURFACE.</p> <p>5 1/2" 14 LB. CASING @ 5229' - CEMENTED W/ 100 SKS. + 3% GEL. CEMENT TOP @ 4400' BY TEMPERATURE SURVEY</p> <p>GALLUP PERFORATED 4994-5008; 5026-34; 5040-44; 5052-66. SAND-OIL FRAC W/ 7700 GAL. OIL & 1500 LB. SAND.</p>
WBU 132	1980' FML & 660' FEL 28-26N-13W	PRODUCER (TA)	3-57	5114	<p>9-5/8" 25.4 LB. CASING @ 214' - CEMENTED W/ 200 SKS. - CIRCULATED TO SURFACE.</p> <p>5 1/2" 14 LB. CASING @ 5114' - CEMENTED W/ 100 SKS. + 3% GEL. CEMENT TOP @ 4365' BY TEMPERATURE SURVEY</p> <p>GALLUP PERFORATED 5026-38; 4968-88. SAND-OIL FRAC W/ 20,000 GAL. OIL & 20,000 LB. SAND.</p> <p>CAST IRON BRIDGE PLUG SET @ 4918 W/ 29.5 CU. FT. CEMENT ON TOP. PACKER FLUID SPOTTED ABOVE CEMENT.</p>

DUGAN PRODUCTION CORP.

DATA ON WELLS OFFSET TO WEST BISTI UNIT NO. 127

No. VI on Form C-108

WELL	LOCATION	TYPE	DRILLED	DEPTH	DATA
WBU 129	1980' FSL & 1980' FWL 28-26N-13W	PRODUCER	5-57	5174	9-5/8" 25.4 LB. CASING @ 214' - CEMENTED W/ 200 SKS. - CIRCULATED TO SURFACE. 5 1/2" 14 LB. CASING @ 5174' - CEMENTED W/ 100 SKS. + 3% GEL. CEMENT TOP @ 4400' BY TEMPERATURE SURVEY GALLUP PERFORATED 5038-54; 5072-80; 5096-5110. SAND-OIL FRAC W/ 40,000 GAL. OIL & 40,000 LB. SAND. RE-FRAC PERFORATIONS 5038-54 W/ 30,000 GAL. WATER & 30,000 LB. SAND.

WELL	LOCATION	TYPE	DRILLED	DEPTH	DATA
WBU 128	1980' FWL & 660' FWL 28-26N-13W	I.A	5-57	5200	9-5/8" 25.4 LB. CASING @ 214' - CEMENTED W/ 200 SKS. - CIRCULATED TO SURFACE. 5 1/2" 14 LB. CASING @ 5200' - CEMENTED W/ 100 SKS. + 3% GEL. CEMENT TOP @ 4500' BY TEMPERATURE SURVEY GALLUP PERFORATED 5074-92. FRACTURED WITH 12,098 GAL. LEASE OIL AND 5,000 LB. 10-20 SAND.

WELL	LOCATION	TYPE	DRILLED	DEPTH	DATA
WBU 126	1980' FWL & 60' FWL 27-26N-13W	PRODUCER	PRODUCER	5165	9-5/8" 25.4 LB. CASING @ 214' - CEMENTED W/ 200 SKS. - CIRCULATED TO SURFACE. 5 1/2" 14 LB. CASING @ 5164' - CEMENTED W/ 100 SKS. + 3% GEL. CEMENT TOP @ 4660' BY TEMPERATURE SURVEY GALLUP PERFORATED 5024-34. FRACTURED WITH 29,476 GAL. LEASE OIL AND 30,000 LB. 10-20 SAND AND 30,000 LB. 20-40 SAND. PERFORATED GALLUP 4970-90.

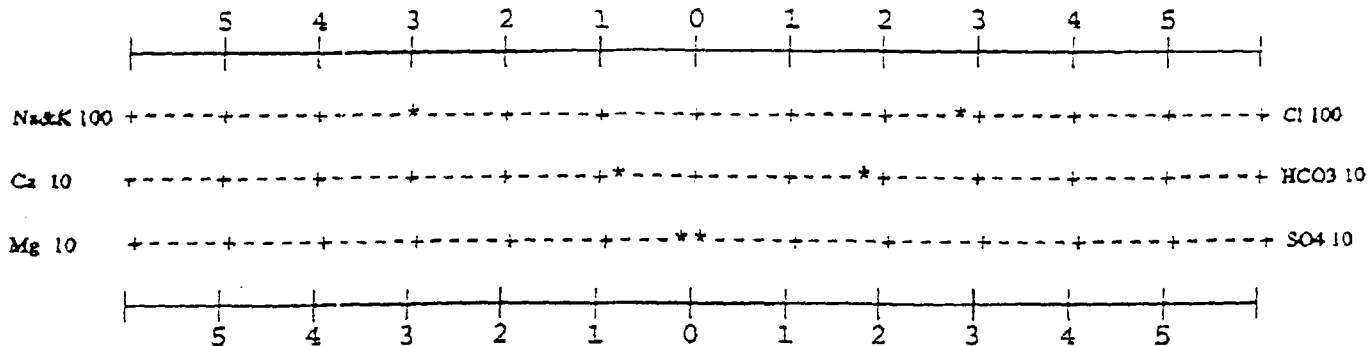
FARMINGTON LAB

DEPTH:
DATE SAMPLED: 09/27/99
DATE RECEIVED: 09/28/99
COUNTY: SAN JUAN STATE: NM
FORMATION:

WBU WTR INJECTION PLANT
Sample date: 9/27/99

SPECIFIC GRAVITY:	1.010	@ 66°F	PH:	7.43
RESISTIVITY (MEASURED):	0.440	ohms @ 66°F		
IRON (FE++) :	3 ppm	SULFATE:		0 ppm
CALCIUM:	167 ppm	TOTAL HARDNESS		515 ppm
MAGNESIUM:	24 ppm	BICARBONATE:		1,063 ppm
CHLORIDE:	10,180 ppm	SODIUM CHLORIDE(Calc)		16,745 ppm
SODIUM+POTASS:	9,134 ppm	TOT. DISSOLVED SOLIDS:		20,892 ppm
IODINE:		POTASSIUM:		23 ppm

STIFF TYPE PLOT (IN MEQ/L)



ANALYST

M. LOGAN

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mandy Resource
P.O. Box 338
Laguard, Co.
81137

A. Received by (Please Print Clearly)		B. Date of Delivery	
C. Signature		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No	
X <i>Mandy Resource</i>		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
If YES, enter delivery address below:			
3. Service Type			
<input checked="" type="checkbox"/> Certified Mail		<input type="checkbox"/> Express Mail	
<input type="checkbox"/> Registered		<input type="checkbox"/> Return Receipt for Merchandise	
<input type="checkbox"/> Insured Mail		<input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes			

2. Article Number (Copy from service label)
P 358 644 662

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SG Contacts
1331 Lamar St. Ste 501
Houston, TX
77210-3026

A. Received by (Please Print Clearly)		B. Date of Delivery	
C. Signature		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No	
X <i>SG Contacts</i>		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
If YES, enter delivery address below:			
3. Service Type			
<input checked="" type="checkbox"/> Certified Mail		<input type="checkbox"/> Express Mail	
<input type="checkbox"/> Registered		<input type="checkbox"/> Return Receipt for Merchandise	
<input type="checkbox"/> Insured Mail		<input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes			

2. Article Number (Copy from service label)
P 358 644 661

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Little Oil & Gas
P.O. Box 1258
Farm. NW.
87445

A. Received by (Please Print Clearly)		B. Date of Delivery	
C. Signature		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No	
X <i>Cheri White</i>		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
If YES, enter delivery address below:			
3. Service Type			
<input checked="" type="checkbox"/> Certified Mail		<input type="checkbox"/> Express Mail	
<input type="checkbox"/> Registered		<input type="checkbox"/> Return Receipt for Merchandise	
<input type="checkbox"/> Insured Mail		<input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes			

2. Article Number (Copy from service label)
P 358 644 663

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BIA
Box 1000
Gallup

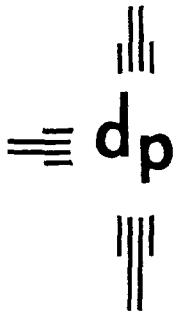
A. Received by (Please Print Clearly)		B. Date of Delivery	
C. Signature		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No	
X <i>James D. Hanson</i>		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
If YES, enter delivery address below:			
3. Service Type			
<input type="checkbox"/> Certified Mail		<input type="checkbox"/> Express Mail	
<input type="checkbox"/> Registered		<input type="checkbox"/> Return Receipt for Merchandise	
<input type="checkbox"/> Insured Mail		<input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes			

2. Article Number (Copy from service label)
P 358 631 232

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789



dugan production corp.

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
P 358 644 663

COPY

8/10/2000

Little Oil and Gas
P.O. Box 1258
Farmington, NM 87499

Re: Conversion of West Bisti Unit 127 to Waterflood Injection Service

Gentlemen:

This is your notification, as offsetting operator, that Dugan Production Corp. has applied to the New Mexico Oil Conservation Division for conversion of the West Bisti Unit No. 127, from Gallup formation oil producer to Gallup formation waterflood injection well. The well is located at 1980' fml & 1980' fel S.28-Twn.26N-Rng.13W, San Juan Co., NM. The same interval currently used for production will be used as the injection interval. A copy of the application is attached. You must notify the NMOCD at 2040 S. Pacheco St., Santa Fe, NM 87505 within 15 days if you object to this application.

Sincerely Yours,

John Alexander
Vice President

Attachment

Attachment XIV-Page 2
Dugan Production Corp.
App. to Convert WBU 127
to Injection Service

AFFIDAVIT OF PUBLICATION

Ad No. 43215

STATE OF NEW MEXICO
County of San Juan:

Alethia Rothlisberger, being duly sworn says: That she is the Classified Advertising Manager of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meeting of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication on the following day(s):

Thursday, August 10, 2000

And the cost of the publication is \$16.23 ,

Alethia Rothlisberger

ON 8/15/2000 Alethia Rothlisberger appeared before me, whom I know personally to be the person who signed the above document.

Danney L. Shade
My Commission Expires April 10, 2004

COPY OF PUBLICATION

918

Legals

LEGAL NOTICE

Dugan Production Corp., P.O. Box 420, Farmington, NM 87401 (505-325-1821, John Alexander) has made application to The New Mexico Oil Conservation Division to convert the West Bisti Unit No. 127 to water injection service. The well is located 1980' fnl & 1980' fel, S.28-T.26N-R. 13W, San Juan Co., NM. Injection interval is the Gallup formation from 5028' to 5048'. Maximum pressure is to be 1006 psi. Maximum injection rate is 1000 bwpd. Objecting parties must file written notice with the NMOCD at 2040 S. Pacheco St., Santa Fe, NM 87505 within 15 days.

Legal No. 43215 published in The Daily Times, Farmington, New Mexico, Thursday, August 10, 2000.

Attachment XIV-Page 3
Dugan Production Corp.
App. to Convert WBU 127
to Injection Service